Bifox Limited

ABN 61 004 287 790

Annual Report - 30 June 2023

Bifox Limited
Corporate directory
30 June 2023

Directors	Timothy Koster (Executive Director) Mark Sumner (Non-Executive Director) Ernesto Lima (Executive Director)
Registered office	Level 7, 92 Pitt Street Sydney, NSW, 2000
Principal place of business	Level 7, 92 Pitt Street Sydney, NSW, 2000 Tel: +61 2 9236 4000 Email: tim.koster@bifox.com.au
Auditor	RSM Australia Partners Level 13 60 Castlereagh Street Sydney, NSW, 2000
Solicitors	Doorkeeper Legal Level 7, 92 Pitt Street Sydney, NSW, 2000
Share Register	Advanced Share Registry Services Ltd 110 Stirling Highway Nedlands WA 6009
Internet Address	www.bifox.com.au

Bifox Limited
Directors' report
30 June 2023

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Bifox Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

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

Mark Sumner
Timothy Koster
Ernesto Lima - appointed on 12 December 2022

Principal activities
Bifox's principal activity relates to developing a portfolio of phosphate exploration and exploitation projects in Chile with a phosphate production plant located in Caldera, Atacama Region North of Chile, ready to produce phosphate rock at 20% plus of P2O5, for use as a direct application fertiliser.

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

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $2,415,233 (30 June 2022: $2,899,031).

Significant changes in the state of affairs
The Company has the continued support of significant shareholders and has raised additional share capital of $6,244,860 in the 2023 financial year and $14,061,951 subsequent to 2023 financial year.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
The Company has issued a further $14,061,951 in share capital subsequent to 2023 financial year up to the date of this report.

On 19 July 2023 Bifox was granted mining exploitation rights for Selaqueos Caldera tenements as part of the Paleontological Base Line approval from Consejo De Monumentos ("CMN") ("Council of National Monuments Chile").

Subsequently Bifox has been asked to limit production whilst a CMN agreement amendment has been undertaken redefining the CMN Paleontological Handling Plan process and Bifox's mining exploitation phosphate production permitting at the Selaqueos Caldera site.

On 10 January 2024, the Group reached an agreement with Chilean vendors to reduce the remaining amount to be settled to US$5,000,000 for tenements related to Bahia Inglesa project. Upon the signing of the amendment, the Group paid US$300,000. The remaining balance of the vendor settlement payment of US$4,700,000 payable in 2 equal instalments of 2,350,000 has been extended from February and March 2024 whilst Bifox obtains the new CMN related permitting for Bifox production at the Selaqueos Caldera site.

On 11 March 2024, The Group has resolved to issue 3,944,476 and 7,060,031 shares for repayment of the outstanding director fees payable from 2014 to June 2024 to Mark Sumner and from 2014 to August 2023 to Tim Koster.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

The Company is regulated by The Mining Code (Law No. 18,248) and its Regulations (Decree No. 1/1989), which establishes the regulation of the mining activity and in particular, mineral exploration, exploitation, and benefit. The Chilean leased tenements had environmental issues with the Chilean Government and the Company acted on behalf of the lessor who was in breach of some environment regulations in relation to exploration of an area of paleontological significance. The matter with the Chilean Authorities has now been resolved and an agreement reached and signed on 31 January 2020. The outcome was a payment of $1,000,000 to the Paleontological Research Corporation and an ongoing commitment of $250,000 per annum for 10 years for research and enhancement of the paleontological site. In addition, there has been 2,298 hectares excluded to be mined out of 25,358 hectares.

Information on directors

Name:	Mark Sumner
Title:	Non-Executive Director
Experience and expertise:	Mr Sumner is the founder of Kiwanda Group LLC (“Kiwanda Group”). Prior to founding the Kiwanda Group in 2008, he was an investment specialist at Madison Avenue Financial Group, a private wealth boutique with approximately $220 million in assets under management. Since 2008, Mr Sumner has been the Managing Director of the Kiwanda Group. As Managing Director of the Kiwanda Group, he has arranged private and public equity investments into oil, natural gas, gold, zinc/lead, iron ore and gold projects in Asia, South America and Sub-Saharan Africa. Mr Sumner has held no other Directorships in public listed companies in the last three years.
Special responsibilities:	None.
Name:	Timothy Koster
Title:	CEO and Executive Director
Experience and expertise:	Mr Koster is an investment banking and business development professional with over 30 years of experience. He has a strong track record of establishing, financing and developing investment and operational businesses. Mr Koster established Azure Water and Energy Infrastructure Fund focused on Middle East water and energy utility assets. He also established Convergence Capital, a structured finance and business development investment bank, based in Australia and the Dubai International Finance Centre. He has funded several acquisitions and divestments of mining assets in Australia and China. Mr Koster has held no other Directorships in public listed companies in the last three years.
Special responsibilities:	None.
Name:	Ernesto Lima
Title:	COO and Executive Director
Experience and expertise:	Dr. Lima is a professional civil engineer with 26 years of experience in the mining industry. Ernesto graduated with a B.ASc. degree in Civil Engineering, holds an MBA degree and a PhD in Management. Mr. Lima, among others, developed the Las Cristinas gold mine project in Venezuela, the Pirquitas silver project in Argentina, Tucano gold project in Brazil, was General Manager of Business Development for Luna Gold, COO of Valor Resources, and more recently Director Project Development of Endeavour Silver. Ernesto’s expertise includes leading all stages of project development, including conceptual and detailed operational and economic studies, mine engineering, procurement, construction and commissioning. His strengths include project evaluation, safety performance, strategic analysis, team building and business. Mr. Lima has held no other Directorship in public listed companies in the last three years.
Special responsibilities:	None.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Mark Sumner	2	2	2	2	-	-
Timothy Koster	2	2	2	2	-	-
Ernesto Lima	2	2	2	2	-	-

Shares under option

The unissued ordinary shares of Bifox Limited under option as at 30 June 2023 are as follows:

	Issue date	Expiry date	Strike price	Number of options
Options granted	01/08/2020	01/08/2022	$0.25	300,000
Options granted	15/04/2021	15/04/2023	$0.25	5,026,176
Options granted	29/04/2021	29/04/2023	$0.25	1,100,000
Options granted	01/05/2021	01/05/2023	$0.25	200,000
Options Granted	01/11/2021	01/11/2023	$0.25	1,000,000
Options Granted	01/02/2022	01/02/2024	$0.25	2,572,000
Options Granted	15/04/2022	14/04/2024	$0.25	9,960,000
Options Granted	23/06/2022	22/06/2024	$0.25	140,000
Options Granted	01/07/2022	01/07/2024	$0.25	554,138
Options Granted	21/07/2022	21/07/2024	$0.25	600,000
Options Granted	22/07/2022	22/07/2024	$0.25	200,000
Options Granted	24/08/2022	24/08/2024	$0.25	2,960,000
Options Granted	02/09/2022	02/09/2024	$0.25	400,000
Options Granted	28/09/2022	28/09/2024	$0.25	1,300,000
Options Granted	04/10/2022	04/10/2024	$0.25	940,000
Options Granted	10/10/2022	10/10/2024	$0.25	2,340,000
Options Granted	13/10/2022	13/10/2024	$0.25	160,000
Options Granted	14/10/2022	15/10/2023	$0.25	800,000
Options Granted	14/10/2022	14/10/2024	$0.25	240,000
Options Granted	19/10/2022	19/10/2024	$0.25	1,200,000
Options Granted	25/10/2022	25/10/2024	$0.25	600,000
Options Granted	31/10/2022	31/10/2024	$0.25	12,000
Options Granted	15/11/2022	15/11/2024	$0.25	200,000
Options Granted	21/11/2022	21/11/2024	$0.25	100,000
Options Granted	30/11/2022	30/11/2024	$0.25	640,000
Options Granted	16/12/2022	16/12/2024	$0.25	1,100,000
Options Granted	19/12/2022	19/12/2024	$0.25	160,000
Options Granted	03/01/2023	03/01/2025	$0.25	84,000
Options Granted	31/01/2023	31/01/2025	$0.25	740,000
Options Granted	01/02/2023	01/02/2025	$0.25	563,680
Options Granted	06/02/2023	06/02/2025	$0.25	2,616,000
Options Granted	07/02/2023	07/02/2025	$0.25	200,000
Options Granted	10/02/2023	10/02/2025	$0.25	200,000
Options Granted	10/03/2023	10/03/2024	$0.25	1,031,680
Options Granted	10/03/2023	10/03/2025	$0.25	348,000
Options Granted	22/03/2023	22/03/2025	$0.25	400,000
Options Granted	28/03/2023	28/03/2025	$0.25	49,450
Options Granted	29/03/2023	29/03/2025	$0.25	800,000
Options Granted	05/05/2023	05/05/2025	$0.25	500,000
Options Granted	06/05/2023	06/05/2024	$0.25	3,812,000
Options Granted	06/05/2023	06/05/2025	$0.25	1,800,000
Options Granted	09/05/2023	09/05/2025	$0.25	100,000
Options Granted	15/05/2023	15/05/2025	$0.25	200,000

	Issue date	Expiry date	Strike price	Number of options
Options Granted	17/05/2023	17/05/2025	$0.25	1,769,912
Options Granted	23/06/2023	23/06/2025	$0.25	600,000
Balance at 30 June 2023				**50,619,036**

Shares issued on the exercise of options
There were 3,516,591 shares of Bifox Limited issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

Directors' interests
The relevant interest of each Director in the share capital as notified by the Directors to the Australian Securities Exchange in accordance with s205G(1) of the *Corporations Act 2001*, at the date of this report is as follows:

	Fully Paid Ordinary Shares
Mark Sumner	1,640,419
Tim Koster	1,072,000
Total	**2,712,419**

Indemnification and insurance of directors and officers
The Company has agreed to indemnify the current Directors and Officers against any liability (other than the Company or related body corporate) that may arise from their position as Directors and Officers of the Company except where the liability arises out of conduct involving a lack of good faith. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Bifox has not provided any insurance or indemnity to the auditor of the Company.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

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.

Auditor
RSM Australia Partners continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors

Tim Koster
Director

25th of June 2024

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Bifox Limited for the year ended 30 June 2023, I declare that, 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

GNS

GARY N SHERWOOD
Partner

Sydney, NSW
Dated: 25 June 2024

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RSM Australia Partners ABN 36 965 185 036

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Bifox Limited
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General information

The financial statements cover Bifox Limited as a consolidated entity consisting of Bifox Limited and the entities it controlled at the end of, or during, the year.

Bifox Limited is an unlisted public Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 7, 92 Pitt Street
Sydney, NSW, 2000

A description of the nature of the consolidated entity'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 25th of June 2024. The directors have the power to amend and reissue the financial statements.

Bifox Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	Consolidated 2023 $	Consolidated 2022 $
Revenue	3	829,819	516,929
Cost of sales and other mine operating costs		(517,383)	(342,682)
Gross profit from mining operations		312,436	174,247
Other income		222,935	247,883
Foreign exchange gains/(loss)		207,986	(2,065,268)
Corporate and administration expenses	4	(1,723,916)	(872,645)
Rates, taxes and rental outgoings		(54,815)	(139,276)
Employee benefits expense		(941,864)	(112,133)
Exploration expenses		(48,263)	(83,617)
Depreciation expense		(100,328)	(39,222)
Finance expenses		(289,404)	(9,000)
Loss before income tax expense		(2,415,233)	(2,899,031)
Income tax expense	5	-	-
Loss after income tax expense for the year		(2,415,233)	(2,899,031)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(303,911)	(334,354)
Other equity		-	(12,000)
Other comprehensive loss for the year, net of tax		(303,911)	(346,354)
Total comprehensive loss for the year		(2,719,144)	(3,245,385)

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

Bifox Limited
Statement of financial position
As at 30 June 2023

	Note	Consolidated 2023 $	Consolidated 2022 $
Assets			
Current assets			
Cash and cash equivalents	6	133,274	53,392
Trade and other receivables	7	822,660	484,353
Inventories	10	-	456,661
Other assets	8	11,311	-
Total current assets		967,245	994,406
Non-current assets			
Exploration and evaluation expenditure	9	34,437,471	30,703,063
Property, plant and equipment	11	755,468	72,491
Total non-current assets		35,192,939	30,775,554
Total assets		36,160,184	31,769,960
Liabilities			
Current liabilities			
Trade and other payables	12	5,909,025	4,163,331
Borrowings	13	19,656,312	19,287,669
Provisions	14	-	14,260
Total current liabilities		25,565,337	23,465,260
Non-current liabilities			
Trade and other payables	12	2,254,726	2,404,884
Provisions	14	359,801	359,801
Total non-current liabilities		2,614,527	2,764,685
Total liabilities		28,179,864	26,229,945
Net assets		7,980,320	5,540,015
Equity			
Issued capital	15	83,171,250	78,011,801
Other equity	16	2,221,393	2,221,393
Reserves	17	129,955	433,866
Accumulated losses		(77,542,278)	(75,127,045)
Total equity		7,980,320	5,540,015

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

Bifox Limited
Statement of changes in equity
For the year ended 30 June 2023

Consolidated	Issued capital $	Reserves $	Other equity $	Accumulated losses $	Total equity $
Balance at 1 July 2021	76,938,255	768,220	2,233,393	(72,228,014)	7,711,854
Loss after income tax expense for the year	-	-	-	(2,899,031)	(2,899,031)
Foreign currency translation reserve movement (note 17)	-	(334,354)	-	-	(334,354)
Other equity (note 16)	-	-	(12,000)	-	(12,000)
Total comprehensive loss for the year	-	(334,354)	(12,000)	(2,899,031)	(3,245,385)
Transactions with owners in their capacity as owners:					
Shares issued during the year (note 15)	1,420,336	-	-	-	1,420,336
Share issue costs (note 15)	(346,790)	-	-	-	(346,790)
Balance at 30 June 2022	78,011,801	433,866	2,221,393	(75,127,045)	5,540,015

Consolidated	Issued capital $	Reserves $	Other equity $	Accumulated losses $	Total equity $
Balance at 1 July 2022	78,011,801	433,866	2,221,393	(75,127,045)	5,540,015
Loss after income tax expense for the year	-	-	-	(2,415,233)	(2,415,233)
Foreign currency translation reserve movement (note 17)	-	(303,911)	-	-	(303,911)
Total comprehensive loss for the year	-	(303,911)	-	(2,415,233)	(2,719,144)
Transactions with owners in their capacity as owners:					
Shares issued during the year (note 15)	6,244,860	-	-	-	6,244,860
Share issue costs (note 15)	(1,085,411)	-	-	-	(1,085,411)
Balance at 30 June 2023	83,171,250	129,955	2,221,393	(77,542,278)	7,980,320

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

Bifox Limited
Statement of cash flows
For the year ended 30 June 2023

	Note	Consolidated 2023 $	Consolidated 2022 $
Operating activities			
Receipts from customers		536,936	738,072
Payments to suppliers and employees		(1,822,377)	(1,163,694)
Interest (paid) and other income		(8,404)	(9,000)
Net cash used in operating activities	28	(1,293,845)	(434,622)
Investing activities			
Payments for property, plant and equipment	11	(770,809)	-
Payments for mining rights and exploration activities	9	(2,660,863)	(854,083)
Proceeds from disposal of property, plant and equipment		-	17,727
Proceeds from financial assets		-	28,500
Net cash used in investing activities		(3,431,672)	(807,856)
Financing activities			
Proceeds from issue of shares	15	5,009,289	1,130,233
Payments for share issue transaction costs		(203,890)	(107,455)
Repayment of borrowings		-	(714)
Net cash from financing activities		4,805,399	1,022,064
Net increase/(decrease) in cash and cash equivalents		79,882	(220,414)
Cash and cash equivalents at the beginning of the financial year		53,392	273,806
Cash and cash equivalents at the end of the financial year	6	133,274	53,392

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity 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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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

At 30 June 2023, the Group has net assets of $7,980,320. During the year ended 30 June 2023, the Group incurred a consolidated net loss before income tax of $2,415,233 and has net cash used in operating and investing activities of $1,293,845 and $3,431,672, respectively. As of that date the Group has a net current liability position of $24,598,092.

The ability of the Group to continue as a going concern is dependent on a number of factors, the most significant of which is raising additional capital or sourcing alternative funding. These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the Company and consolidated entity will be able to continue as going concern, after consideration of the following factors:

- As stated in note 30, on 19 July 2023 Bifox was granted mining exploitation rights for Selaqueos Caldera tenements as part of the Paleontological Base Line approval from Consejo De Monumentos ("CMN") ("Council of National Monuments Chile"). Subsequently Bifox has been asked to limit production whilst a CMN agreement amendment has been undertaken redefining the CMN Paleontological Handling Plan process and Bifox's mining exploitation phosphate production permitting at the Selaqueos Caldera site.
- On 10 January 2024, the Group reached an agreement with Chilean vendors to reduce the remaining amount to be settled to US$5,000,000 for tenements related to Bahia Inglesa project. Upon the signing of the amendment, the Group paid US$300,000. The remaining balance of the vendor settlement payment of US$4,700,000 payable in 2 equal instalments of 2,350,000 has been extended from February and March 2024 whilst Bifox obtains the new CMN related permitting for Bifox production at the Selaqueos Caldera site.
- The Company has the continued support of significant shareholders and has issued additional share capital of $6,244,860 in the financial year under review and further $14,061,951 since year end 30 June 2023. The Directors expect that the shareholders will continue to support the Company in the event any additional equity funding is required in the foreseeable future.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Note 1. Significant accounting policies (continued)

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information
In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 25.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:
- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:
- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the consolidated entity's accounting policies.

All intra-group transactions, balances, income and expenses and cash flows are eliminated in full on consolidation.

Foreign currency translation
The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Note 1. Significant accounting policies (continued)

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Impairment of non-financial assets
The carrying amounts of the Group’s non-financial assets, other than exploration and evaluation, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the ‘cash generating unit’).

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or am amortisation, if no impairment loss had been recognised.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 1. Significant accounting policies (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Management discusses with the Board of Directors the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates.

Fair value measurement hierarchy
The consolidated entity is required to classify all assets and liabilities, measured 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; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Acquisition on FCGPL Pty Limited and the Bahia Inglesa tenements
As stated in note 9 and note 24, during the financial year ended 30 June 2021 the shares in FCGPL Pty Ltd that were previously owned by Chris West, Tim Koster and Mark Sumner were transferred to Bifox Limited for nil consideration. FCGPL Pty Ltd owns 99% of the Bahia Inglesa tenements through its Chilean subsidiaries, Sociedad Contractual Minera Bahia Inglesa Limitada and Compania Minera de Fosfatos Naturales S.A., both of which are currently dormant companies. The directors have exercised their judgement in determining that this transaction is an asset acquisition rather than a business combination, and consequently the Company has recognised the asset value based on the excess of net liabilities in FCGPL Pty Limited in excess of the purchase consideration of nil. This decision was primarily based on the fact that the companies acquired were dormant companies holding assets that Bifox required for it mining operations. Whilst the shares were held by the Bifox Directors, Bifox was not considered to have control over FCGPL Pty Limited in the past and consequently these assets were only considered to be acquired at the time the shares were transferred to Bifox Limited.

Note 3. Revenue

	Consolidated	
	2023	**2022**
	$	**$**
Phosphate rock sales	829,819	516,929

Note 3. Revenue (continued)

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated 2023 $	Consolidated 2022 $
Major product lines		
Phosphate rock	829,819	516,929
Geographical regions		
Chile	829,819	516,929
Timing of revenue recognition		
Goods transferred at a point in time	829,819	516,929

Accounting policy for revenue recognition
The consolidated entity recognises revenue as follows:

Sale of goods
Revenue from the sale of goods is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

Revenues are recognised at fair value of the consideration received net of the amount of GST. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenue.

Note 4. Expenses

	Consolidated 2023 $	Consolidated 2022 $
Loss before income tax includes the following specific expenses:		
Corporate and administrative expenses		
Consultants and advisory expenses	275,525	71,641
Share registry and listing costs	14,465	12,790
Directors fees and salaries	679,732	630,626
Insurance expenses	28,296	18,727
Audit fees	73,000	51,973
Other administrative expenses	652,898	86,888
Total corporate and administrative expenses	1,723,916	872,645

Accounting policy for finance income and expenses
Finance income comprises interest income on funds invested, dividend income, and foreign currency gains that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, foreign currency losses and impairment losses recognised on financial assets that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method.

Note 5. Income tax

	Consolidated 2023 $	Consolidated 2022 $
Income tax expense comprises:		
Current income tax		
Current income tax charge/ (benefit)	-	-
Under/(over) recognition in the prior year	-	-
	-	-
Deferred tax		
Movement in temporary differences	-	-
Income tax expense	-	-
Reconciliation of prima facie income tax expense to income tax expense per the Consolidation Statement of Profit or Loss and Other Comprehensive Income		
Accounting losses before tax	(2,415,232)	(2,899,031)
Prima facie income tax expense at 30% (2022: 30%)	(724,570)	(869,709)
Non-deductible expenses	(53,213)	(57,658)
Recognition of previously unrecognised temporary difference	33,849	21,982
Deferred tax assets not recognised	743,934	905,385
Total income tax expense	-	-

Total available tax and capital losses to date amount to $59,761,089 (2022: $57,281,308). As at the date of this report, no deferred tax assets have been recognised as it is not yet considered sufficiently probable that future taxable profits will be generated in the appropriate jurisdictions to enable these to be utilised. The total deferred tax asset not recognised in relation to tax losses and timing differences are $18,394,126 (2022: $17,534,243).

Note 5. Income tax (continued)

Deferred tax assets and liabilities are attributable to the following:

	Consolidated 2023 $	Consolidated 2022 $
Deferred tax assets		
Tax losses	17,928,327	17,184,393
Other	208,165	153,948
Undeducted borrowing cost	52,123	52,123
Investments	17,473	17,473
Blackhole expenditure	191,431	126,306
Total deferred tax assets	18,397,519	17,534,243
Deferred tax liabilities		
Prepayments and other assets	(3,393)	-
Net deferred tax assets	18,394,126	17,534,243
Tax losses brought forward	(45,565,608)	(42,547,656)
Add: tax losses generated this year	(2,479,781)	(3,017,952)
Tax losses available to be carried forward	(48,045,389)	(45,565,608)
Tax brought forward	(11,715,700)	(11,715,700)
Add: Capital tax losses generated this year	-	-
Tax losses available to be carried forward	(11,715,700)	(11,715,700)
Total tax losses	(59,761,089)	(57,281,308)

Accounting policy for income tax
Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities that affects both accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax consolidation
The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Bifox Limited.

Note 5. Income tax (continued)

Current tax expense/benefit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated group and are recognised by the Company as amounts payable (receivable) to/(from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

Nature of tax funding arrangements and tax sharing arrangements
The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/(payable) equal in amount to the tax liability/(asset) assumed. The inter-entity receivables/ (payables) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity in conjunction with other members of the tax-consolidated group has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

Note 6. Cash and cash equivalents

	Consolidated	
	2023	**2022**
	$	**$**
Current assets		
Cash at bank and on hand	133,274	53,392

For the statement of cash flow presentation purpose, cash and cash equivalent comprise above.

Accounting policy for cash and cash equivalents
Cash and cash equivalents include cash on hand and cash at bank. For the statement of cash flow presentation purpose, cash and cash equivalents comprise cash on hand and cash at bank.

Note 7. Trade and other receivables

	Consolidated	
	2023	**2022**
	$	**$**
Current assets		
Trade receivables	424,287	305,869
Other receivables	398,373	178,484
	822,660	484,353

Note 7. Trade and other receivables (continued)

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Note 8. Other assets

	Consolidated 2023 $	Consolidated 2022 $
Current assets		
Prepayments	11,311	-

Note 9. Exploration and evaluation expenditure

	Consolidated 2023 $	Consolidated 2022 $
Non-current assets		
Option agreement - Bahia Inglesa (Chile)	1,932,416	1,932,416
CDE agreement cost capitalised (ii)	5,458,627	4,832,167
Exploration cost capitalised	4,810,625	2,078,465
Mining rights and tenements– Bahia Inglesa (Chile) (i)	21,466,199	21,090,411
Acquisition of Kiwanda Alliance (BVI) Inc and Andean Coal (BVI) (iii)	769,604	769,604
	34,437,471	30,703,063

(i) Mining rights and tenements– Bahia Inglesa (Chile)
During the prior year ended 30 June 2021 the shares in FCGPL Pty Ltd that were previously owned by Chris West, Tim Koster and Mark Sumner were transferred to Bifox Limited for nil consideration. FCGPL Pty Ltd owns 99% of the Bahia Inglesa tenements through its Chilean subsidiaries, Sociedad Contractual Minera Bahia Inglesa Limitada and Compania Minera de Fosfatos Naturales S.A., both of which are currently dormant companies. The directors have exercised their judgement in determining that this transaction is an asset acquisition rather than a business combination, and consequently the Company has recognised the asset value based on the excess of net liabilities in FCGPL Pty Limited in excess of the purchase consideration of nil.

Note 9. Exploration and evaluation expenditure (continued)

Lease agreement with an Option to purchase a mining concessions
On 12 December 2016 the Company executed a Lease Agreement with an Option to buy the Chilean mining concessions located in Bahia Inglesa. The leasers being Compania Minera de Fosfatos Naturales Limitada and Sociedad Contractual Minera Bahia Inglesa, were subsidiaries FCGPL Pty Limited which shares were previously owned by Chris West, Tim Koster and Mark Sumner who are/were Directors of the Company. As stated above, these shares were transferred to Bifox Limited for nil consideration in the year under review, however the liabilities in these companies now form part of the Bifox Group. The leasers are the owners of a phosphate mining site in Chile that includes certain mining properties and diverse assets that include a phosphate processing plant. The leasers lease their mining property and assets to the lessee and additionally compromise with the lessee to sell these goods, in exchange that the lessee realise certain payments and fulfill certain obligations. The lessee will have the exclusive right to explore, exploit, extract mineral and to freely use the mining equipment, processing equipment, machinery, plant and infrastructure currently associated with the Mining Property and all of the Assets, in the broadest manner and in the form and opportunity that it estimates appropriate.

The Leasers grant the Lessee an exclusive and irrevocable option to buy (the "Option") over: (i) the Mining Property, and (ii) all of the Assets included in the property. The Leasers irrevocably compromise to sell, cease and transfer said goods and all of the rights arising from those to the Lessee, in the form, conditions and modalities expressed in the following clauses.

It is clarified that for the Option to be exercised, it is necessary for both Parties to ensure to finalise the transfer of the goods provided in the Option.

On 1 June 2017, the Company terminated the agreement dated 12 December 2016 and executed a new Lease Agreement with an Option to buy the Chilean assets through its 100% subsidiary Fosfatos de Caldera SpA, in the same terms and conditions of the original agreement previous executed.

Rent of the Lease:
The Leasers will maintain the right of commercialisation and distribution of all the mineral produced or other substances extracted or produced from the Mining Properties until a period of ten (10) years from the date of the present agreement has lapsed.

The Leasers will acquire all of the product of the Lessee. Uniquely the first US$ 5 per metric tonne sold will be retained by the Leasers (in concept of commercialization fee). When the sale price exceeds US$ 150 per tonne (including the commercialization fee) any surplus in the sale price above US$ 150 will be split in equal parts between the Leasers and the Lessee.

The Leasers reserve the right to receive up to a cumulative production of 250.000 metric tonnes of phosphate rock in any form, in the manner and occasion that it solicits. This right subsists and will subsist for owners independently of the subscription and definitive execution of the contract of sale over the Leased Goods in the terms of the present instrument. The Leasers will pay the Lessee the real cost of production of the phosphate rock produced. The Lessee will put the product at the disposition of the Leasers at the mine

Conditions for the exercise of the option:
a) Fulfillment of the payments: The Lessee will be able to decide to exercise the Option as long as it is on schedule with the agreed payments in the lease agreement and all of the payments due under the Agreement for the Purchase of Shares and Social Rights and Contract of Sale of Mining Concessions both date 6th. December 2016 between FCGPL Pty Ltd and Kiwanda Chile S.A. (as a buyers) and Inversiones VPF SpA and others as sellers. Notice that FCGPL Pty Ltd was previously owned by Chris West, Tim Koster and Mark Sumner who are/were Directors of the Company. Kiwanda Chile S.A. The shares in FCGPL Pty Limited were transferred to Bifox Limited in the year under review.

In these contracts Compania Minera de Fosfatos Naturales Limitada and Sociedad Contractual Minera Bahia Inglesa take full control over the mining concessions located in Bahia Ingles in Chile.

Note 9. Exploration and evaluation expenditure (continued)

The following payment schedule was payable by FCGPL Pty Limited (99%) and Kiwanda Chile SA (1%):.

Date	USD	Comment
12/06/2016	750,000	Purchase price (at the date of execution the agreement)
03/06/2017	249,999	Purchase price (Q1)
06/06/2017	249,999	Purchase price (Q2)
09/06/2017	249,999	Purchase price (Q2)
12/06/2017	2,250,000	(*) First conditional increase to the price (Q4)
06/06/2018	1,850,000	(*) Second conditional increase to the price (Q6)
12/06/2018	8,149,999	(*) Third conditional increase to the price (Q8)
03/06/2019	150,001	(*) Third conditional increase to the price (Q9)
06/06/2019	150,001	(*) Third conditional increase to the price (Q10)
09/06/2019	150,001	(*) Third conditional increase to the price (Q11)
12/06/2019	2,000,001	(**) Eventual I increase to the price (3rd. anniversary)
	16,200,000	

The Company has, however, now finalised negotiations with the Chilean vendors of the Bifox tenements and both parties have agreed to a reduced settlement amount of $7,541,478 (US$5,000,000) as stated below.

Date	USD	Comment
10/01/2024	5,000,000	Final settlement amount reached between the Company and Chilean vendors

At 30 June 2023, the Company has paid to the lessors the amount of $1,850,777 (US$1,275,000) as a part of payment for the option to buy the Chilean mining assets.

The obligations above have been included in the Group's liabilities following the transfer of the shares in FCGPL Pty Limited by Chris West, Tim Koster and Mark Sumner in the year under review for nil consideration.

(*) Conditional increases
The Parties agree on the Conditional increases of the Purchase Price as per Q4 (First Conditional increase to Purchase Price), Q6 (Second Conditional increase to Purchase Price) and Q8 (Third Conditional increase to Purchase Price payable in 4 instalments from Q8 to Q11), and which will only be applicable, enforceable and payable, in the case that each of them fulfills with the following suspensory conditions:

The Parties agree that for the Sellers to have the right to receive the Conditional increases to the Purchase Price which will be accrued as agreed (i) the first of them 12 months from the date when the document is executed (Q4); (ii) the second of them 18 months from this date when the document is executed (Q6), and the third from 24 months from this date when the document is executed (in four instalments, in Q8,Q9,Q10, and Q11), should be accrued to the Buyers when each suspensive condition referred below are met , which will need to be verified 10 day prior to the expiry day of each respective period, as follows:

From the tenth day prior to the end of the period indicated for Q4, Q6 and Q8, the Sellers must demonstrate to the Buyers that the Average Reference Price to the corresponding date, P2014-15.9.17, P2014-15.3.18 and P2014-14.9.18 respectively, is greater than or equal to a fifth of the result of the product of a constant "beta" (β) and the minimum value PAAAA of the period from 1994 to 2013 (P1994, P1995, ... , P2013), hereinafter "Suspensive condition", as is indicated and explained as follows:

(i) Suspensory Condition for the first Conditional increase to the Purchase Price (Q4):
P2016-15.9.17 ≥ min { P1994, P1995, P1996, ... , P2013} x β/5

(ii) Suspensory Condition for the second Conditional increase to the Purchase Price (Q6) :
P2016-15.3.18 ≥ min { P1994, P1995, P1996, ... , P2013} x β/5

Note 9. Exploration and evaluation expenditure (continued)

(iii) Suspensory Condition for the third Conditional increase to the Purchase Price (Q8), valid for all the instalments (Q8, Q9, Q10 and Q11):
P2016-14.9.18 ≥ min { P1994, P1995, P1996, ... , P2013} x β/ 5

Where:
- PAAA: is the average Reference Price for the year AAAA (Average Annual Reference Price).
- PAAAA-D.M.Y : is the average of the Reference Prices for the period from the 1st on January of the year AAAA and the date D.M. Y (D: day, M: month, Y: year}, based on (i) The average annual Reference Price for the previous years to the date D/M/Y and (ii) the average Reference Price between the 1st of January of the year Y, and the date D.M.Y, considering in this last case the monthly average Reference Price.
- β: is a constant equal to 0,4576.

The Parties agree if the Suspensory Condition is met for the conditional increment of the Purchase Price Q8 and its related payment, then the same will be applicable for payments for Q9, Q10, Q11, without needing to meet again the respective Suspensory Condition.

While the Sellers do not demonstrate the respective Suspensory Condition they will have no right to charge the corresponding amount for the Conditional increase of the Purchase Price, as it corresponds. If the Sellers for any reason delay the accreditation of the fulfillment of the Suspensory Condition, the Buyers will not have to pay for this interests or any compensation to the Sellers. In the case that the Suspensory Conditions are not met in each of the cases then the Buyers will postpone the respective payment for the conditional increase until the date in which the corresponding Suspensory Condition is met.

The parties agree that the only way to validate the respective Suspensory Condition would be through a report which will be done by a Civil Engineer, who will ratify through his judgement that the Suspensory Condition indicated in this clause has been met in the respective cases.

For the prior, the Sellers should give the Buyers a copy of a report prepared by a Civil Engineer that contains the conclusions already marked. The designation of this engineer will be decided by the mutual agreement of the Parties and, in the case an agreement cannot be reached over who this engineer will be who will complete this report, this will then be designated by the Sellers. The appointment of mutual agreement will consist of the delivery of a list from the Sellers containing 3 engineers which will be sent to the Buyer's address disclosed in this contract, or another given for this purpose. The Buyers will have 10 consecutive days to respond. The response of the Buyers should be sent to the Seller's address stated on this contract or the one which has been given for this effect. If during this time, there is no communication between the Parties or if it is a negative communication against the 3 suggested names, the Sellers will unilaterally designate the engineer that will step into the role. The related cost to obtain and manage this report will be covered by the sellers.

(**) Eventual increase to Purchase price
Additionally, and subject to the reference price P205 exceeding US$667 per metric tonne on the third year counted from the date when the document is executed, the Buyers will pay the Sellers, only one time, by the concept of Eventual increase to purchase price, the sum of US$2,000,000 (two million dollars). In the case, circumstances allow for this payment, the Buyers will then have thirty business days, counted from the third year of this date, to make the payment. In the case, that on the third anniversary of this date there is no published Reference Price P205 then the last Reference Price P205 published before the third anniversary of this date.

This payment will not be realised, and the Sellers will have no right to receive it, in the case that the Reference Price P205 does not exceed US$667 per metric tonne on the third year from this date, as stated above.

b) Term to exercise the option: The Lessee will be able to decide to exercise the option, in the measure that this agreement allows, and only from (i) ninety (90) consecutive days lapsed after the 6th of December 2019, and (ii) in which moment the precautionary measures, mortgage and burdens have been lifted in a definitive form from the Mining Property and the Assets.

c) Lifting of precautionary measures: The Lessee will be able to decide to exercise the option, when the prohibition for the transfer of the Leased Goods has been lifted enacted in the trial rol N°5532-2004 del Segundo Juzgado de Letras en lo Civil de Copiapo, titled "Fisco de Chile con SCM Bahia Inglesa y Otros". The Parties acknowledge that they are aware that, in virtue of this trial, the Tribunal has declared a precautionary measure of prohibition of charge and transfer the Mining Property, as well as its respective effects.

Note 9. Exploration and evaluation expenditure (continued)

d) Price for the exercise of the option to buy:

(i) the Lessees will pay all of the costs, expenses and legal fees in relation to the solution, transaction and satisfactory finalisation of the following trials against the Leasers: (a) Juicio rol N°5532-2004 del Segundo Juzgado de Letras en lo Civil de Copiapo, titled "Fisco de Chile con SCM Bahia Inglesa y Otros"; and (b) Juicio rol C-147-2015, del Segundo Juzgado de Letras de Copiapo, titled "Fisco de Chile/ Cia. Mra. de Fosfatos Naturales"; and

(ii) additionally, the Lessee with pay the Leasers US$1,000 (one thousand American dollars) the moment of exercise of the Option and the transfer of the goods.

Surviving Obligations: The Parties declare that in the case the mentioned Option is exercised, said exercise will not extinguish the obligations of payment of royalties over the Mining Properties undertaken by the Leasers prior to the subscription to the present contract, but it will survive this, until the validity stated in the " Contract of Sale of Mining Concessions)' dated 6th of December 2016.

On 19 July 2023 Bifox was granted mining exploitation rights for Selaqueos Caldera tenements as part of the Paleontological Base Line approval from Consejo De Monumentos ("CMN") ("Council of National Monuments Chile").

Subsequently Bifox has been asked to limit production whilst a CMN agreement amendment has been undertaken redefining the CMN Paleontological Handling Plan process and Bifox's mining exploitation phosphate production permitting at the Selaqueos Caldera site.

On 10 January 2024, the Group reached an agreement with Chilean vendors to reduce the remaining amount to be settled to US$5,000,000 for tenements related to Bahia Inglesa project. Upon the signing of the amendment, the Group paid US$300,000. The remaining balance of the vendor settlement payment of US$4,700,000 payable in 2 equal instalments of 2,350,000 has been extended from February and March 2024 whilst Bifox obtains the new CMN related permitting for Bifox production at the Selaqueos Caldera site.

(ii) CDE agreement cost capitalised
This asset relates to the funding obligations in terms of a CDE agreement entered into on 31 January 2020 between the Company and The State Treasury of Chile. As part of the agreement, Bifox has funded the payment of US$1,000,000 to the Paleontological Research Corporation and US$156,250 in legal and other costs. Bifox is acting as a guarantor in terms of this agreement and is jointly responsible for a total commitment to fund US$250,000 per annum for 10 years for research, and enhancement of the paleontological site of Los Dedos located in the Comuna de Caldera, Region of Atacama and also paleontological assets and the species found during the mining activities in the area of the Project. This contribution may not be less than ten years. In addition, Bifox is obliged to allocate US$150,000 for the construction of the infrastructure destined for a transitory deposit for the paleontological material that will be recovered as a result of the activities. Other key terms of this agreement include the requirement for a Mortgage to be registered over the full Selaqueos 1 to 2000 area in favor of the Chilean Tax authority to guarantee any future commitments. The agreement also contains a clause forcing the exclusion of all mining activity, on 2,516 hectares of the as detailed in the plan forming part of the agreement.

Option to purchase a mining concession
On 17 January 2023 the Company executed an option agreement to purchase the Chilean mining concessions located between Caldera and Copiapo. The agreement is held by the Chilean subsidiary of Bifox Limited, Fosfatos Bahia Salada SpA.

The agreement has the option to exercise a purchase of mining rights within six months from the date of the contract.

If the option is exercised all the mining rights will be transfer to the Bifox Limited's subsidiary, Fosfatos Bahia Salada SpA, and the subsidiary will have an exclusive right to explore, exploit, extract mineral in the broadest manner and in the form and opportunity that it estimates appropriate.

(iii) Acquisition of Kiwanda Alliance (BVI) Inc and Andean Coal (BVI)
On 9 June 2016 the Company acquired 100% of Kiwanda Australia Pty Ltd which has 50% interest in Kiwanda Alliance (BVI) Inc. and 50% interest in Andean Coal (BVI) Ltd. The acquisition of assets by Kiwanda Australia Pty Ltd can be disregarded as Kiwanda Australia Pty Ltd was being used as a structuring vehicle to structure this transaction. The primary purpose of Kiwanda Alliance is to facilitate exploration, mining and sale of rock phosphate through its 100% subsidiary Kiwanda Chile S.A. in Bahia Inglesa located in north Chile and the Andean Coal primary purpose is to produce and operate coal deposits in Colombia.

Note 9. Exploration and evaluation expenditure (continued)

On 20 November 2020, the Company acquired the remaining 50% interest in Kiwanda Alliance (BVI) Inc. and Andean Coal (BVI) Ltd. At this date both companies and its subsidiaries were dormant companies. The directors have exercised their judgement in determining that this transaction is an asset acquisition rather than a business combination.

Details of the consideration are as follows:

	Shares/ options issued	Consideration $
Ordinary shares issued	13,935,237	422,100
Options to be issued	11,703,990	270,185
Contingent consideration (shares)	14,067,607	426,102
Contingent consideration (options)	12,441,250	287,204
Provision consideration	-	179,901
Promissory Notes not included in accounts	-	167,604
Contingent consideration not raised in accounting records	-	(983,492)
	52,148,084	769,604

Ordinary shares issued
The first instalment is the 50% of the Phosphate amount.

Contingent consideration
The second instalment which is the remaining 50% of the Phosphate amount includes Contingent shares, subject to the Company on the achievement of the following phosphate milestones: a) 50% of these contingent shares, upon achievement of phosphate milestone one, being the achievement of production of more than 2,000 tonnes of phosphate per month for three consecutive months. b) 50% of these contingent shares, upon completion of the drilling program on the Bahia Inglesa property identifying an Indicated Mineral Resource under JORC of not less than 40 million tonnes of phosphate.

Options to be issued
Issuance of one option to acquire one ordinary share in the Company for each Phosphate payment share issued (each such option being a “Phosphate Payment option”). Term of the options are: exercise period of each option shall be 3 years from the date of issue of the Phosphate payment option and shall be exercisable by the payment of $0.10 for the issue of one ordinary share by the Company. As at 30 June 2023 these options have not yet been issued to the relevant party.

Provision consideration
Net production royalty payable to Lara equal to 2% of the net value of all phosphate rock product produced and which will become payable once production exceeds 50,000 tonnes per annum. Once production exceeds 50,000 tonnes per annum, the royalty will be payable as a percentage of all tonnage produced, including the initial: 50,000 tonnes or the net cash equivalent.

Promissory Notes not included in accounts
Balance of Promissory notes owed to Lara Exploration Ltd not included in the accounts of the acquired companies.

Accounting policy for exploration and evaluation assets
Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only 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 recoverable reserves.

Initial recognition of exploration and evaluation expenditure is at cost. Where a concession is acquired at fair-value it is recognised at that value representing the cost to the Company. Subsequent recognition of expenses remains at cost. Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

Note 9. Exploration and evaluation expenditure (continued)

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Note 10. Inventories

	Consolidated 2023 $	Consolidated 2022 $
Current assets		
Raw material – Phosphate rock - at cost	-	456,661

Accounting policy for inventories
Inventories are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Cost is determined on the following basis:
Phosphate rock is valued at the average cost of mining and stockpiling the rock, including haulage.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 11. Property, plant and equipment

	Consolidated 2023 $	Consolidated 2022 $
Non-current assets		
Plant and equipment - at cost	5,775,023	4,626,718
Less: Accumulated depreciation	(5,489,801)	(4,560,179)
	285,222	66,539
Furnitures - at cost	9,299	-
Less: Accumulated depreciation	(1,272)	-
	8,027	-
Computer equipment - at cost	46,998	17,816
Less: Accumulated depreciation	(20,804)	(14,085)
	26,194	3,731
Software - at cost	11,045	11,045
Less: Accumulated depreciation	(9,257)	(8,824)
	1,788	2,221
Construction & infrastructure - at cost	1,582,511	951,922
Less: Accumulated depreciation	(1,148,274)	(951,922)
	434,237	-
	755,468	72,491

Note 11. Property, plant and equipment (continued)

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

Consolidated	Plant and equipment $	Computer equipment $	Software $	Construction & infrastructure $	Furnitures $	Total $
Balance at 1 July 2021	102,900	6,092	3,149	27,110	-	139,251
Disposals	(17,727)	-	-	-	-	(17,727)
Exchange differences	(9,775)	(36)	-	-	-	(9,811)
Depreciation expense	(8,859)	(2,325)	(928)	(27,110)	-	(39,222)
Balance at 30 June 2022	66,539	3,731	2,221	-	-	72,491
Additions	280,356	29,140	-	452,014	9,299	770,809
Exchange differences	12,482	14	-	-	-	12,496
Depreciation expense	(74,155)	(6,691)	(433)	(17,777)	(1,272)	(100,328)
Balance at 30 June 2023	285,222	26,194	1,788	434,237	8,027	755,468

Accounting policy for property, plant and equipment
Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3 to 5 years
Computer equipment	3 to 4 years
Software	4 years
Furnitures	4 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 12. Trade and other payables

	Consolidated 2023 $	Consolidated 2022 $
Current liabilities		
Trade payables	3,695,231	2,132,861
Other payables and accruals (i)	2,158,036	1,974,712
Placement funds received in advance	55,758	55,758
	5,909,025	4,163,331
Non-current liabilities		
Other payables and accruals (ii)	2,254,726	2,404,884

Current - other payables and accruals
(i) Includes amounts owed to the State Treasury of Chile. Current debt owed to 30 June 2023 is $1,330,289 (US$885,000). This also includes liabilities related to fixed assets acquired as part of the plant refurbishment process to increase production capacity. Majority of these liabilities have been extinguished by the date of this signed report.

Non-current - other payables and accruals
(ii) Includes amounts owed to the State Treasury of Chile, payable in the next 6 years. Non-current debt owed to 30 June 2023 is $2,254,726 (US$1,500,000). On 31 January 2020 the Company and The State Treasury of Chile formally executed the Bifox CDE agreement. As part of the negotiated settlement, Bifox has funded the payment of US$1,000,000 to the Paleontological Research Corporation and US$156,250 in legal and other costs. Bifox is acting as a guarantor in terms of this agreement and is jointly responsible for a commitment to fund and additional US$250,000 per annum for 10 years for research, and enhancement of the paleontological site of Los Dedos located in the Comuna de Caldera, Region of Atacama and also paleontological assets and the species found during the mining activities in the area of the Project. This contribution may not be less than ten years. In addition, Bifox is obliged to allocate US$150,000 for the construction of the infrastructure destined for a transitory deposit for the paleontological material that will be recovered as a result of the activities. Additional obligation of $235,000 have been committed to for a drilling programme. Other key terms of this agreement include the requirement for a Mortgage to be registered over the full Selaqueos 1 to 2000 area in favor of the Chilean Tax authority to guarantee any future commitments. The agreement also contains a clause forcing the exclusion of all mining activity, on 2,516 hectares of the as detailed in the plan forming part of the agreement.

The average credit period on purchases of goods and services is 30 days. No interest is generally charged or imposed on the trade payables for the first 30 days from the date of the invoice or thereafter. The consolidated entity has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Accounting policy for trade and other payables
Liabilities are recognised for amounts to be paid in the future for goods and services provided to the consolidated entity prior to the end of the reporting period and are stated at amortised cost. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 13. Borrowings

	Consolidated 2023 $	Consolidated 2022 $
Current liabilities		
Unsecured liabilities:		
Loan from related parties	63,760	-
Loan from third parties (i)	768,677	748,663
Vendor loans (ii)	18,823,875	18,539,006
Total borrowings	19,656,312	19,287,669

Note 13. Borrowings (continued)

Loan from third parties
(i) Debt owed to Lara Exploration for US$570,000 for the purchase of the phosphate assets in Chile. The amount is unsecured, interest free and payable on demand. The lender agreed to defer the repayment after IPO.

Vendor loans
(ii) The balance relates to the amount owed to the Chilean vendors by FCGPL Pty Limited (99%) and Kiwanda Chile SA (1%) for the Bahia Inglesa phosphate project. The balance at 30 June 2023 is $18,823,875 (US$12,924,999). See the table in note 9(i) for the orginal payment terms in relation to this balance. The balance does not bear any interest. As stated in note 30, on 19 July 2023 Bifox was granted mining exploitation rights for Selaqueos Caldera tenements as part of the Paleontological Base Line approval from Consejo De Monumentos ("CMN") ("Council of National Monuments Chile"). Subsequently Bifox has been asked to limit production whilst a CMN agreement amendment has been undertaken redefining the CMN Paleontological Handling Plan process and Bifox's mining exploitation phosphate production permitting at the Selaqueos Caldera site.

On 10 January 2024, the Group reached an agreement with Chilean vendors to reduce the remaining amount to be settled to US$5,000,000 for tenements related to Bahia Inglesa project. Upon the signing of the amendment, the Group paid US$300,000. The remaining balance of the vendor settlement payment of US$4,700,000 payable in 2 equal instalments of 2,350,000 has been extended from February and March 2024 whilst Bifox obtains the new CMN related permitting for Bifox production at the Selaqueos Caldera site.

Accounting policy for borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Interest-bearing borrowings
The financial assets and financial liabilities included in non-current assets and non-current liabilities approximate fair values. Fair value is calculated based on discounted expected future principal and interest cash flows.

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Note 14. Provisions

	Consolidated	
	2023	2022
	$	$
Current liabilities		
Employee benefits	-	14,260
Non-current liabilities		
Royalties	359,801	359,801

Provision for royalties:
A provision of $359,801 at 30 June 2023 has been recognised by the Company for royalties in respect of the acquisition of the Phosphate assets.

Accounting policy for provisions
A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Note 14. Provisions (continued)

Accounting policy for employee benefits

Short-term employee benefits
Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within twelve months of the reporting date represent present obligations resulting from employee's services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Termination benefits
Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Note 15. Issued capital

	Consolidated			
	2023 Shares	2022 Shares	2023 $	2022 $
Ordinary shares - fully paid	139,453,882	114,474,447	83,171,250	78,011,801

Movements in ordinary share capital

Details	Date	Shares	$
Balance	**1 July 2021**	**108,793,103**	**76,938,255**
Placement	30/08/2021	419,200	104,800
Placement	30/11/2021	300,000	75,000
Placement	28/02/2022	3,074,144	768,536
Placement	30/03/2022	600,000	150,000
Placement	30/04/2022	380,000	95,000
Placement	30/05/2022	600,000	150,000
Placement	30/06/2022	308,000	77,000
Less: transaction cost		-	(346,790)
Balance	**30 June 2022**	**114,474,447**	**78,011,801**
Placement	31/07/2022	702,138	175,535
Placement	31/08/2022	1,560,000	390,000
Placement	30/09/2022	700,000	175,000
Placement	31/10/2022	15,695,586	3,923,897
Placement	30/11/2022	1,016,000	254,000
Placement	31/12/2022	1,600,000	400,000
Reversal	18/01/2023	(12,231,586)	(3,057,897)
Placement	31/01/2023	2,318,315	579,579
Placement	28/02/2023	4,139,680	1,034,920
Placement	31/03/2023	1,800,600	450,150
Placement	30/04/2023	284,000	71,000
Placement	31/05/2023	6,573,912	1,643,478
Placement	30/06/2023	820,790	205,198
Less: transaction cost		-	(1,085,411)
Balance	**30 June 2023**	**139,453,882**	**83,171,250**

Note 15. Issued capital (continued)

The transaction costs are related to capital raising fees. Majority of these fees have been settled through the issue of Bifox Ltd shares.

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

Options
The unissued ordinary shares of Bifox Limited under option as 30 June 2023 are as follows:

	Issue date	Expiry date	Strike price	Number of options
Options granted	01/08/2020	01/08/2022	$0.25	300,000
Options granted	15/04/2021	15/04/2023	$0.25	5,026,176
Options granted	29/04/2021	29/04/2023	$0.25	1,100,000
Options granted	01/05/2021	01/05/2023	$0.25	200,000
Options Granted	01/11/2021	01/11/2023	$0.25	1,000,000
Options Granted	01/02/2022	01/02/2024	$0.25	2,572,000
Options Granted	15/04/2022	14/04/2024	$0.25	9,960,000
Options Granted	23/06/2022	22/06/2024	$0.25	140,000
Options Granted	01/07/2022	01/07/2024	$0.25	554,138
Options Granted	21/07/2022	21/07/2024	$0.25	600,000
Options Granted	22/07/2022	22/07/2024	$0.25	200,000
Options Granted	24/08/2022	24/08/2024	$0.25	2,960,000
Options Granted	02/09/2022	02/09/2024	$0.25	400,000
Options Granted	28/09/2022	28/09/2024	$0.25	1,300,000
Options Granted	04/10/2022	04/10/2024	$0.25	940,000
Options Granted	10/10/2022	10/10/2024	$0.25	2,340,000
Options Granted	13/10/2022	13/10/2024	$0.25	160,000
Options Granted	14/10/2022	15/10/2023	$0.25	800,000
Options Granted	14/10/2022	14/10/2024	$0.25	240,000
Options Granted	19/10/2022	19/10/2024	$0.25	1,200,000
Options Granted	25/10/2022	25/10/2024	$0.25	600,000
Options Granted	31/10/2022	31/10/2024	$0.25	12,000
Options Granted	15/11/2022	15/11/2024	$0.25	200,000
Options Granted	21/11/2022	21/11/2024	$0.25	100,000
Options Granted	30/11/2022	30/11/2024	$0.25	640,000
Options Granted	16/12/2022	16/12/2024	$0.25	1,100,000
Options Granted	19/12/2022	19/12/2024	$0.25	160,000
Options Granted	03/01/2023	03/01/2025	$0.25	84,000
Options Granted	31/01/2023	31/01/2025	$0.25	740,000
Options Granted	01/02/2023	01/02/2025	$0.25	563,680
Options Granted	06/02/2023	06/02/2025	$0.25	2,616,000
Options Granted	07/02/2023	07/02/2025	$0.25	200,000
Options Granted	10/02/2023	10/02/2025	$0.25	200,000
Options Granted	10/03/2023	10/03/2024	$0.25	1,031,680
Options Granted	10/03/2023	10/03/2025	$0.25	348,000
Options Granted	22/03/2023	22/03/2025	$0.25	400,000
Options Granted	28/03/2023	28/03/2025	$0.25	49,450
Options Granted	29/03/2023	29/03/2025	$0.25	800,000
Options Granted	05/05/2023	05/05/2025	$0.25	500,000
Options Granted	06/05/2023	06/05/2024	$0.25	3,812,000
Options Granted	06/05/2023	06/05/2025	$0.25	1,800,000
Options Granted	09/05/2023	09/05/2025	$0.25	100,000
Options Granted	15/05/2023	15/05/2025	$0.25	200,000
Options Granted	17/05/2023	17/05/2025	$0.25	1,769,912
Options Granted	23/06/2023	23/06/2025	$0.25	600,000

Note 15. Issued capital (continued)

	Issue date	Expiry date	Strike price	Number of options
Balance at 30 June 2023				**50,619,036**

Movements in options

Details	Issue date	Expiry date	Strike price	Number of options
Balance at 30 June 2021				**6,926,176**
Options Granted	01/11/2021	01/11/2023	$0.25	1,000,000
Options Granted	01/02/2022	01/02/2024	$0.25	2,572,000
Options Granted	15/04/2022	14/04/2024	$0.25	9,960,000
Options Granted	23/06/2022	22/06/2024	$0.25	140,000
Balance at 30 June 2022				**20,598,176**
Options Granted	01/07/2022	01/07/2024	$0.25	554,138
Options Granted	21/07/2022	21/07/2024	$0.25	600,000
Options Granted	22/07/2022	22/07/2024	$0.25	200,000
Options Granted	24/08/2022	24/08/2024	$0.25	2,960,000
Options Granted	02/09/2022	02/09/2024	$0.25	400,000
Options Granted	28/09/2022	28/09/2024	$0.25	1,300,000
Options Granted	04/10/2022	04/10/2024	$0.25	940,000
Options Granted	10/10/2022	10/10/2024	$0.25	2,340,000
Options Granted	13/10/2022	13/10/2024	$0.25	160,000
Options Granted (i)	14/10/2022		$0.25	800,000
Options Granted	14/10/2022	14/10/2024	$0.25	240,000
Options Granted	19/10/2022	19/10/2024	$0.25	1,200,000
Options Granted	25/10/2022	25/10/2024	$0.25	600,000
Options Granted	31/10/2022	31/10/2024	$0.25	12,000
Options Granted	15/11/2022	15/11/2024	$0.25	200,000
Options Reversal	01/12/2020	17/11/2022	$0.25	(100,000)
Options Granted	21/11/2022	21/11/2024	$0.25	100,000
Options Granted	30/11/2022	30/11/2024	$0.25	640,000
Options Granted	16/12/2022	16/12/2024	$0.25	1,100,000
Options Granted	19/12/2022	19/12/2024	$0.25	160,000
Options Granted	03/01/2023	03/01/2025	$0.25	84,000
Options Granted	31/01/2023	31/01/2025	$0.25	740,000
Options Granted	01/02/2023	01/02/2025	$0.25	563,680
Options Granted	06/02/2023	06/02/2025	$0.25	2,616,000
Options Granted	07/02/2023	07/02/2025	$0.25	200,000
Options Granted	10/02/2023	10/02/2025	$0.25	200,000
Options Granted (i)	10/03/2023		$0.25	1,031,680
Options Granted	10/03/2023	10/03/2025	$0.25	348,000
Options Granted	22/03/2023	22/03/2025	$0.25	400,000
Options Granted	28/03/2023	28/03/2025	$0.25	49,450
Options Granted	29/03/2023	29/03/2025	$0.25	800,000
Options Granted	05/05/2023	05/05/2025	$0.25	500,000
Options Granted (i)	06/05/2023		$0.25	3,812,000
Options Granted	06/05/2023	06/05/2025	$0.25	1,800,000
Options Granted	09/05/2023	09/05/2025	$0.25	100,000
Options Granted	15/05/2023	15/05/2025	$0.25	200,000
Options Granted	17/05/2023	17/05/2025	$0.25	1,769,912
Options Granted	23/06/2023	23/06/2025	$0.25	600,000

Note 15. Issued capital (continued)

Details	Issue date	Expiry date	Strike price	Number of options
Balance at 30 June 2023				**50,619,036**

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

(i) Options expire 12 months from future Initial Public Offering (IPO) date.

Ordinary shares
Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meeting each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Accounting policy for issued capital
Ordinary shares are classified as equity.

Note 16. Other equity

	Consolidated 2023 $	Consolidated 2022 $
Contribution to capital	2,221,393	2,221,393
Movements:		
At the beginning of the year	2,221,393	2,233,393
Shareholders loans relinquished	-	(12,000)
Balance at the end of the year	2,221,393	2,221,393

Contribution to capital
Contribution to capital includes shareholders loans that are no longer payable. The loans were treated as transactions with owners in their capacity as owners and consequently the transactions have been taken directly into the Statement of Changes in Equity rather than through the Statement of Profit or Loss and Other Comprehensive Income.

Note 17. Reserves

	Consolidated 2023 $	Consolidated 2022 $
Foreign currency reserve	(747,940)	(444,029)
Options reserve	983,492	983,492
Shareholder placement fee	(105,597)	(105,597)
	129,955	433,866

Note 17. Reserves (continued)

Movements:

Foreign currency reserve		
At the beginning of the year	(444,029)	(109,675)
Foreign currency translation	(303,911)	(334,354)
Balance at end of the year	(747,940)	(444,029)
Options reserve		
At the beginning of the year	983,492	983,492
Balance at end of the year	983,492	983,492
Shareholder placement fee		
At the beginning of the year	(105,597)	(105,597)
Balance at end of the year	(105,597)	(105,597)

Option reserve
The reserve is used to recognise contingent shares and options to be used subject to meet certain criteria arising from the acquisition of Kiwanda Alliance BVI (Inc) and Andean Coal (BVI). See note 9(iii).

Shareholder placement fee
The reserve is used to recognise placement fees for capital raising.

Foreign exchange reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Note 18. Dividends

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

Note 19. Key management personnel disclosures

Name and position held of key management personnel in office at any time during or since the end of the financial year.

Directors
The following persons were directors of Bifox Limited during the financial year:

Mark Sumner
Timothy Koster
Ernesto Lima - appointed on 12 December 2022

Other key management personnel
The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Mauricio Martinez, General Manager - Chile	(Resigned on 22 September 2022)
Daniel Eizmendi, General Manager - Chile	(Appointed on 1 October 2022)
Pablo Pussetto, Commercial Manager - Chile	(Appointed on 16 January 2023)

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2023	**2022**
	$	**$**
Aggregate compensation	1,450,283	873,482

Note 20. Share-based payments

Share options granted in the year
No options were granted to the Directors during the year ended 30 June 2023.

Movements in share options during the year
Share options have been issued as part of shares issuance to shareholders. Shareholders have been granted 1 option for every 1 share issued based on the individual agreements between the Company and the shareholders.

Note 21. Financial risk management and financial instruments

Overview
The Company and Group have exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk (including currency risk, equity price risk and interest rate risk)

This note presents information and quantitative disclosures about the Company and Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Company and Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company and Group's activities. The Company and Group, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk
Credit risk is the risk of financial loss to the Group and Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group and Company's cash and cash equivalents and trade and other receivables.

Exposure to credit risk
The carrying amounts of the Group's financial assets represent the maximum credit exposure and were as follows at the reporting date:

	Consolidated	
	2023	2022
	$	$
Current financial assets		
Cash and cash equivalents	133,274	53,392
Trade and other receivables	822,660	484,353
Total financial assets	955,934	537,745

The Group and Company's short term cash surpluses are placed with banks that have investment grade ratings. The Board analyses each new customer individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Considering the nature of the Group's ultimate customers and the relevant terms and conditions entered into with such customers, the Group believes that its credit risk exposure is limited.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient liquidity to meet expected operational expenses for a period of 180 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Note 21. Financial risk management and financial instruments (continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

	Carrying amount $	Contractual cash flows $	Within 1 year $	1 to 5 years $	Over 5 years $
2022					
Non-derivative financial liabilities					
Trade and other payables	6,935,397	-	4,163,331	1,741,401	1,030,665
Borrowings	19,287,669	-	19,287,669	-	-
	26,223,066	-	23,451,000	1,741,401	1,030,665
2023					
Non-derivative financial liabilities					
Trade and other payables	8,530,933	-	5,909,025	1,895,605	379,121
Borrowings	19,656,312	-	19,656,312	-	-
	28,187,245	-	25,565,337	1,895,605	379,121

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, equity prices and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk
At 30 June 2023, there are no financial instruments subject to interest rate risk.

	Weighted average interest rate %	Fixed interest maturing in: *1 year or less*	Fixed interest maturing in: *1 to 5 years*	Non-interest bearing	Floating interest rate	Total
2022						
Financial assets						
Cash and cash equivalents	-	-	-	53,392	-	53,392
Trade and other receivables	-	-	-	484,353	-	484,353
		-	-	537,745	-	537,745
Financial liabilities						
Trade payables	-	-	-	6,935,397	-	6,935,397
Borrowings - current	-	-	-	19,287,669	-	19,287,669
		-	-	26,223,066	-	26,223,066
2023						
Financial assets						
Cash and cash equivalents	-	-	-	133,274	-	133,274
Trade and other receivables	-	-	-	822,660	-	822,660
		-	-	955,934	-	955,934
Financial liabilities						
Trade payables	-	-	-	8,530,933	-	8,530,933
Borrowings - current	-	-	-	19,656,312	-	19,656,312
		-	-	28,187,245	-	28,187,245

Fair value sensitivity analysis for fixed rate instruments
The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates on fixed rate instruments at the reporting date would not affect profit or loss.

Note 21. Financial risk management and financial instruments (continued)

Cash flow sensitivity analysis for variable rate instruments
The Group doesn't account for any interest-bearing financial instruments during 2023 and 2022. Therefore, a change in interest rates would not affect cash flows.

Currency risk sensitivity analysis
The Consolidated entity is exposed to movements in US dollars and Chilean Pesos. The following details the Consolidated entity's sensitivity to a 10% increase and a 10% decrease in the Australian dollar against the relevant currencies.

	Consolidated	
	2023	2022
	$	$
AUD increase of 10% against USD and Chilean Pesos		
Profit or loss	40,413	82,257
AUD decrease of 10% against USD and Chilean Pesos		
Profit or loss	(49,393)	(100,537)

Capital management
The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of cash and cash equivalents, and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses as described in note 15 and note 17 to the financial statements. The Company is currently in the process of an equity capital raising to increase its liquid funds and this will enable the Company to continue as a going concern for the foreseeable future.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Fair values
The carrying amounts of financial assets and liabilities recognised in the consolidated financial statements approximate their fair values.

Note 22. Fair value measurement

Accounting policy for fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 23. Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %
FCGPL Pty Ltd	Australia	100.00%	100.00%
Kiwanda Australia Pty Ltd	Australia	100.00%	100.00%
Tectonic Management Pty Ltd	Australia	100.00%	100.00%
Tectonic Systems Pty Ltd	Australia	100.00%	100.00%
Andean Coal (BVI)	British Virgin Island	100.00%	100.00%
Kiwanda Alliance (BVI) Inc.	British Virgin Island	100.00%	100.00%
Compania Minera de Fosfatos Minerales S.A.	Chile	100.00%	100.00%
Fosfatos de Caldera SpA	Chile	100.00%	100.00%
Kiwanda Chile S.A.	Chile	100.00%	100.00%
Sociedad Contractual Minera Bahia Inglesa Limitada	Chile	100.00%	100.00%

Note 24. Related party transactions

Parent entity
Bifox Limited is the parent entity and the ultimate parent Company of the Group.

Subsidiaries
Interests in subsidiaries are set out in note 23.

Key management personnel
Disclosures relating to key management personnel are set out in note 19.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated 2023 $	Consolidated 2022 $
Current payables:		
Mark Sumner	786,938	686,823
Tim Koster	1,693,341	1,197,761

As disclosed in note 9, during the financial year ended 30 June 2021 the shares in FCGPL Pty Ltd that were previously owned by Chris West, Tim Koster and Mark Sumner were transferred to Bifox Limited for nil consideration. FCGPL Pty Ltd owns 99% of the Bahia Inglesa tenements through its Chilean subsidiaries, Sociedad Contractual Minera Bahia Inglesa Limitada and Compania Minera de Fosfatos Naturales S.A. See note 9 for other relevant information regarding this and other related transactions.

Please see note 9, note 12, and note 13 for additional information in relation to related party transactions.

Apart from the details disclosed, no Director has entered into a material contract with the Company or the consolidated entity since the end of the financial year and there were no other material contracts involving Directors' interests existing at the end of the year.

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

Note 24. Related party transactions (continued)

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 25. Parent entity disclosures

	Parent 2023 $	Parent 2022 $
Loss after income tax	(1,275,241)	(691,622)
Total comprehensive loss	(1,275,241)	(691,622)

	Parent 2023 $	Parent 2022 $
Total current assets	18,762	87,637
Total assets	19,064,892	14,511,420
Total current liabilities	2,970,931	2,301,666
Total liabilities	3,330,732	2,661,467
Equity		
Issued capital	83,171,249	78,011,801
Other equity	2,221,393	2,221,393
Reserves	816,986	816,986
Accumulated losses	(70,475,468)	(69,200,227)
Total equity	15,734,160	11,849,953

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023 and 30 June 2022.

Contingent liabilities

	Parent	
	2023 $	2022 $
Contingent liabilities	181,720	181,720

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity.

Note 26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company:

	Consolidated 2023 $	Consolidated 2022 $
Audit services - RSM Australia Partners		
Audit of the financial statements	65,000	50,000
Other services - RSM Chile		
Other services	7,541	-
	72,541	50,000

Note 27. Commitments and Contingencies

Kiwanda Mines (NA) LLC
In February 2014 various agreements were entered into between Kiwanda Mines (NA) LLC ("Kiwanda Mines"), Spar Capital Nominees Pty Limited, Mark Sumner and a "Newco" to be formed in terms of the agreement. Kiwanda Australia Pty Limited (Kiwanda Australia) was subsequently formed as "Newco" in terms of that Heads of Agreement. The documents included a Heads of Agreement, a Shareholders Agreement, a Novation Deed, and a Loan Agreement.

The Heads of Agreement required that the parties execute a Novation Deed so as to cause Newco (Kiwanda Australia) to be indebted to Kiwanda Mines for the amounts of $700,000. A Novation Deed and Loan Agreement were executed as required in terms of the Heads of Agreement.

This loan is non-recourse to Kiwanda Australia Pty Ltd and is repayable upon the occurrence of certain events and if those events do not arise then no amounts are due and payable by Kiwanda Australia Pty Ltd.

Tectonic Resources and Tectonic Systems Pty Ltd
On 18 April 2016 the Company received a claim for an Access and Compensation Agreement entered into by its subsidiaries Tectonic Resources and Tectonic Systems Pty Ltd back in 2003. This Agreement provided for (among other things) a) an extension of term of the original Agreement (1999 Agreement), b) the payment of the sum of $1,400 per month where the term of the 2003 Agreement exceeds 18 months and c) obligations as to rehabilitation on an ongoing basis and upon the termination of the 2003 Agreement. The Directors are aware of a potential claim for no more than $181,720. The Directors consider that there are grounds for the Company rejecting this claim in its entirety.

Note 28. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2023	2022
	$	$
Loss after income tax expense for the year	(2,415,233)	(2,899,031)
Adjustments for:		
Depreciation	100,328	39,222
Foreign exchange (loss)/gain	(1,021,309)	1,857,880
Share-based payments	354,050	38,768
Change in operating assets and liabilities:		
Increase in trade and other receivables	(338,307)	(78,433)
Decrease/(increase) in inventories	456,661	(84,890)
(Increase)/decrease in prepayments	(11,311)	9,116
Increase in trade and other payables	1,595,536	744,327
Decrease in deferred tax assets	-	543
Decrease in employee benefits	(14,260)	(62,124)
Net cash used in operating activities	(1,293,845)	(434,622)

Non cash transactions
During the current year, the Group did not enter into any other non-cash investing and financing activities which are not reflected in the consolidated statement of cash flows.

Note 29. Changes in liabilities arising from financing activities

Consolidated	Total loans $
Balance at 1 July 2021	749,309
Cash flows	(646)
Balance at 30 June 2022	748,663
Non-cash transactions	83,774
Balance at 30 June 2023	832,437

Note 30. Events after the reporting period

The Company has issued a further $14,061,951 in share capital subsequent to 2023 financial year up to the date of this report.

On 19 July 2023 Bifox was granted mining exploitation rights for Selaqueos Caldera tenements as part of the Paleontological Base Line approval from Consejo De Monumentos ("CMN") ("Council of National Monuments Chile").

Subsequently Bifox has been asked to limit production whilst a CMN agreement amendment has been undertaken redefining the CMN Paleontological Handling Plan process and Bifox's mining exploitation phosphate production permitting at the Selaqueos Caldera site.

On 10 January 2024, the Group reached an agreement with Chilean vendors to reduce the remaining amount to be settled to US$5,000,000 for tenements related to Bahia Inglesa project. Upon the signing of the amendment, the Group paid US$300,000. The remaining balance of the vendor settlement payment of US$4,700,000 payable in 2 equal instalments of 2,350,000 has been extended from February and March 2024 whilst Bifox obtains the new CMN related permitting for Bifox production at the Selaqueos Caldera site.

Note 30. Events after the reporting period (continued)

On 11 March 2024, The Group has resolved to issue 3,944,476 and 7,060,031 shares for repayment of the outstanding director fees payable from 2014 to June 2024 to Mark Sumner and from 2014 to August 2023 to Tim Koster.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Bifox Limited
Directors' declaration
30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

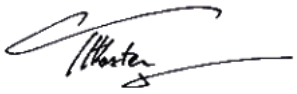
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial 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 295(5)(a) of the *Corporations Act 2001.*

On behalf of the directors



Tim Koster
Director

25th of June 2024

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INDEPENDENT AUDITOR'S REPORT
To the Members of Bifox Limited

Opinion

We have audited the financial report of Bifox Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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* (the Code) that are relevant to our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates during the year ended 30 June 2023, the Group incurred a consolidated net loss before income tax of $2,415,233 and has net cash used in operating and investing activities of $1,293,845 and $3,431,672 respectively. As of that date the Group has a net current liability position of $24,598,092. As stated in Note 1 these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

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Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

RSM

RSM AUSTRALIA PARTNERS

GNS

GARY N SHERWOOD
Partner

Sydney, NSW
Dated: 25 June 2024