evresources

ASX:EVR

Interim Financial Report

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

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Corporate Directory

Directors
Mr Luke Martino – Non-Executive Chairman
Mr Hugh Callaghan – Managing Director
Mr Adrian Paul – Executive Director
Mr Navinderjeet Singh – Executive Director
Ms Lynette Suppiah – Non-Executive Director

Company Secretary
Ms Louisa Martino

Registered office
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SUBIACO, WESTERN AUSTRALIA 6008

Website: www.EVResources.com.au

Auditor
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Level 43, Central Park
152-158 St Georges Terrace
PERTH, WESTERN AUSTRALIA 6000

Bankers
National Australia Bank
1238 Hay Street
WEST PERTH, WESTERN AUSTRALIA 6005

Share Registry
Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

Securities Exchange Listing
ASX Limited
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SYDNEY, NEW SOUTH WALES 2000
ASX Code – EVR

Frankfurt Exchange; R1E.F
Berlin Exchange; R1E.B
Stuttgart Exchange; R1E.SG

Directors' Report

The Directors' present their report together with the financial report of EV Resources Limited (ASX: **EVR**) and its controlled entities ("the **Company**", "**EVR**" or "**consolidated entity**") for the half year ended 31 December 2023.

Directors

The names and the particulars of the Directors who held office during and up to the date of this report are disclosed below.

L Martino	(Non-Executive Chairman)
H Callaghan	(Managing Director appointed 5 July 2023)
A Paul	(Executive Director)
N Singh	(Executive Director)
L Suppiah	(Non-Executive Director)

Significant changes in the state of affairs

In the Opinion of the Directors, there were no significant changes in the state of affairs of the Group which have not been disclosed elsewhere in this report.

Review of Operations

In the six months to 31 December 2023, EVR made significant progress in its transition to a Peruvian focused copper explorer. Non core projects are being readied for Joint Venture or disposal as EVR focuses on the high grade Parag copper-molybdenum project (EVR 70%) and the copper-silver Don Enrique project (EVR 50%) in Peru.

During the period under review, and as part of this transition, EVR elected to not exercise the option to purchase the Christina Tin-Tungsten project in Morocco. While undoubtedly an asset of good potential, the Company's decision to focus on Peruvian copper assets required a rationalization of the Company's interests, and a focus on the outstanding long-term fundamentals of the copper industry. The Company started the process of preparing to sell, or Joint Venture non-core assets as part of this process.

Parag Copper-Molybdenum Project (EVR: 70%)

EVR had announced a proposed transaction to acquire 70% of Parag on 4th May 2023. After extensive due diligence, the transaction closed on 1st August 2023.

Exploration and drill permitting activities commenced immediately, in parallel with extensive consultation with the neighbouring communities of Caujul and Navan.

EVR acquired a significant amount of data including drill core, and full logs and certification for 21 diamond drill holes totalling 10,170 metres which were reported to the market and included several remarkable results including [1]

Hole VIE-01 317m @ 2.01% CuEq from surface

Hole VIE-03 89.4m @ 3.90% CuEq from 6.5m

[1] See ASX Announcement 4th May 2023 EVR Acquires High Grade Parag project in Peru.

Hole VIE-04 95.6m @ 2.04% CuEq from surface.

Hole VIE-09 60m @ 0.78% CuEq from 3m.

Hole VIE-10 54m @ 0.73% CuEq from 328m.

Hole VIE-18 72m @ 2.26% CuEq from surface.

Based upon the reported old drilling, preliminary plan views and cross sections of the Parag project were developed which suggest several compelling drilling targets. [2]

The Cross Section developed, demonstrated the potential revealed by drilling to date and suggested many targets EVR will test in the second half of the 2024 financial year.

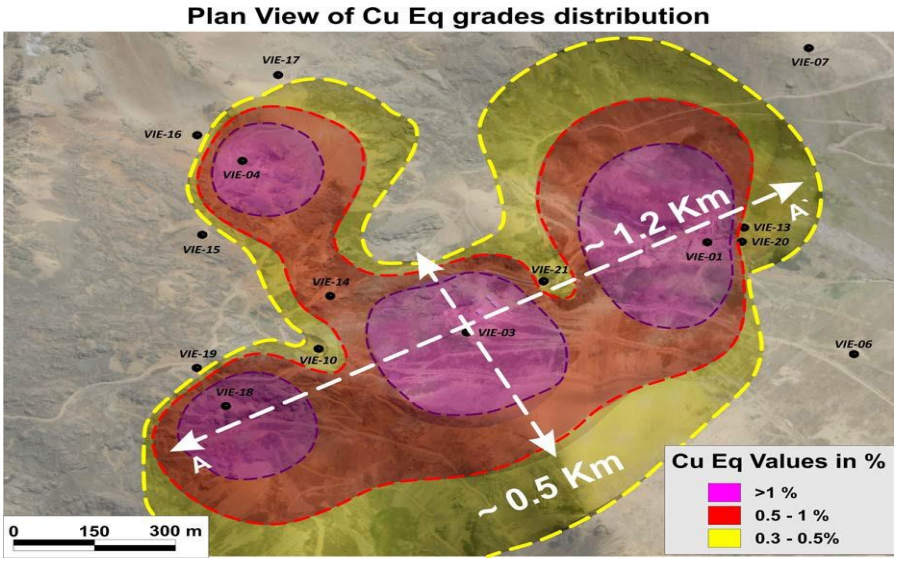
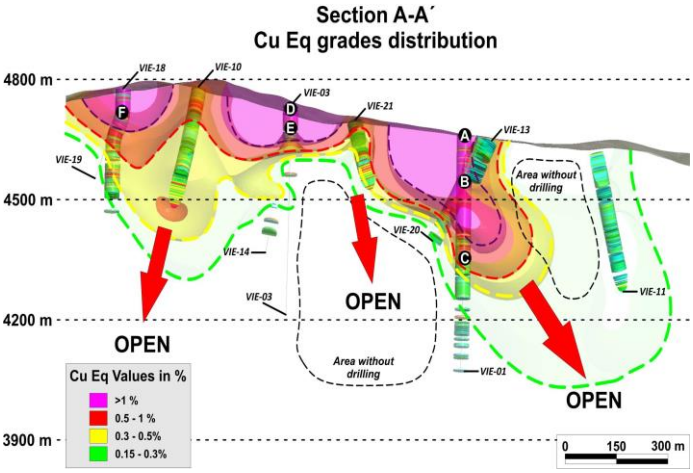


Figure 1. Copper Equivalent Grades – Plan View

Late in the half year under review, a drilling permit was obtained that allowed extensive drilling from 20 permitted platforms.



EVR has forged excellent relationships with the communities of Caujul and Navan, and agreed multi-year partnerships under which EVR will invest in community programmes in agriculture and infrastructure.

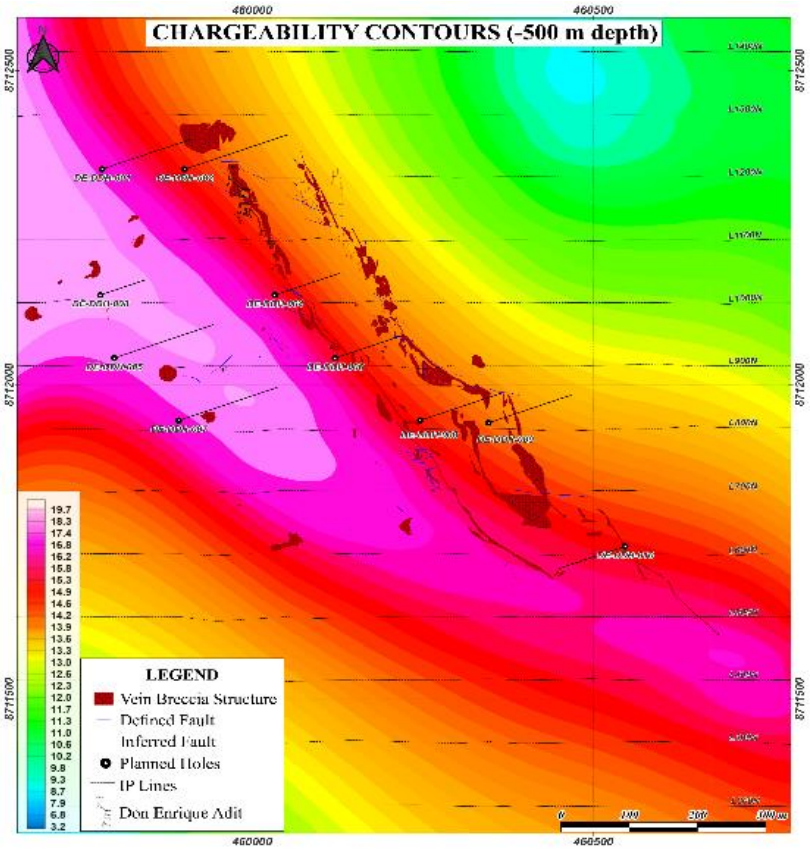
[2]. See ASX Announcement 30th October 2023 Copper Projects Update - Peru

Don Enrique Copper-Silver Project (EVR 50%)

The Project consists of four licences covering 1,800Ha, in an area 21km northeast of Jauja, and approximately 260km from the Nation's capital, Lima.

During the Half under review, EVR continued to analyse the results of a 28.8 line kilometre Induced Polarisation Survey, and correlate this to the extensive sampling and mapping reported in the previous financial year. A compelling drilling target emerged, of a large chargeability high that demonstrates a sulphide mineralized system dipping away to the west of the outcropping breccia, strengthening considerably below the -200m level, down to the -500m limit of the survey. The anomaly is interpreted to extend deeper than the -500m level.[3]

This chargeability high anomaly, when mapped against geochemistry databases, supports the interpretation of a mineralized sulphide system. EVR has planned an initial 2000 metre drill programme for later in 2024.



In October 2023, EVR obtained a drilling permit with the support of the Quero community after the successful conclusion of a multi-year partnership agreement.

3. See ASX Announcement 30th October 2023. EVR Copper Projects Update – Peru

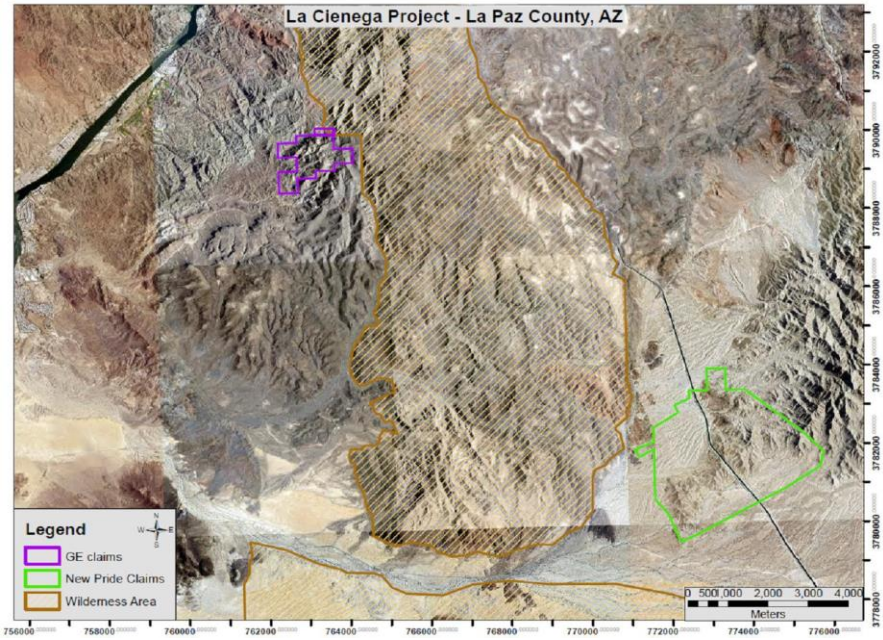
La Cienega Copper-Gold Project (EVR: 100%)[4].

La Cienega is a greenfields project consisting of 163 unpatented claims covering 3364 acres in la Paz County, Arizona, USA. The project is located in the Buckskin Mountains of West-Central Arizona and covers ground in the Cienega sub-district on the Buckskin Mining District.

EVR has recently consolidated its land position in the area with the addition of the "Golden Eagle" claims which were pegged by the Company after field work. The focus of the project is now on strong structural anomalies after deciding that many of the widespread copper anomalies did not present a compelling case for an orebody of any consequence.

EVR completed a systematic sampling program at the project. Average values from a total of 119 samples assayed were 0.88% Cu, 2.51g/t Au, 5.61g/t Ag. In the Eagle Zone, sample #1844128 returned the highest-grade gold assay of 83.87g/t Au, 2.9% Cu, 7.7g/t Ag.

Several outcrops of copper and a number of old copper mine workings have been documented on a mineralised trend over a 2.5-kilometre strike. Much of the underground developments were completed prior to 1910 and minimal reporting was required, although EVR has accessed some records of underground development and sampling. There are numerous existing access roads and only minor rehabilitation will be required to mobilise drilling operations. The Golden Eagle target presents a block of highly mineralised (iron-oxide/copper-oxide) Paleozoic carbonates and siliciclastic sediments that have been rotated to a sub- vertical orientation. More than 4km of structurally controlled quartz vein mineralisation has been identified along this trend.



[4]. See ASX Announcement 12th June 2023. Advancing Copper Exploration in the Americas

Other Non Core Projects

Yanamina Project, Peru (EVR 100% interest)

EVR continues to work with the local representatives to understand the potential impacts on the community from mining activities.

Shaw River Project, Australia (EVR 100% Interest)

The Company is in the process of assessing further targets based on previous work.

Khartoum Project, Australia (EVR 100% interest)

The Company is in the process of assessing further targets based on previous work.

Weinebene and Eastern Alps Projects, Austria (EVR 80% interest)

No further work was carried out during the quarter. EVR successfully received renewal of the majority of the tenements it wished to retain, for a further 5 year period.

Compliance Statements

This half year report contains information on the Parag Project extracted from ASX market announcements dated 4th May 2023 and 30th October 2023 and reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code"). EVR confirms that it is not aware of any new information or data that materially affects the information included in the original ASX market announcement.

This half year report contains information on the Don Enrique Project extracted from an ASX market announcement dated 30th October 2023 and reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code"). EVR confirms that it is not aware of any new information or data that materially affects the information included in the original ASX market announcement.

This half year report contains information on the La Cienega Project extracted from an ASX market announcement dated 12th June 2023 and reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code"). EVR confirms that it is not aware of any new information or data that materially affects the information included in the original ASX market announcement.

Corporate

Mr Hugh Callaghan was appointed as Managing Director of the Company on 5 July 2023.

Convertible Notes

During the half year the Company secured firm funding commitments via senior secured convertible notes to raise up to US$3.4 million (Convertible Notes) from Obsidian Global GP LLC (Obsidian) comprising two tranches of US$850,000 (A$1,300,000) each and a third tranche of US$1,700,000 (A$2,600,000). Tranche 1 funds of US$850,000 (A$1,300,000) were received during the period.

Redemption of Convertible Notes

During the reporting period, Convertible Notes issued to Obsidian Ventures LLC were redeemed after the Company agreed a $1.2m unsecured loan from a director related entity, Allgreen Holdings Pty Ltd on more favourable terms than the Convertible Notes.

The loan is not convertible into shares and repayment is to take place at the next placement, assuming adequate funds are raised or when the Company is able to repay within 12 months. The loan facility can be draw down by the Company immediately with all funds from the loan to be applied towards paying out the Convertible Notes issued to Obsidian Global GP LLC (Obsidian). The material terms of the loan facility agreement are as follows:

• Loan facility amount: A$1,200,000.

• Loan term: 12 months.

• Interest Rate: 10% per annum.

• Security: Nil.

• The agreement does not include any right to convert the loan to EVR shares.

• The agreement also contains warranty clauses standard for an agreement of this nature.

Placement of Shares

During the half year, the Company concluded a placement of ordinary shares that raised a total of A$2m in funds at a share price of A$0.01 with an attaching option at A$0.02, to be applied to project drilling, payments due to the vendor of the Parag project, and general working capital.

145,000,000 shares were issued immediately under the Company's placement capacity, while 215,000,000 Options Expiring 30 November 2026 and 55,000,000 EVR ordinary fully paid shares were issued following shareholder approval being received at the General Meeting held on 31st January 2024.

Significant Events After the Balance Date

Subsequent to the end of the reporting period, EVR mobilised AK Drilling International, a Peruvian drilling contractor, to site and a diamond drilling campaign began on 25th February 2024 after a ceremony with the local community of Caujul. The intent of the programme is to drill the high grade outcropping copper-molybdenum breccias, guided by the old drilling which is not reportable under the JORC code.

On 29 February 2024 the Company announced that it had received commitments to raise $2.17m (before costs) from the issue of approximately 166.7m shares (ASX: EVR) at an issue price of $0.013 per share. One free option, with an exercise price of $0.02 per share and expiry date of 30 November 2026 (ASX: EVROA), will be issued for every new share, subject to shareholder approval (**Placement**). An additional 21.7 million options (ASX: EVROA) will be issued to the Joint Lead Managers to the Placement, subject to shareholder approval. The Company is holding its General Meeting on 17 April 2024.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 12 for the half-year ended 31 December 2023.

This report is signed in accordance with a resolution of the Board of Directors.

_____

Luke Martino

Non-Executive Chairman

Dated this 14th day of March 2024

In accordance with a resolution of the directors of EV Resources Limited, I state that:

In the opinion of the directors:

1. The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

   (a) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

   (b) give a true and fair view of the economic entity's financial position as at 31 December 2023 and the performance for the half-year ended on that date.

2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

_____

Luke Martino
Non-Executive Chairman
Dated this 14th day of March 2024

Grant Thornton Audit Pty Ltd
Level 43 Central Park
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Perth WA 6850

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Auditor's Independence Declaration

To the Directors of EV Resources Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of EV Resources Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B P Steedman
Partner – Audit & Assurance

Perth, 14 March 2024

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	Note	31 December 2023 $	31 December 2022 $
Interest income		3,838	7,554
Profit/(loss) on sale of investment		(65,978)	-
Other income		-	79
Consulting fees		(70,000)	(107,243)
Director fees		(258,000)	(192,000)
Depreciation		(2,502)	(1,340)
Employee expenses		(12,387)	(71,198)
Finance costs		(365,627)	-
Exploration and evaluation expenses		-	(319,017)
Marketing and investor relations		(52,767)	(43,884)
Other expenses		(181,013)	(306,020)
Professional fees	2	(360,213)	(219,710)
Share registry and listing fees		(54,635)	(39,673)
Share based payments	10	(425,000)	(816,658)
Share of loss of associates using equity method	6	(225,752)	(322,207)
Loss before income tax		(2,070,036)	(2,431,317)
Income tax expense		-	-
Loss after tax		**(2,070,036)**	**(2,431,317)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations		63,371	(6,979)
Other comprehensive loss for the period, net of tax		**63,371**	**(6,979)**
Total comprehensive loss for the period		**(2,006,665)**	**(2,438,296)**
Loss attributable to:			
Members of the parent entity		(1,966,273)	(2,318,168)
Non-controlling Interest		(103,763)	(113,149)
		(2,070,036)	**(2,431,317)**
Total comprehensive loss for the period attributable to:			
Members of the parent entity		(1,880,118)	(2,345,401)
Non-controlling interest		(126,547)	(92,895)
		(2,006,665)	**(2,438,296)**
Loss per share			
Basic and diluted loss per share (cents)	11	(0.21)	(0.26)

Statement of Financial Position

As at 31 December 2023

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	Note	31 December 2023 $	30 June 2023 $
Current Assets			
Cash and cash equivalents		872,318	513,841
Trade and other receivables	3	280,050	209,050
Other current assets	4	23,663	32,069
Total Current Assets		1,176,031	754,960
Non-Current Assets			
Exploration asset	5	6,897,124	4,800,854
Plant and equipment		36,440	11,840
Investment in associate	6	-	665,752
Other non-current assets		215,589	215,732
Total Non-Current Assets		7,149,153	5,694,178
Total Assets		8,325,184	6,449,138
Current Liabilities			
Trade and other payables	7	626,970	622,871
Employee entitlements		30,000	32,842
Borrowings	8	1,206,247	-
Share applications received		300,000	-
Total Current Liabilities		2,163,217	655,713
Non-Current Liabilities			
Trade and other payables	7	404,825	-
Non-current financial liabilities		7,310	7,546
Total Non-Current Liabilities		412,135	7,546
Total Liabilities		2,575,352	663,259
Net Assets		5,749,832	5,785,879
Equity			
Issued capital	9	52,756,919	51,211,301
Reserves	10	1,628,761	1,117,607
Accumulated losses		(48,355,161)	(46,388,889)
Non-controlling interest		(280,687)	(154,140)
Total Equity		5,749,832	5,785,879

The consolidated statement of financial position is to be read in conjunction with the notes to and forming part of the consolidated interim financial report.

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	Note	Issued capital	Share Based Payment Reserves	Foreign Currency Reserve	Accumulated Losses	Non-controlling Interest	Total
		$	$	$	$	$	$
Balance at 1 July 2022		**50,933,801**	**1,901,240**	**(60,842)**	**(42,906,761)**	**3,254**	**9,870,692**
Loss attributable to members of parent entity		-	-	-	(2,318,168)	(113,149)	(2,431,317)
Other comprehensive income		-	-	(27,233)	-	20,254	(6,979)
Sub-total		-	-	(27,233)	(2,318,168)	(92,895)	(2,438,296)
Issue of shares for acquisition of asset	9	90,000	-	-	-	-	90,000
Share based payment		-	816,658	-	-	-	816,658
Balance at 31 December 2022		**51,023,801**	**2,717,898**	**(88,075)**	**(45,224,929)**	**(89,641)**	**8,339,054**
Balance at 1 July 2023		**51,211,301**	**1,220,564**	**(102,957)**	**(46,388,889)**	**(154,140)**	**5,785,879**
Loss for the year		-	-	-	(1,966,273)	(103,763)	(2,070,036)
Other Comprehensive income		-	-	86,155	-	(22,784)	63,371
Total comprehensive loss of the year		-	-	86,155	(1,966,273)	(126,547)	(2,006,665)
Issue of shares for convertible note	9	198,968	-	-	-	-	198,968
Issue of shares for capital raising	9	1,450,000	-	-	-	-	1,450,000
Capital raising cost	9	(103,350)	-	-	-	-	(103,350)
Share based payment	10	-	425,000	-	-	-	425,000
Balance at 31 December 2023		**52,756,919**	**1,645,564**	**(16,802)**	**(48,355,162)**	**(280,687)**	**5,749,832**

The consolidated statement of changes in equity is to be read in conjunction with the notes to and forming part of the consolidated interim financial report.

	31 December 2023 $	31 December 2022 $
Cash Flow from Operating Activities		
Payments to suppliers	(960,524)	(807,981)
Payment for exploration & evaluation	-	(139,864)
Payments for staff costs	(297,229)	(365,721)
Interest received	3,838	7,554
Net cash flows used in operating activities	(1,253,915)	(1,306,012)
Cash Flow from Investing Activities		
Payment for property plant and equipment	(27,102)	(3,061)
Payment for exploration and evaluation	(1,410,743)	(1,272,700)
Receipt/(payment) for investments	374,000	(330,000)
Net cash flows used in investing activities	(1,063,845)	(432,776)
Cash Flow from Financing Activities		
Proceeds from issue of shares and options	1,750,000	-
Proceeds from issue of convertible notes	1,305,507	-
Payment for transaction costs	(457,991)	-
Proceeds from borrowings	1,200,000	-
Repayment of convertible notes	(1,121,278)	-
Net cash flows provided by financing activities	2,676,238	-
Net increase/(decrease) in cash and cash equivalents	358,478	(2,911,773)
Foreign exchange	-	(21,452)
Cash and cash equivalents at the beginning of the period	513,841	4,940,745
Cash and cash equivalents at the end of the period	872,319	2,007,520

The consolidated statement of cash flows is to be read in conjunction with the notes to and forming part of the consolidated interim financial report.

1. Statement of Significant Accounting Policies

(a) Reporting Entity

EV Resources Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial statement of the Company as at and for the six months ended 31 December 2023 comprises the Company and its controlled entities (together referred to as the consolidated entity).

This interim financial report was issued on 14 March 2024 by the directors of the Company.

(b) Statement of Compliance

The half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

These half-year financial statements do not include full disclosures of the type normally included in an annual financial report. Therefore, they cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that these financial statements be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by EV Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

(c) Basis of Preparation

The half-year report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted. The financial statements have been prepared on a going concern basis.

The Accounting policies adopted in the preparation of this half-year financial report are consistent with those followed in preparation of the Group's annual consolidated financial statements for the year ended 30 June 2023.

Estimates and Judgements

When preparing the Interim Financial Statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the Interim Financial Statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2023.

New, revised or amending Accounting Standards and Interpretations adopted

There were no new, revised or amended accounting standards adopted in the period.

Going concern basis of preparation

The Group's financial statements are prepared on the going concern basis which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities and commitments in the normal course of business.

During the period ended 31 December 2023 the group maintains a net working capital deficiency of $987,186 (30 June 2023: working capital of $99,243) and had net cash outflows from operating and investing activities of $2,317,760 (31 December 2022: $1,738,788).

The Directors review of cash flow forecasts, confirm that the going concern basis of accounting remains appropriate but acknowledges that with the volume of planned exploration expenditure, additional capital raising is required to enable the company to fund its operations for the twelve-month period from the date of this financial report. The Directors believe that access to capital raising via the ASX will be sufficient to sustain operations.

Subsequent to the reporting period the Group has already successfully raised over $2m through a capital raise on the ASX.

In the event the Group is unable to achieve further successful capital raising this may result in scaling back exploration activities or create a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern and accordingly to realise its assets and extinguish its liabilities in the ordinary course of the operations and at amounts to those stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of assets carrying amounts or to the amounts and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

2. Professional fees

	Consolidated entity	
	31 December 2023	**31 December 2022**
	$	**$**
Accounting and company secretary fees	(102,214)	(75,808)
Audit fees	(26,061)	(25,716)
Legal fees	(231,938)	(118,186)
	(360,213)	**(219,710)**

3. Trade and Other Receivables

	Consolidated entity	
	31 December 2023	**30 June 2023**
	$	**$**
Taxes	231,677	124,352
Other receivables	48,373	84,698
	280,050	**209,050**

All amounts are short-term and the carrying values are considered to approximate fair value.

4. Other current assets

	Consolidated entity	
	31 December 2023	**30 June 2023**
	$	**$**
Other prepayments	23,663	32,069
	23,663	**32,069**

5. Exploration and evaluation assets

	Consolidated entity	
	31 December 2023	**30 June 2023**
	$	**$**
Opening balance	4,800,854	3,416,590
Exploration & Expenditure acquisition[1]	981,919	90,000
Exploration capitalised	1,114,351	1,727,480
Exploration written off	-	(433,216)
Closing balance	**6,897,124**	4,800,854

1. During the period the Company acquired a 70% shareholding in Parag Copper-Molybdenum Project in Huaura Province, Peru.

   The Company acquired an additional 20% interest of the Shaw River project in the year to 30 June 2023 by issuing 3,000,000 shares of EV Resources Limited at an issue price of $0.03 per share ($90,000). EVR now holds 100% of the project.

6. Investment in Associates

	Consolidated entity	
	31 December 2023	**30 June 2023**
	$	**$**
Investment in associates	-	665,752
	-	665,752

The investment in associates has been calculated as follows:

	Consolidated entity	
	31 December 2023	**30 June 2023**
	$	**$**
Opening carrying value of investment	665,752	1,331,436
Increase in interest in associates	-	330,000
Reduction in interest in associates	(440,000)	-
Share of net loss recognised	(225,752)	(995,684)
Investment in associates	**-**	**665,752**

During the period the share of net loss from the associate exceeded the carrying value of the investment. Under *AASB 128 Investments in Associates and Joint Ventures*, a loss is recognised until the carrying value is nil. At 31 December 2023, the value of losses exceeding the carrying value were $18,752 (30 June 2023: nil).

7. Trade and Other Payables

	Consolidated entity	
	31 December 2023	30 June 2023
	$	$
Trade and other payables	293,819	240,931
Acquisition cost (i)	280,702	-
Accruals	25,456	39,476
Other payables	26,993	342,464
	626,970	**622,871**

All amounts are short-term and the carrying values are considered to approximate fair value.

	Consolidated entity	
	31 December 2023	30 June 2023
	$	$
Acquisition cost (i)	404,825	-
	404,825	**-**

(i) During the half year to 31 December 2023, EV Resources Limited, Geoandina Minerals S.A.C. (GeoAndina) and Anta Parag S.A.C. signed a definitive agreement for the Company's acquisition of 70% of the Parag Project. In accordance with the agreement, EV Resources Limited will pay an amount of US$50,000 per quarter to GeoAndina until the mine achieves first production or four years, whichever is sooner. These quarterly payments have been calculated with a 15% discount rate and included as both current and non-current Trade and Other Payables.

8. Borrowings

	Consolidated entity	
	31 December 2023	30 June 2023
	$	$
Loan from related party	1,206,247	-
	1,206,247	**-**

During the reporting period, Convertible Notes issued to Obsidian Ventures LLC were fully redeemed after the Company agreed an unsecured loan from a director related entity, Allgreen Holdings Pty Ltd on more favourable commercial terms than the Convertible Notes.

9. Share Capital

	Note	Consolidated entity 31 December 2023 $	30 June 2023 $
1,099,588,331 (30 June 2023: 935,984,071) Fully paid ordinary shares	(a)	52,756,919	51,211,301
a) Ordinary Shares			
At beginning of the reporting period		51,211,301	50,933,801
Issue of shares – placement		1,450,000	-
Issue of shares – convertible note		198,968	-
Issue of shares – 20% acquisition Shaw River Project		-	90,000
Issue of shares – Sapphire financing facility fee		-	187,500
Capital raising cost		(103,350)	-
At reporting date		**52,756,919**	**51,211,301**
		No. Shares	**No. Shares**
At beginning of the reporting period		935,984,071	925,984,071
Issue of shares – placement		145,000,000	-
Issue of shares – convertible note		18,604,260	
Issue of shares – 20% acquisition Shaw River Project		-	3,000,000
Issue of shares – Sapphire financing facility fee		-	7,000,000
At reporting date		**1,099,588,331**	**935,984,071**

Ordinary shares have no par value and participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

10. Reserves

	Consolidated entity	
	31 December 2023 $	30 June 2023 $
Reserves		
Foreign currency reserve	(16,803)	(102,957)
Option reserve	1,220,564	1,220,564
Performance right reserve	425,000	-
	1,628,761	**1,117,607**

a) Foreign Currency Reserve		
At the beginning of reporting period	(102,957)	(60,842)
Movement	86,155	(42,115)
At the end of reporting period	**(16,802)**	**(102,957)**

b) Share Based Payment Reserves		
Option Reserve		
At beginning of the reporting period	1,220,564	1,342,007
Expiry of options	-	(121,443)
At the end of reporting period	**1,220,564**	**1,220,564**
	No. of options	**No. of options**
At beginning of the reporting period	108,333,332	133,333,332
Expiry of options	-	25,000,000
At the end of reporting period	**108,333,332**	**108,333,332**
Performance Right Reserve	**$**	**$**
At beginning of the reporting period	-	559,233
Performance rights expense	425,000	1,060,767
Forfeited or lapsed of performance rights	-	(1,620,000)
At the end of reporting period	**425,000**	**-**
	No. of performance rights	**No. of performance rights**
At beginning of the reporting period	-	20,000,000
Issue of performance rights	42,500,000	-
Forfeited or lapsed of performance rights	-	(20,000,000)
At the end of reporting period	**42,500,000**	**-**

42,500,000 Performance Shares were issued to Directors in the half year to 31 December 2023 with a total value of $425,000. The Performance Shares are subject to the Announcement by the Company on the ASX market announcements platform of the declaration by an independent consultant of a Maiden Resource Estimate (in

accordance with JORC) for the Parag project in Peru (Milestone) within 2 years from 29 November 2023 (Expiry Date).

11. Loss Per Share

Both the basic and diluted loss per share have been calculated using the profit attributable to shareholders of the parent company (EV Resources Limited) as the numerator, ie, no adjustments to losses were necessary during the six-month periods to 31 December 2023 and 31 December 2022. The weighted average number of shares for the purposes of the calculation of diluted loss per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic loss per share as follows:

	Consolidated entity	
	31 December 2023	**31 December 2022**
Basic and diluted loss per share (cents)	(0.21)	(0.26)
Losses used to calculate basic and diluted EPS ($)	(2,006,665)	(2,438,296)
Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS*	956,289,032	926,279,961
Weighted average number of ordinary shares outstanding during the period used in calculating dilutive EPS*	956,289,032	926,279,961

Anti-dilutive options and performance rights have not been used in the EPS calculation. As at 31 December 2023 there were 108,333,332 options and 42,500,000 performance shares on issue.

12. Segment Information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group's reportable segments have been identified around geographical areas and regulatory environments. The following table presents revenue and result information and certain asset and liability information regarding the relevant segments for the period ended 31 December 2023 for the consolidated entity.

Segment Information 6 months to 31 December 2023	Australia	Austria	Peru	USA	Mexico	Total
Segment Result	$	$	$	$	$	$
Other Income	-	-	22	-	-	22
Supplier, consulting, investor relations and other	(8,251)	(69,836)	(282,822)	-	42,474	(318,435)
Employment	(12,387)	-	-	-	-	(12,387)
Impairment	-	-	-	-	-	-
Segment result	(20,638)	(69,836)	(282,800)	-	42,474	(330,800)
Corporate						(1,739,237)
Segment assets and liabilities						
Cash at bank, trade and other receivables	8,865	20,183	758,956	-	34,617	822,621
Segment other assets	-	-	-	-	142	142
Segment property, plant and equipment	1,270	-	33,960	-	-	35,230
Segment exploration asset	1,995,347	1,324,296	3,210,057	367,423	-	6,897,123
Segment liabilities	2,752,533	644,148	3,803,052	367,423	258,486	7,825,642
Corporate assets						8,470,125
Corporate liabilities						2,359,262

Segment Information 6 months to 31 December 2022	Australia	Austria	Peru	USA	Mexico	Total
Segment Result	$	$	$	$	$	$
Other Income	-	-	79	-	-	79
Supplier, consulting, investor relations and other	(73,674)	(8,199)	(282,356)	-	(7,934)	(372,163)
Employment	(69,070)	-	-	-	-	(69,070)
Impairment	-	-	-	-	-	-
Segment result	(142,744)	(8,199)	(282,356)	-	(7,934)	(441,233)
Corporate						(1,990,084)
Segment assets and liabilities						
Cash at bank, trade and other receivables	219,262	22,568	258,186	-	34,873	534,889
Segment other assets	7,505	-	-	-	124	7,629
Segment property, plant and equipment	2,001	-	3,891	-	-	5,892
Segment exploration asset	1,588,242	1,287,209	909,677	679,513	-	4,464,641
Segment liabilities	50,391	49,129	69,938	-	11,200	180,658
Corporate assets						3,534,668
Corporate liabilities						28,007

13. Contingencies and Commitments

There have been no other changes in the contingent Assets or Liabilities of the Group.

During the half year to 31 December 2023, EV Resources Limited, Geoandina Minerals S.A.C. (GeoAndina) and Anta Parag S.A.C. has signed a definitive agreement for the Company's acquisition of 70% of the Parag Project ("Definitive Agreement"). In accordance with the agreement, EV Resources Limited will make has made a one-off payment of US$150,000 and will pay an amount of US$50,000 per quarter to GeoAndina until the mine achieves first production. These quarterly payments have been calculated with an appropriate discount applied and included as both current and non-current Trade and Other Payables (Note 7).

In addition, in accordance with the Definitive Agreement the Company is to spend USD2m over 4 years for the development of mining activities in the Parag Project and has grant security over the shares of Anta Parag in favour of GeoAndina to guarantee full and timely compliance of the Company's obligations under the agreement.

14. Events Subsequent to Balance Date

Subsequent to the end of the reporting period, EVR mobilised AK Drilling International, a Peruvian drilling contractor, to site and a diamond drilling campaign began on 25th February 2024 after a ceremony with the local community of Caujul. The intent of the programme is to drill the high grade outcropping copper-molybdenum breccias, guided by the old drilling which is not reportable under the JORC code.

On 29 February 2024 the Company announced that it had received commitments to raise $2.17m (before costs) from the issue of approximately 166.7m shares (ASX:EVR) at an issue price of $0.013 per share. One free option, with an exercise price of $0.02 per share and expiry date of 30 November 2026 (ASX: EVROA), will be issued for every new share, subject to shareholder approval (**Placement**). An additional 21.7 million options (ASX: EVROA) will be issued to the Joint Lead Managers to the Placement, subject to shareholder approval. The Company anticipates holding a General Meeting in early April.

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Independent Auditor's Review Report

To the Members of EV Resources Ltd

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of EV Resources Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

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

a giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half year ended on that date; and

b complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

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

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Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group recognised a working capital deficiency of $987,186 and net cash outflows from operating and investing activities of $2,317,760 during the half year ended 31 December 2023. 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. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B P Steedman
Partner – Audit & Assurance

Perth, 14 March 2024