

Everlast Minerals Ltd

(Formerly known as Everlast Minerals Pty Ltd)

ABN 19 620 278 800

Annual Report - 30 June 2024

Everlast Minerals Ltd
(Formerly known as Everlast Minerals Pty Ltd)
Corporate directory
30 June 2024

Directors	Paul Qian – Executive Chairperson Gregory Starr – Non-Executive Director George Edwards – Non-Executive Director
Company secretary	Andrew Palfreyman
Registered office	Level 5, 137-139 Bathurst Street Sydney NSW 2000
Principal place of business	320, 20 Dale Street Brookvale NSW 2100
Auditor	RSM Australia Partners Level 13, 60 Castlereagh Street Sydney NSW 2000

Everlast Minerals Ltd
(Formerly known as Everlast Minerals Pty Ltd)
Directors' report
30 June 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Everlast Minerals Ltd (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 2024.

Directors

The following persons were directors of Everlast Minerals Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Paul Qian	Executive Chairperson
Bruce Fulton	Non-Executive Director (appointed 14 August 2024, resigned 31 March 2025)
George Edwards	Non-Executive Director (appointed 14 August 2024)
Gregory Starr	Non-Executive Director (appointed 7 March 2025)

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of exploration for alluvial heavy mineral sands in Bangladesh.

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 \$24,114,614 (30 June 2023: \$30,782,347).

The consolidated entity is an early-stage mineral exploration entity. Following its listing on the Australian Stock Exchange (ASX), the consolidated entity intends to initiate mining activities and trial production across its various Projects. In line with previous financial years, the consolidated entity has incurred losses for the 2024 financial year, largely driven by expenses related to preparations for the ASX listing and share-based payments.

Significant changes in the state of affairs

During the financial year the company issued the following shares and options in the entity:

- issuance of 116,388 shares at a price of \$1.547 on 18/01/2024
- issuance of 4,770,000 shares at a price of \$0.001 on 22/01/2024
- issuance of 574,308 shares at a price of \$1.567 on 23/04/2024
- issuance of 190,800 shares at a price of \$1.572 on 10/06/2024
- issuance of a further 9,326,304 shares at a price of \$0.001 on 10/06/2024

On 20 June 2024, the consolidated entity received a grant approval license from the Government of Bangladesh for the extraction of five (5) types of heavy mineral sand from the sandbar of the Brahmaputra-Jamuna River.

In addition, the consolidated entity made large advancements towards the success of its Initial Public Offering and subsequent listing on the ASX. It is envisaged that this listing will occur in the second quarter of the 2025 calendar 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

On 10 July 2024 the company converted its company status from a proprietary company to a public unlisted entity. This change of status was required to be completed prior to its initial public offering (IPO). As part of this preparation for IPO, a share split was conducted post year-end with a ratio of 1:1,908.

On 14 August 2024 the consolidated entity appointed George Edwards and Bruce Fulton as non-executive directors. Both directors have extensive experience in the resources industry and these appointments are expected to enhance the strategic direction of the consolidated entity. Bruce Fulton subsequently resigned as a Director on 31 March 2025.

On 29 August 2024, the Bangladeshi Government published a gazette notification declaring the Company's mining blocks as "mineral sands/heavy mineral rich areas".

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In November 2024, the Board agreed to issue options to the holders of fully paid ordinary shares in the company after July 2020 on a pro-rata basis. On 21 April 2025 a resolution was passed to issue up to 19,812,676 in relation to these options. The options will be issued upon successful quotation of the Shares on the ASX. The options are subject to the following terms:

- 4 options for every 1 share held;
- exercise price of 20 cents;
- vesting upon the Company's share price reaching \$1.00, based on a VWAP calculation;
- expiry date of 4 years from the date of vesting; and
- to the extent not already satisfied at the date on which the Shares were originally issued, subject to the holder having paid \$3,000 per share prior to the exercise of any option.

On 16 May 2025 an Agreement has been entered between the Company and its Lead Manager, that a minimum of 3 million and maximum of 5 million options will be issued to the Lead Manager upon the successful IPO. The options have an exercise price of \$0.30c per share and an expiry date of three years from the date the options are issued.

On 24 December 2024 the company entered agreement with 10 investors to raise \$2,000,000 via the issuance of convertible notes. These notes would convert into Shares at the time of the issue and quotation of the Shares on the ASX. This agreement provided that the maximum amount of funds to be raised pursuant to the Offer was \$2,000,000.00. On 24 January 2025, the company varied the agreement with the investors so that the maximum amount of funds to be raised was equal to the amount actually received, being \$2,252,000.

No other matter or circumstance has arisen since 30 June 2024 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

The consolidated entity's main undertaking, the Gaibandha Mineral Sands Project, has been explored to the stage where an independently prepared JORC Code report on the resources estimation of the Gaibandha Mineral Sands Project has been completed.

The consolidated entity has also conducted desktop work on the Kurigram Mineral Sands Project and Pabna Mineral Sands Project, following which the exploration license of four thousand hectares (4,000ha) for each of these Projects will be submitted to the Bureau of Mineral Development in Bangladesh. The status of the exploration licenses is pending application and these other Projects have not been explored to date.

The consolidated entity, through its Subsidiary, proposes to move into the mining stage of economic mineral sands in relation to the three (3) mining leases granted at the Gaibandha Mineral Sands Project in the short to medium term once necessary preparation work is completed. The consolidated entity, through its Subsidiary, has acquired and constructed production equipment, including dry sand plant and wet sand plant, which are key to mineral sands processing, and is currently in the process of conducting trial production. The consolidated entity believes the trial production will be completed within approximately twelve (12) months of the Listing.

Risks and uncertainties

The consolidated entity is subject to general risks as well as risks that are specific to the consolidated entity and the consolidated entity's business activities. The following is a list of risks which the Directors believe are or potentially will be material to the consolidated entity's business, however, this is not a complete list of all risks that the consolidated entity is or may be subject to.

Application to Trading on the Official list of the ASX

The consolidated entity intends to commence trading of its Shares on the Official List of the ASX, however, this is subject to completion of the Listing and Public Offer and satisfaction of various ASX conditions. The consolidated entity will not proceed with the Public Offer if the consolidated entity is unable to complete the Public Offer, satisfy the ASX's conditions and complete the Listing or if any of the conditions are unacceptable to the consolidated entity.

Future Capital Requirements

The consolidated entity will require ongoing funding to meet its objectives of developing and operating any future mining and processing operation, meeting obligations to maintain licensing tenure and access to its tenements. There can be no certainty that the consolidated entity can raise the further funds to undertake the development of these projects. Any equity financing will be dilutive to Shareholders and may be undertaken at lower prices than the then market price. Debt financing, if available, may involve restrictive covenants which limit the consolidated entity's operations and business strategy. Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the consolidated entity or at all. If the consolidated entity is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities, and this could have a material adverse effect on the consolidated entity's activities including resulting in its tenements being subject to forfeiture and could affect the consolidated entity's ability to continue as a going concern.

Exploration, Geological and Development Risks

Mineral sands exploration is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the consolidated entity. The consolidated entity is subject to customary risks associated with an exploration entity, such as the volatility of industrial mineral prices and exchange rates, exploration costs and risks with respect to the holding of exploration tenure. Success in this process involves (amongst other things):

- discovery and proving-up, or acquiring, an economically recoverable resource or reserve;
- access to adequate capital throughout the acquisition/discovery and project development phases;
- securing and maintaining title to mineral exploration projects;
- obtaining required development consents and approvals necessary for the acquisition, mineral exploration, development and production phases; and
- accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants and employees.

There can be no assurance that exploration of the Projects or any other exploration properties that may be acquired in the future will result in the discovery of an economic mineral resource. Even if an apparently viable mineral resource is identified, there is no guarantee that it can be economically exploited.

The exploration activities of the consolidated entity may be adversely affected by a range of factors including geological conditions, operational risks and changing government laws and regulations. Further, whether positive income flows result from projects on which the consolidated entity will expend exploration and development capital is dependent on many factors including successful exploration, establishment of production facilities, cost control, commodity price movements, successful contract negotiations for production and stability in the local political environment.

In addition, significant expenditure may be required to establish necessary mineral separation and mining processes to develop and exploit any mineral reserves identified on the Projects. There is no assurance that the consolidated entity will have sufficient working capital or resources available to do this.

In the event that exploration programs prove to be unsuccessful, the Projects may diminish in value, there will be a reduction in the cash reserves of the consolidated entity and relinquishment of part or all of the Projects may occur.

Speculative Investment

The consolidated entity capital raisings under the Public Offer should be considered speculative due to the nature of the consolidated entity's business. There cannot be any assurance as to payment of dividends, return of capital or the market value of shares. In particular, the price at which an investor may be able to trade shares may be above or below the price paid for those shares. Potential investors must make their own assessment of the likely risks and determine whether an investment in the consolidated entity is appropriate having regard to their own particular circumstances.

Careful consideration should be given to all matters raised and the relative risk factors prior to considering an acquisition of Shares. Some of these risks can be mitigated by the use of appropriate safeguards and actions, but some are outside of the control of the consolidated entity and cannot be mitigated. The risks can broadly be classified as those general to investing in resource companies and risks that are specific to an investment in the consolidated entity.

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Future Profitability

The consolidated entity does not presently generate any material revenue, given that it is in the growth stage of its development and has only made material losses since its incorporation. The consolidated entity's profitability will be impacted by, among other things, the success of its exploration, mining and processing activities, economic conditions in the markets in which it operates, competition factors, any regulatory developments and potential tax treatment implications for dividends paid by the Subsidiary to the consolidated entity. Accordingly, the extent of future profits (if any) and the time required to achieve sustained profitability are uncertain and cannot be reliably predicted.

Operational Risks

The operations of the consolidated entity may be affected by various factors, including:

- failure to locate or identify mineral deposits;
- failure to achieve predicted grades in exploration and mining;
- operational and technical difficulties encountered in mining;
- insufficient or unreliable infrastructure, such as power, water and transport;
- political or civil unrest, including outbreaks of violence or other hostilities;
- difficulties in commissioning and operating plant and equipment;
- mechanical failure or plant breakdown;
- unanticipated processing problems which may affect mineral separation costs;
- failure to achieve profitable markets for the potential products;
- failure to satisfy relevant Government-imposed employment thresholds;
- adverse weather conditions (including floods and seasonal monsoon, noting that cyclones generally do not extend as far inland as the Projects location) and environmental accidents;
- industrial disputes; and
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

In some areas the Projects do not have well developed and reliable infrastructure and services. This may impede and delay the consolidated entity's operations which are likely to result in increased costs of exploration and development of the Projects where applicable.

In the event that any of these potential risks eventuate, the consolidated entity's operational and financial performance may be adversely affected.

Limited Operating History

The Projects have a limited, or no, operating history. Although the consolidated entity's Directors and management have between them significant operational experience, the consolidated entity's ability to meet its objectives will be largely reliant upon the consolidated entity's ability to implement its current operational plans and take appropriate action to amend those plans in respect of any unforeseen circumstances that may arise.

Since the consolidated entity intends to continue investing in its exploration and development programs, the Directors anticipate making further losses in the immediate future. There can be no certainty that the consolidated entity will achieve or sustain profitability or achieve or sustain positive cash flow from its operating activities.

Access to the Projects

The right of the holder of an exploration license and/or mineral lease to enter onto the license to explore for minerals is subject to the consent of the occupier of the land (to the extent such land is not held by the Subsidiary) and, where the land is close to certain specified locations (i.e. religious, cultural and archaeological sites, airports, radio and television stations, railway lines, bridges, etc.), the ministry responsible for the protection of such locations.

Under the legislation of the relevant jurisdiction, the Group may be required to enter into an agreement with the relevant landowner or occupier (to the extent applicable) for the purpose of securing this consent prior to commencing any exploration activities on the affected areas within the Projects. Compensation may be required to be paid by the consolidated entity to land holders in order that the consolidated entity may carry out exploration and/or mining activities.

The consolidated entity currently has the relevant licenses, consents and approvals required to access and mine the Gaibandha Mineral Sands Project, however these licenses and approvals are subject to change. The consolidated entity does not currently have any licences to explore, access and/or mine the other Projects, as they are currently exploration licence applications only.

Tenure Risk

The Projects are granted under, and governed by, the state and local laws of Bangladesh governing unpatented mining claims and are granted subject to conditions, including payment of annual licence fees and reporting commitments and compliance with all permit requirements. Similar conditions may be applied to future mining rights and permits acquired by the consolidated entity or its Subsidiary. Failure to comply with these conditions may result in forfeiture of the Projects.

Further, the Projects (and any additional future mining permits held by the consolidated entity) are subject to periodic renewal. Whilst there is no reason to believe that such renewals will not be granted, the consolidated entity cannot guarantee that this will occur. New conditions may also be imposed on the Projects (and any additional future mining permits held by the consolidated entity) under the renewal process which may adversely affect the consolidated entity.

In addition, the acquisition of the Projects is reliant upon certain of the mining permit applications that are included as part of the Projects being approved and compliance with financial assurance requirements in respect of federal and state mining permits. If this does not occur it may, in some instances, impede the consolidated entity's acquisition of the Projects.

Government, Political and Regulatory Risk

Operations by the consolidated entity may require approvals, consents or permits from government or regulatory authorities, including renewals of existing mining permits or title transfer to newly acquired mining permits, which may not be forthcoming or which may not be able to be obtained on terms acceptable to the consolidated entity.

Whilst there is no reason to believe that necessary government and regulatory approvals will not be forthcoming (other than as outlined above in respect of the consolidated entity's operations with respect to the Projects), the consolidated entity cannot guarantee that those required approvals will be obtained. Failure to obtain any such approvals could mean the ability of the consolidated entity to prove-up, develop or operate any project or to acquire any project, may be inhibited or negated.

The consolidated entity also advises that there has been recent and ongoing material changes in the political and social environment in Bangladesh, which may result in unforeseeable adverse changes in government policies and legislation and affect the future operations of the consolidated entity. The consolidated entity may need to reassess investments, decisions and commitments to its Projects to the extent they are materially impacted by any outcomes from this ongoing sovereign risk.

As Bangladesh is an emerging economy, it is vulnerable to market downturns and economic slowdowns elsewhere in the world and is subject to rapid change. Investing in an emerging market involves greater legal, economic and political risk than investing in more developed markets.

Permitting Risk

The consolidated entity's ability to develop a mining and processing operation at the Projects is dependent upon its ability to secure all necessary approvals, permits and licences.

Environmental and social impact assessments will be required to support the approval requirements for the Projects. These assessments will need to be undertaken by appropriately qualified and experienced consultants who will need to determine the baseline monitoring and assessments required to inform the environmental approval requirements.

There is a risk that regulators may not consider their requirements to have been met. This may result in the need for additional baseline monitoring and/or rework of consultant assessment reports, which may delay the granting of required approvals. There is also a risk of delays caused by community unrest.

There is no guarantee the Group will be able to obtain all required approvals, licences and permits. To the extent that required authorisations are not obtained or are delayed, the consolidated entity's operational and financial performance may be materially and adversely affected.

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Offtake Risk

The consolidated entity is yet to secure formal offtake arrangements for future output from the proposed processing facility, noting that the consolidated entity has entered into the Strategic Framework Memorandum.

The consolidated entity's ability to generate sufficient revenue or to secure further equity or debt financing for the Projects is largely dependent upon its ability to secure offtake partners for all or most of its production. There can be no certainty the consolidated entity can enter into offtake contracts covering all of its production, at prices or on terms which support the economics or funding of the Projects.

The consolidated entity also advises that its capacity to enter into offtake arrangements may be impacted by rule 83(a) of the Bangladesh Mines and Minerals Rule 2012, which states that the export of any mineral or its products to other countries is subject to the condition that internal requirement of Bangladesh is met before exporting the minerals to the foreign country. It is to be noted that the demand of the local market is not fixed and the demand is determined by the Bangladesh Government.

Commodity Price and Currency Exchange Risks

As the consolidated entity's potential earnings will be largely derived from the sale of mineral commodities, the consolidated entity's future revenues and cash flows will be impacted by changes in the prices and available markets for these commodities. Any substantial decline in the price of those commodities or in transport or distribution costs may have a material adverse effect on the consolidated entity and the value of its Shares.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the consolidated entity. These factors include current and expected future supply and demand, forward selling by producers, production cost levels in major mineral producing centres, as well as macroeconomic conditions, such as inflation and interest rates.

Furthermore, the international prices of most commodities are denominated in United States of American dollars while the consolidated entity cost base will be in AUD. Consequently, changes in the AUD exchange rate will impact on the earnings of the consolidated entity. The exchange rate is affected by numerous factors beyond the control of the consolidated entity, including international markets, interest rates, inflation and the general economic outlook.

Results of Studies

Subject to the results of exploration and testing programs to be undertaken, the consolidated entity may progressively undertake a number of studies in respect to the Projects. These studies may include scoping, pre-feasibility, definitive feasibility and bankable feasibility studies.

These studies will be completed within parameters designed to determine the economic feasibility of the Projects within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Projects or the results of other studies undertaken by the consolidated entity (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Even if a study confirms the economic viability of the Projects, there can be no guarantee that the Projects will be successfully brought into production as assumed or within the estimated parameters in any such feasibility study (e.g. operational costs and commodity prices) if and once production commences. Further, the ability of the consolidated entity to complete a study may be dependent on the consolidated entity's ability to raise further funds to complete the study, if required.

Insurance

The consolidated entity intends to adequately insure its operations in accordance with industry practice. However, in certain circumstances, the consolidated entity's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the consolidated entity.

Insurance of all risks associated with mineral exploration and production is not always available. Further, where coverage is available, the costs may be prohibitive.

Contract Risk

The operations of the consolidated entity will require the involvement of a number of third parties, including suppliers, contractors and customers. With respect to these third parties, and despite applying best practice in terms of pre-contracting due diligence, the Directors are unable to completely avoid the risk of:

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- financial failure or default by a participant in any joint venture to which the consolidated entity or its Subsidiary may become a party;
- counterparty default by another party to a contract, including sales contracts (as applicable);
- insolvency, default on performance or delivery, or any managerial failure by any of the operators and contractors used by the consolidated entity or its Subsidiary in its exploration or mining activities; or
- insolvency, default on performance or delivery, or any managerial failure by any other service providers used by the consolidated entity or its Subsidiary or operators for any activity.

Financial failure, insolvency, default on performance or delivery, or any managerial failure by such third parties may have a material impact on the consolidated entity's operations and performance. Whilst best practice pre-contracting due diligence is undertaken for all third parties engaged by the consolidated entity, it is not possible for the consolidated entity to predict or protect itself completely against all such contract risks.

Liquidity and Dilution Risk

As at the date of this report, there are currently 79,970,004 Shares on issue, which represent approximately eighty percent (80%) of the total Shares on issue following quotation of the Company's Shares being offered to the public pursuant to the Prospectus. This assumes that the Securities contemplated to be issued as part of the Listing have been issued (assuming Maximum Subscription) but no proposed Performance Rights are exercised. Upon compliance, a significant portion of the Shares on issue will be subject to escrow restrictions imposed by the Listing Rules. Some investors may consider there to be an increased liquidity risk if a large portion of the issued capital of the Company is unable to be traded freely for a period of time.

Completion of the Listing will result in between 20,000,000 and 30,000,000 further Shares being issued by the company (including upon conversion of Performance Rights, to the extent vested and exercised), which will dilute the existing shareholders by between approximately 20.0% and 27.3%.

There is also the liquidity risk that the consolidated entity may encounter difficulties raising funds to meet commitments and financial obligations as and when they fall due. It is the company's aim in managing its liquidity to ensure that there are sufficient funds to meet its liabilities as and when they fall due. The consolidated entity manages liquidity risk by continuously monitoring its actual cash flows and forecast cash flows. There is no guarantee that there will be an ongoing liquid market for shares. Accordingly, there is a risk that, should the market for shares become illiquid, shareholders will be unable to realise their investment in the consolidated entity.

Expiry of Escrow

ASX may determine that up to:

- 286,200 Shares (representing approximately 0.3% of the total number of shares on issue upon completion of the Offers (assuming Minimum Subscription)) to be held by the directors and existing shareholders are subject to escrow for a period of twelve (12) months; and
- 73,115,686 Shares (representing approximately 77% of the total number of shares on issue upon completion of the Offers (assuming Minimum Subscription)) to be held by the directors and existing shareholders are subject to escrow for a period of twenty-four (24) months,

resulting in those shares not being tradeable for those periods. This may reduce the volume of trading in the company's Shares on the ASX, which may in turn negatively impact a Shareholder's ability to sell Shares.

Following the end of these escrow periods (as applicable), a significant portion of shares will become tradable on ASX. This may result in an increase in the number of shares being offered for sale on market which may in turn put downward pressure on the company's share price.

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Major Shareholder Risks and Effect on Control

There is a major shareholder of the company that holds 44.4% of the share capital. This shareholder will continue to be the major shareholder of the Company upon completion of the Listing and will hold either directly or indirectly approximately 52.7% of the Company as at the Prospectus Date and, upon completion of the Listing, approximately 44.4% (on an undiluted basis and assuming Minimum Subscription under the Public Offer is achieved and conversion of none of the Performance Rights).

If the Major Shareholder decides to sell its holding in the future after the twenty-four (24) month escrow period, there is a risk that it may cause the price of the company shares to decline. As a major shareholder of the company, the Major Shareholder may be able to exert significant influence on the company's decisions and matters requiring member approval such that the influence of other members is limited.

Environmental Risks

Environmental Risks

The consolidated entity's activities are subject to the environmental laws inherent in the mining industry and those specific to Bangladesh and, less materially, Australia. The consolidated entity intends to conduct its activities in an environmentally responsible manner and in compliance with all applicable laws. However, the consolidated entity may be the subject of accidents or unforeseen circumstances that could subject the consolidated entity to extensive liability.

Environmental approvals may be required from relevant government or regulatory authorities before activities may be undertaken which are likely to impact the environment. Failure or delay in obtaining such approvals will prevent the consolidated entity from undertaking its planned activities. Further, the consolidated entity is unable to predict the impact of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the consolidated entity's cost of doing business or affect its operations in any area.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall may impact on the consolidated entity's ongoing compliance with environmental legislation, regulations, and licences. Significant liabilities could be imposed on the consolidated entity for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the consolidated entity's operations more expensive.

Climate Change Regulation

Mining of mineral resources is relatively energy intensive and is dependent on the consumption of fossil fuels. Increased regulation and government policy designed to mitigate climate change may adversely affect the consolidated entity's cost of operations and adversely impact the financial performance of the consolidated entity.

The efforts of the Bangladeshi and Australian government's to transition towards a lower-carbon economy may also entail extensive policy, legal, technology and market changes to address mitigation and adaption requirements related to climate change that could significantly impact the consolidated entity. Depending on the nature, speed and focus of these changes, transition risks may pose varying levels of financial and reputational risk to the consolidated entity.

Furthermore, the physical risks to the consolidated entity resulting from climate change can be event driven or driven by longer-term shifts in climate patterns. These physical risks may have financial implications for the consolidated entity, such as direct damage to assets and indirect impacts from supply chain disruption.

Rehabilitation of the Projects

In relation to the consolidated entity's proposed operations, issues could arise from time to time with respect to abandonment costs, consequential clean-up costs, environmental concerns and other liabilities. In these instances, the consolidated entity could become subject to liability if, for example, there is environmental pollution or damage from the consolidated entity's exploration or mining activities and there are consequential clean-up costs at a later point in time.

Seasonal Monsoon Risk

Bangladesh, including the area in which the Projects are located, is prone to seasonal monsoon (particularly in June to October of each year) with major floods occurring in Bangladesh in 2004, 2007, 2017 and 2020. Any such major rainfall events may result in operational delays to the consolidated entity's operations at the Projects and/or result in damage to, or destruction of, mineral properties, facilities, equipment or other properties (including surrounding infrastructure).

Environmental regulation

The consolidated entity's activities are subject to the environmental laws inherent in the mining industry and those specific to Bangladesh and, less materially, Australia. The consolidated entity intends to conduct its activities in an environmentally responsible manner and in compliance with all applicable laws.

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Information on directors

Name: Paul Qian
Title: Executive Chairman (appointed 6 July 2017)
Qualifications: Bsc (Major in Chemistry) - East China Normal University
Experience and expertise: Mr Qian has over twelve (12) years of experience in the mineral sands field and his expertise spans the entire spectrum of this industry spans, from exploration to mining. Mr Qian also has experience in diverse fields of work including, but not limited to, finance, property development, publishing, imports and exports, stock and commodity trading, wastewater and soil treatments, oil refineries and mining.

Name: Gregory Starr
Title: Non-Executive Director (appointed 7 March 2025)
Qualifications: BBus (Major in Accounting) - University of Technology, Member of CPA Australia
Experience and expertise: Mr Starr has a background in leadership roles as chairman, independent director, managing director and finance director. Mr Starr has extensive expertise across diverse facets of corporate governance and financial management and has arranged equity and convertible instruments and debt financing to support business growth and stability.

Mr Starr has significant experience working with companies undergoing transitions, arranged and managed initial public offerings, mergers and acquisitions, merger defences and changes in major shareholdings. Operationally, Mr Starr has managed companies from exploration phase to producer status across commodities such as heavy mineral sands, gold, copper, lead, silver, and silica sand.

As a managing director, Mr Starr has led producing mining companies listed on the ASX and TSX with operations spanning Australia, Papua New Guinea, China, Fiji and Brazil. Mr Starr is currently the managing director of Metallica Minerals Limited (being a wholly owned subsidiary of Diatreme Resources Limited (ASX: DRX)).

Mr Starr is also currently a non-executive director or chairperson on various listed company boards of developing and developed mining and non-mining projects including, Credit Intelligence Ltd (ASX: CI1), Kalium Lakes Limited (ASX: KLL), Admiralty Resources NL (ASX: ADY), Eastern Metals Limited (ASX: EMS), Red Ridge Group Limited, Pacific Retirement Estates Limited and Openn Negotiations Limited.

Name: George Edwards
Title: Non-Executive Director (appointed 14 August 2024)
Qualifications: Bsc. University of New South Wales
Experience and expertise: George Edwards is a Fellow of the Australian Institute of Company Directors, a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Energy. Mr Edwards was also a past President of the Australasian Institute of Mining & Metallurgy, a past Chairperson of Standards Australia and of formerly ASX-Listed SAI Global Pty Limited, an international certification company.

Mr Edwards completed vocational experience working on a mineral sand treatment plant in northern NSW and later was involved with another beach sand project on Stradbroke Island in Southern Queensland.

Mr Edwards has been involved in the mineral and coal industries in both Australia and internationally for over fifty-five (55) years, including having part owned and operated three (3) export coking coal mines in Australia.

Meetings of directors

The Board of Directors came into existence on 10 July 2024 and accordingly no meetings were held during the year ended 30 June 2024.

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Company secretary
Andrew Palfreyman

Andrew Palfreyman holds a Bachelor of Arts (Major in Sociology) and a Masters in Politics and Public Policy from Macquarie University and a Juris Doctor of Law and Graduate Certificate (Professional Legal Practice) from the University of Technology Sydney. Mr Palfreyman is a practising corporate lawyer, company secretary and advisor to boards and management of pre-initial public offering and ASX listed entities. Mr Palfreyman regularly advises emerging and listed entities across a range of compliance, legal, governance and strategic matters.

Shares under option

There were no unissued ordinary shares of Everlast Minerals Ltd under option outstanding at the date of this report.

In November 2024, the Board agreed to issue options to the holders of fully paid ordinary shares in the company after July 2020 on a pro-rata basis. On 21 April 2025 a resolution was passed to issue up to 19,812,676 in relation to these options. The options will be issued upon successful quotation of the Shares on the ASX. The options are subject to the following terms:

- 4 options for every 1 share held;
- exercise price of 20 cents;
- vesting upon the Company's share price reaching \$1.00, based on a VWAP calculation;
- expiry date of 4 years from the date of vesting; and
- to the extent not already satisfied at the date on which the Shares were originally issued, subject to the holder having paid \$3,000 per share prior to the exercise of any option.

On 16 May 2025 an Agreement has been entered between the Company and its Lead Manager, that a minimum of 3 million and maximum of 5 million options will be issued to the Lead Manager upon the successful IPO. The options have an exercise price of \$0.30c per share and an expiry date of three years from the date the options are issued.

Shares issued on the exercise of options

There were no ordinary shares of Everlast Minerals Ltd issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

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

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

Non-audit services

During the year there were non-audit services provided by RSM Australia relating to Initial Public Offering (IPO) services. These services were provided by an independent partner outside of the audit team.

Everlast Minerals Ltd
(Formerly known as Everlast Minerals Pty Ltd)
Directors' report
30 June 2024

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

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

On behalf of the directors



PAUL QIAN (EXECUTIVE CHAIRPERSON)

3 June 2025

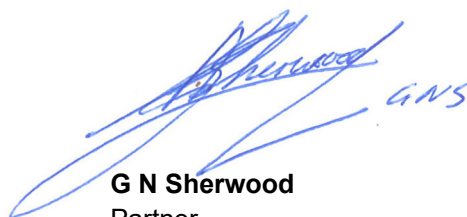
RSM Australia Partners

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Sydney
NSW 2000
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rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Everlast Minerals Ltd for the year ended 30 June 2024, 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.

A handwritten "RSM" logo in blue ink.**RSM AUSTRALIA PARTNERS**A handwritten signature in blue ink, appearing to read "G N Sherwood".
G N Sherwood
Partner

Sydney, NSW
Dated: 3 June 2025

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Everlast Minerals Ltd
(Formerly known as Everlast Minerals Pty Ltd)
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30 June 2024

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General information

The financial statements cover Everlast Minerals Ltd as a consolidated entity consisting of Everlast Minerals Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is the consolidated entity's functional and presentation currency.

The company is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is as follows:

Registered office

Level 5, 137-139 Bathurst Street
Sydney NSW 2000

Principal place of business

320, 20 Dale Street
Brookvale NSW 2100

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 2 June 2025. The directors have the power to amend and reissue the financial statements.

Everlast Minerals Ltd
(Formerly known as Everlast Minerals Pty Ltd)
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	Consolidated 2024 \$	2023 \$
Revenue			
Interest and other income		101,879	1,944
Expenses			
Employee benefits expense	4	(420,111)	(190,429)
Project expenses	5	(413,246)	(597,456)
Share-based payments	23	(22,164,000)	(28,868,500)
Impairment expenses		-	(449,675)
Licence fee		(385,012)	(322,008)
Occupancy expense		(11,363)	(30,162)
Depreciation expense		(252,359)	(56,275)
Loss on disposal of assets		(1,207)	-
Travel expense		(92,478)	(93,935)
Professional fee expense		(368,847)	(67,704)
Other expenses		(99,837)	(108,147)
Finance costs		(6,220)	-
Loss before income tax expense		(24,112,801)	(30,782,347)
Income tax expense	6	(1,813)	-
Loss after income tax expense for the year attributable to the owners of Everlast Minerals Ltd		(24,114,614)	(30,782,347)
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(449,328)	-
Other comprehensive loss for the year, net of tax		(449,328)	-
Total comprehensive loss for the year attributable to the owners of Everlast Minerals Ltd		<u>(24,563,942)</u>	<u>(30,782,347)</u>

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

Everlast Minerals Ltd
(Formerly known as Everlast Minerals Pty Ltd)
Consolidated statement of financial position
As at 30 June 2024

		Consolidated	
	Note	30 June 2024	30 June 2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	7	1,308,885	3,806,566
Other assets	8	161,153	141,435
Total current assets		<u>1,470,038</u>	<u>3,948,001</u>
Non-current assets			
Investments	10	529,588	-
Property, plant and equipment	9	1,726,733	426,176
Right-of-use assets		31,486	-
Intangible assets		1,769	2,706
Other assets	8	546,052	741,595
Total non-current assets		<u>2,835,628</u>	<u>1,170,477</u>
Total assets		<u>4,305,666</u>	<u>5,118,478</u>
Liabilities			
Current liabilities			
Trade and other payables		6,073	11,539
Lease liabilities		23,131	-
Total current liabilities		<u>29,204</u>	<u>11,539</u>
Total liabilities		<u>29,204</u>	<u>11,539</u>
Net assets		<u>4,276,462</u>	<u>5,106,939</u>
Equity			
Issued capital	11	107,117,060	83,625,672
Reserves	12	(140,331)	66,920
Accumulated losses		<u>(102,700,267)</u>	<u>(78,585,653)</u>
Total equity		<u>4,276,462</u>	<u>5,106,939</u>

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

Everlast Minerals Ltd
(Formerly known as Everlast Minerals Pty Ltd)
Consolidated statement of changes in equity
For the year ended 30 June 2024

	Issued capital \$	Other equity \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Consolidated					
Balance at 1 July 2022	51,300,969	-	147,206	(47,803,306)	3,644,869
Loss after income tax expense for the year	-	-	-	(30,782,347)	(30,782,347)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(30,782,347)	(30,782,347)
<i>Transactions with owners in their capacity as owners:</i>					
Shares issued, net of transaction costs (note 11)	32,324,703	-	-	-	32,324,703
Forgiveness of shareholder loan	-	139,464	-	-	139,464
Foreign currency translation reserve	-	-	(219,750)	-	(219,750)
Balance at 30 June 2023	<u>83,625,672</u>	<u>139,464</u>	<u>(72,544)</u>	<u>(78,585,653)</u>	<u>5,106,939</u>
	Issued capital \$	Other equity \$	Foreign currency translation reserves \$	Accumulated losses \$	Total equity \$
Consolidated					
Balance at 1 July 2023	83,625,672	139,464	(72,544)	(78,585,653)	5,106,939
Loss after income tax expense for the year	-	-	-	(24,114,614)	(24,114,614)
Other comprehensive loss for the year, net of tax	-	-	(449,328)	-	(449,328)
Total comprehensive loss for the year	-	-	(449,328)	(24,114,614)	(24,563,942)
<i>Transactions with owners in their capacity as owners:</i>					
Shares issued, net of transaction costs (note 11)	23,491,388	-	-	-	23,491,388
Shareholder advances to the Subsidiary	-	242,077	-	-	242,077
Balance at 30 June 2024	<u>107,117,060</u>	<u>381,541</u>	<u>(521,872)</u>	<u>(102,700,267)</u>	<u>4,276,462</u>

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

Everlast Minerals Ltd
(Formerly known as Everlast Minerals Pty Ltd)
Consolidated statement of cash flows
For the year ended 30 June 2024

	Note	Consolidated 2024 \$	2023 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(1,806,797)	(1,536,503)
Interest received		<u>7,512</u>	<u>340</u>
Net cash used in operating activities	22	<u>(1,799,285)</u>	<u>(1,536,163)</u>
Cash flows from investing activities			
Payments for investments		(529,588)	-
Payments for property, plant and equipment		<u>(1,496,196)</u>	<u>(68,111)</u>
Net cash used in investing activities		<u>(2,025,784)</u>	<u>(68,111)</u>
Cash flows from financing activities			
Proceeds from issue of shares, net of share issue costs	11	<u>1,327,388</u>	<u>3,006,527</u>
Net cash from financing activities		<u>1,327,388</u>	<u>3,006,527</u>
Net (decrease)/increase in cash and cash equivalents		(2,497,681)	1,402,253
Cash and cash equivalents at the beginning of the financial year		<u>3,806,566</u>	<u>2,404,313</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>1,308,885</u></u>	<u><u>3,806,566</u></u>

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

Note 1. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, 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.

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.

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.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$24,114,614 and had net cash outflows from operating activities of \$1,799,285 for the year ended 30 June 2024. As at that date the consolidated entity had net current assets of \$1,470,038 and net assets of \$4,276,462.

These factors indicate a material uncertainty which may cast significant doubt as to whether the consolidated entity 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 consolidated entity will be able to continue as a going concern, after consideration of the following factors:

- The Group has cash balance of approximately \$770,000 as of May 2025;
- The Company is in the advanced stages of completing an Initial Public Offering (IPO) transaction to offer a minimum of 20,000,000 Public Offer Shares and up to 30,000,000 Public Offer Shares at an issue price of \$0.20 each to raise a minimum of \$4,000,000 (before costs) and up to \$6,000,000 (before costs). An application for "In-Principle Advice" has been submitted to the ASX. The Directors are confident that the minimum subscriptions will be achieved through the support of existing shareholders and other investors; and
- The directors believe that the available cash balance along with additional funding from eminent IPO will be adequate to fund operations for the 12 months following the date of the financial report.

Accordingly, the Directors believe that the consolidated entity 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 consolidated entity does not continue as a going concern.

Parent entity information

These financial statements present the results of the Consolidated entity only. Supplementary information about the parent entity is disclosed in note 19.

Everlast Minerals Ltd
(Formerly known as Everlast Minerals Pty Ltd)
Notes to the consolidated financial statements
30 June 2024

Note 1. Material accounting policy information (continued)

Foreign currency translation

The financial statements are presented in Australian dollars, which is the consolidated entity's functional and presentation currency.

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.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Everlast Minerals Pty Ltd ('Company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the period then ended. Everlast Minerals Pty Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

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.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Note 1. Material accounting policy information (continued)

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Investments

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the consolidated entity has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Note 1. Material accounting policy information (continued)

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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:

Buildings	40 years
Leasehold improvements	3-10 years
Plant and equipment	3-7 years

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

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.

Employee benefits

Share-based payments

Equity-settled compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 1. Material accounting policy information (continued)

Exploration and evaluation expenditure

On 20 June 2024 the Bureau of Mineral Development (BMD) under the Energy and Mineral Resources Division of the Ministry of Power, Energy and Mineral Resources, Bangladesh signed Mining Lease Agreements for 3 mining blocks with Everlast Minerals Limited ("EML"), the wholly owned subsidiary of Everlast Minerals Pty Limited incorporated in Bangladesh. It has been the policy of the consolidated entity to expense all historical exploration and evaluation expenditure as it was incurred up and until such time as it obtained the Mining Lease Agreements.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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 2024. 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 the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date when goods or services are received. Share-based payments to employees, suppliers, related parties, and other parties have been treated the same as employee share-based payments and measured at the fair value of the shares issued as it was not possible to reliably estimate the value of any services received. There is significant judgment and estimation uncertainty when determining the fair value of the equity instruments. Management has exercised their judgement in determining the fair value of the shares issued for share based payments with reference to the last known share price for an arms length share issue for cash. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity operates in the minerals exploration sector. The principle activity of the Company is exploration for mineral sands in Bangladesh. The consolidated entity classifies these activities under a single operating segment, the Bangladeshi exploration projects. Regarding this exploration operating segment, the Chief Operating Decision Maker (determined to be the Board of Directors) receives information on the exploration expenditure incurred and makes decisions based on this data. There is no aggregation of operating segments.

Everlast Minerals Ltd
(Formerly known as Everlast Minerals Pty Ltd)
Notes to the consolidated financial statements
30 June 2024

Note 3. Operating segments (continued)

Geographical information

The consolidated entity operates in two geographical segments, Australia (where the head office is located) and Bangladesh (where the mining sites are being explored). The non-current asset breakdown between these geographical segments are detailed below:

	Geographical non-current assets	
	30 June 2024	30 June 2023
	\$	\$
Australia	663,077	743,364
Bangladesh	2,172,551	427,113
	<u>2,835,628</u>	<u>1,170,477</u>

Note 4. Employee benefits expense

	Consolidated	
	2024	2023
	\$	\$
Salaries and wages	277,866	143,264
Superannuation	12,375	-
Other employee benefit	129,870	47,165
	<u>420,111</u>	<u>190,429</u>

Note 5. Project expenses

	Consolidated	
	2024	2023
	\$	\$
Licensing and exploration cost	326,851	546,133
Labour cost	86,395	51,323
	<u>413,246</u>	<u>597,456</u>

Note 6. Income tax expense

	Consolidated	
	2024	2023
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(24,112,801)	(30,782,347)
Tax at the statutory tax rate of 30%	(7,233,840)	(9,234,704)
Current year tax losses not recognised and other timing differences	7,235,653	9,234,704
Income tax expense	<u>1,813</u>	<u>-</u>

Everlast Minerals Ltd
(Formerly known as Everlast Minerals Pty Ltd)
Notes to the consolidated financial statements
30 June 2024

Note 6. Income tax expense (continued)

Management has exercised their judgement in determining that no deferred tax asset will be raised on estimated tax losses as there is uncertainty in relation to the Group's ability to utilise these tax losses. The Group has approximately \$2,691,542 of estimated tax losses for which no deferred tax asset has been raised. The tax losses reported relate to the Australian parent entity only as there is uncertainty whether the tax losses in Bangladesh can be carried forward and offset against future taxable income.

Note 7. Cash and cash equivalents

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
<i>Current assets</i>		
Cash on hand	-	3,255
Cash at bank	1,308,885	3,803,311
	<u>1,308,885</u>	<u>3,806,566</u>

Note 8. Other assets

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
<i>Current assets</i>		
Prepayments (i)	161,153	140,259
Other current assets	-	1,176
	<u>161,153</u>	<u>141,435</u>
<i>Non-current assets</i>		
Prepayments (i)	<u>546,052</u>	<u>741,595</u>

(i) The prepayment relates to a license fee paid in advance to Everlast Technology Pty Limited (Everlast Technology) for the continued use and operational maintenance of the mining software the company uses. The agreement was entered into on 1 October 2022 and is for a period of seven years. Everlast Technology is a related party by virtue of common shareholders and directors.

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Note 9. Property, plant and equipment

	Consolidated	30 June 2023
	\$	\$
<i>Non-current assets</i>		
Land - at cost	91,524	-
Mining and other exploration equipment - at cost	1,208,394	362,067
Less: Accumulated depreciation	(262,431)	(100,906)
	<u>945,963</u>	<u>261,161</u>
Mining infrastructure - at cost	534,155	88,955
Less: Accumulated depreciation	(31,732)	(5,965)
	<u>502,423</u>	<u>82,990</u>
Office equipment - at cost	39,661	35,302
Less: Accumulated depreciation	(11,121)	(6,865)
	<u>28,540</u>	<u>28,437</u>
Motor vehicles - at cost	183,878	73,904
Less: Accumulated depreciation	(25,595)	(20,316)
	<u>158,283</u>	<u>53,588</u>
	<u><u>1,726,733</u></u>	<u><u>426,176</u></u>

Reconciliations

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

	Land	Mining and other exploration equipment	Mining infrastructure	Office equipment	Motor vehicles	Total
Consolidated	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	-	346,839	33,840	25,191	62,422	468,292
Additions	-	2,093	57,011	9,007	-	68,111
Exchange differences	-	(41,415)	(3,493)	(2,601)	(6,443)	(53,952)
Depreciation expense	-	(46,356)	(4,368)	(3,160)	(2,391)	(56,275)
Balance at 30 June 2023	-	261,161	82,990	28,437	53,588	426,176
Additions	91,524	850,723	445,200	-	115,719	1,503,166
Exchange differences	-	16,473	2,402	3,570	(3,660)	18,785
Depreciation expense	-	(182,394)	(28,169)	(3,467)	(7,364)	(221,394)
Balance at 30 June 2024	<u><u>91,524</u></u>	<u><u>945,963</u></u>	<u><u>502,423</u></u>	<u><u>28,540</u></u>	<u><u>158,283</u></u>	<u><u>1,726,733</u></u>

Note 10. Investments

	Consolidated	30 June 2023
	\$	\$
<i>Non-current assets</i>		
Investment in FDR	<u><u>529,588</u></u>	<u><u>-</u></u>

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Note 10. Investments (continued)

The above investment represents a fixed deposit receipt (FDR) of USD\$352,000 with maturity date of 13 June 2025. The interest rate of the term deposit is 6.65% per annum. The deposit was made to Shahjalal Islami Bank for the Bank to issue a bank guarantee for an amount of ₳37,576,000 in Bangladeshi Taka in favour of the Bureau of Mineral Development Bangladesh. The bank guarantee will expire on 21 June 2034. The term deposit will be required to roll forward to next term on an annual basis towards the end of the bank guarantee expiry date.

Note 11. Issued capital

	Consolidated			
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>79,970,004</u>	<u>64,992,204</u>	<u>107,117,060</u>	<u>83,625,672</u>

Movements in ordinary share capital

Details		Number of shares	Issue price	Shares issued at cost \$	Share-based payments fair value premium \$	Total issued capital \$
Balance 1 July 2022*		51,266,052		5,793,969	45,507,000	51,300,969
Shares issued	12/07/2022	3,577,500	\$0.001	1,875	8,422,038	8,423,913
	08/08/2022	1,272,636	\$2.357	3,000,000	-	3,000,000
	20/03/2023	8,685,216	\$0.001	4,552	20,446,463	20,451,015
	01/06/2023	190,800	\$0.001	100	449,675	449,775
Balance 30 June 2023		<u>64,992,204</u>		<u>8,800,496</u>	<u>74,825,176</u>	<u>83,625,672</u>
Shares issued (Cash)	18/01/2024	116,388	\$1.547	180,000	-	180,000
Share based payment	22/01/2024	4,770,000	\$0.001	2,500	7,500,000	7,502,500
Cash	23/04/2024	574,308	\$1.567	900,000	-	900,000
Cash	10/06/2024	190,800	\$1.572	300,000	-	300,000
Share based payment	10/06/2024	9,326,304	\$0.001	4,888	14,664,000	14,668,888
Share issue costs (Cash)		-		-	-	(60,000)
Balance 30 June 2024		<u>79,970,004</u>		<u>10,187,884</u>	<u>96,989,176</u>	<u>107,117,060</u>

* Subsequent to year-end, as part of the preparation for IPO, the company conducted a share split on a 1:1,908 basis. This share split has been accounted for retrospectively as an adjustment in the issued capital table above.

Ordinary shares

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

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

Share-based payments fair value premium

The share-based payment fair value premium is the difference between the nominal value of the shares issued assigned by the company and the fair value of the shares.

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Note 12. Reserves

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Other equity	381,541	139,464
Foreign currency reserve	(521,872)	(72,544)
	<u>(140,331)</u>	<u>66,920</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Other equity

The balance of \$139,464 as at 30 June 2023 represents shareholder loans that were forgiven. The loan forgiveness has been treated as a transaction in the shareholders capacity as an owner rather than a lender and consequently the loan forgiveness has been taken to other equity. The amount of \$242,077 as at 30 June 2024 represents additional shareholder advances to the Subsidiary which are to be repaid at the discretion of the Subsidiary and have therefore been treated as other equity.

Movements in reserves

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

Consolidated	Other equity	Foreign currency translation reserve	Total
	\$	\$	\$
Balance at 1 July 2022	-	147,206	147,206
Foreign currency translation	-	(219,750)	(219,750)
Forgiveness of shareholder loan	139,464	-	139,464
Balance at 30 June 2023	139,464	(72,544)	66,920
Foreign currency translation	-	(449,328)	(449,328)
Shareholder advances to the Subsidiary	242,077	-	242,077
Balance at 30 June 2024	<u>381,541</u>	<u>(521,872)</u>	<u>(140,331)</u>

Note 13. Dividends

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

Note 14. Financial instruments

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the consolidated entity'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.

The consolidated entity is not exposed to any significant market risk (including price risk and interest rate risk) other than foreign currency risk, discussed below.

Note 14. Financial instruments (continued)

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity.

The consolidated entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics other than its bankers.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group has AU\$1,308,885 in cash as at the reporting date. As stated in Note 1, the Company is in the advanced stages of completing an Initial Public Offering (IPO) transaction and is expecting to raise a minimum of \$4million with an allowance for an additional \$2million in oversubscriptions.

Ultimate responsibility for liquidity risk management rests with the board of directors, which periodically reviews the consolidate entities short, medium and long-term funding and liquidity management requirements. The consolidated entity manages liquidity risk by maintaining reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities where possible.

Note 15. Key management personnel disclosures

Directors

The following people held office as directors of the company during the financial year:

Paul Qian Executive Chairperson

Other key management personnel

There were no other key 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.

Compensation

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

	Consolidated	
	2024	2023
	\$	\$
Short-term employee benefits	162,375	-
Share-based payments	15,774,000	18,891,600
	<u>15,936,375</u>	<u>18,891,600</u>

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Note 16. 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	
	2024	2023
	\$	\$
<i>Audit services - RSM Australia Partners</i>		
Audit of the financial statements (Jun 2024, Dec 2023 with Jun 2023 comparatives)	145,000	-
<i>Other services - RSM Australia Partners</i>		
Preparation of the financial statements	7,500	-
Preparation of the limited assurance report	70,000	-
	77,500	-
	222,500	-

Note 17. Contingencies and Commitments

On 20 June 2024 the Bureau of Mineral Development (BMD) under the Energy and Mineral Resources Division of the Ministry of Power, Energy and Mineral Resources, Bangladesh signed Mining Lease Agreements for 3 mining blocks with Everlast Minerals Limited ("EML"), the wholly owned subsidiary of the consolidated entity incorporated in Bangladesh. The signing of the Mining Lease Agreement has resulted in guarantees of BDT 37.58 million (approximately AUD\$ 481,000) and a security deposit of USD\$352,000 being required to be provided by EML to the Bureau of Mineral Development. In addition, EML will be required to pay a royalty to the Bangladesh Government of 15 percent of pit mouth value and annual license fees of BDT 1.12 million (approximately AUD\$ 15,000).

The Company has committed to issuing 2,700,000 performance rights to key management personnel upon completion of the Initial Public Offering and admission to the ASX. The fair value of these performance rights cannot be reliably measured as of the date of this report. The detailed terms of the performance rights are reflected below:

Note 17. Contingencies and Commitments (continued)

Class	Total	Allocation of Total	Vesting conditions	Exercise Price	Expiry Date
Class A	700,000	- 500,000 to Executive Chairperson - 200,000 to Subsidiary China Region Representative	The Company announcing to ASX that it has signed a legally binding offtake agreement with a bona fide offtake partner for a minimum of 50% of THM (at a minimum cut-off grade of 1.00%) derived from the Gaibandha Mineral Sands Project (for the avoidance of doubt, the 50% threshold does not include THM required for internal requirements pursuant to the Mine and Minerals Rule 2012 of Bangladesh and any other applicable law of the Republic of Bangladesh).	\$0.00	30/11/2026
Class B	400,000	- 200,000 to Executive Chairperson - 100,000 to each of the Non-Executive Directors	The Company's Share price achieving a volume weighted average market price of \$1.50 over 30 consecutive trading days on which the Company's Shares have traded.	\$0.00	30/11/2026
Class C	300,000	- 100,000 to Executive Chairperson - 100,000 to Subsidiary Managing Director - 100,000 to Subsidiary General Manager	The Subsidiary being granted the exploration licence for the Kurigram Mineral Sands Project.	\$0.00	30/11/2026
Class D	1,000,000	- 400,000 to Executive Chairperson - 200,000 to Subsidiary Managing Director - 200,000 to Subsidiary General Manager - 200,000 to Subsidiary China Region Representative	The Company announcing the completion of a minimum drilling campaign of 200 holes with a 1.5m interval at a depth of 10m at its Kurigram Mineral Sands Project.	\$0.00	30/11/2027
Class E	300,000	- 100,000 to Executive Chairperson - 50,000 to Subsidiary Managing Director - 50,000 to Subsidiary General Manager - 50,000 to each of the Non-Executive Directors	The Company announcing to ASX a JORC compliant Mineral Resource (as defined in the JORC Code) comprising of an indicated and inferred resource of at least 300mt contained THM (at a minimum grade of 1.00%) with respect to its Kurigram Mineral Sands Project.	\$0.00	30/11/2028

Note 18. Related party transactions

Parent entity

Everlast Minerals Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 20.

Key management personnel

Disclosures relating to key management personnel are set out in note 15.

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Note 18. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2024	2023
	\$	\$
Payment for goods and services:		
Payment for office rent to Creative Mortgages Pty Ltd (director-related entity of Paul Qian)	10,909	10,909
Payment for licence fees to Everlast Technology Pty Ltd (director-related entity of Paul Qian)	380,260	320,260
Payment for commission for capital raising costs to Creative Mortgages Pty Ltd (director-related entity of Paul Qian)	60,000	-

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Current receivables:		
Loan to Creative Mortgages Pty Ltd	-	2,799
Loan to EML (Bangladesh)*	5,449,109	2,722,219

* The loan to Everlast Minerals Limited (the Subsidiary) has been treated as an equity investment at the parent entity level and has been eliminated in the Group's consolidated financial statements. The total loan facility is USD\$ 6,000,000, which is unsecured and interest free. The loan term is 10 years commencing from 9 October 2020. Everlast Minerals Limited (the borrower) shall repay the loan only when it earns sufficient net profit from its business in this 10-year loan term. The repayment of the loan will not be required if Everlast Minerals Limited fail to earn sufficient net profit from its business to service the loan and this loan will become null and void without repayment. The loan was approved by Paul Qian (Executive Chairperson of the consolidated entity) on 9 October 2020.

Terms and conditions

The Directors are of the opinion that all transactions were made on normal commercial terms and conditions and at market rates.

Note 19. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2024	2023
	\$	\$
Loss after income tax	(23,214,625)	(29,080,522)
Total comprehensive loss	(23,214,625)	(29,080,522)

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30 June 2024

Note 19. Parent entity information (continued)

Statement of financial position

	Parent	
	30 June 2024	30 June 2023
	\$	\$
Total current assets	1,450,176	3,940,987
Total assets	7,545,797	6,272,851
Total current liabilities	-	9,260
Total liabilities	-	9,260
Equity		
Issued capital	107,117,060	82,726,121
Other equity	139,464	139,464
Foreign currency reserve	154,284	(11,969)
Accumulated losses	(99,865,011)	(76,590,025)
Total equity	7,545,797	6,263,591

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 2024 and 30 June 2023.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

Material accounting policy information

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.

Note 20. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2024	30 June 2023
		%	%
Everlast Minerals Limited	Bangladesh	100%	100%

Note 21. Events after the reporting period

On 10 July 2024 the company converted its company status from a proprietary company to a public unlisted entity. This change of status was required to be completed prior to its initial public offering (IPO). As part of this preparation for IPO, a share split was conducted post year-end with a ratio of 1:1,908.

On 14 August 2024 the consolidated entity appointed George Edwards and Bruce Fulton as non-executive directors. Both directors have extensive experience in the resources industry and these appointments are expected to enhance the strategic direction of the consolidated entity. Bruce Fulton subsequently resigned as a Director on 31 March 2025.

Everlast Minerals Ltd
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Notes to the consolidated financial statements
30 June 2024

Note 21. Events after the reporting period (continued)

On 29 August 2024, the Bangladeshi Government published a gazette notification declaring the Company's mining blocks as "mineral sands/heavy mineral rich areas".

In November 2024, the Board agreed to issue options to the holders of fully paid ordinary shares in the company after July 2020 on a pro-rata basis. On 21 April 2025 a resolution was passed to issue up to 19,812,676 in relation to these options. The options will be issued upon successful quotation of the Shares on the ASX. The options are subject to the following terms:

- 4 options for every 1 share held;
- exercise price of 20 cents;
- vesting upon the Company's share price reaching \$1.00, based on a VWAP calculation;
- expiry date of 4 years from the date of vesting; and
- to the extent not already satisfied at the date on which the Shares were originally issued, subject to the holder having paid \$3,000 per share prior to the exercise of any option.

On 16 May 2025 an Agreement has been entered between the Company and its Lead Manager, that a minimum of 3 million and maximum of 5 million options will be issued to the Lead Manager upon the successful IPO. The options have an exercise price of \$0.30c per share and an expiry date of three years from the date the options are issued.

On 24 December 2024 the company entered agreement with 10 investors to raise \$2,000,000 via the issuance of convertible notes. These notes would convert into Shares at the time of the issue and quotation of the Shares on the ASX. This agreement provided that the maximum amount of funds to be raised pursuant to the Offer was \$2,000,000.00. On 24 January 2025, the company varied the agreement with the investors so that the maximum amount of funds to be raised was equal to the amount actually received, being \$2,252,000.

No other matter or circumstance has arisen since 30 June 2024 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.

Note 22. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2024	2023
	\$	\$
Loss after income tax expense for the year	(24,114,614)	(30,782,347)
Adjustments for:		
Net loss on disposal of non-current assets	1,207	-
Share-based payments	22,164,000	29,318,175
Foreign exchange differences	(79,597)	54,061
Depreciation and amortisation	252,359	56,275
Reserves movement	(193,934)	(80,286)
Change in operating assets and liabilities:		
Increase in trade and other receivables	-	(400,255)
Decrease in other assets	176,760	155,847
Increase/(decrease) in trade and other payables	(5,466)	142,367
Net cash used in operating activities	<u>(1,799,285)</u>	<u>(1,536,163)</u>

Note 23. Share-based payments

During the year ended 30 June 2024, the company issued 14,096,304 shares (30 June 2023: 12,262,716 shares) to various employees, related parties, service providers, and other parties. These share issues have been treated as share-based payments and have been measured at the fair value of the shares on the date when the shares were issued. See note 2 for specific judgements and estimation uncertainty in relation to share based payments.

Everlast Minerals Ltd
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Notes to the consolidated financial statements
30 June 2024

Note 23. Share-based payments (continued)

Set out below are summaries of shares issued to employees, related parties, service providers, and other parties:

Issue date	Number of shares granted 2024*	Number of shares granted 2023*	Fair Value per share \$	Share-based payments \$	Share-based payments \$
12/07/2022	-	3,577,500	\$2.350	-	8,422,038
20/03/2023	-	8,685,216	\$2.350	-	20,446,462
22/01/2024	4,770,000	-	\$1.570	7,500,000	-
10/06/2024	9,326,304	-	\$1.570	14,664,000	-
	<u>14,096,304</u>	<u>12,262,716</u>		<u>22,164,000</u>	<u>28,868,500</u>

* Subsequent to year-end, as part of the preparation for IPO, the company conducted a share split on a 1:1,908 basis. This share split has been accounted for retrospectively as an adjustment in the summary of shares issued table above.

Everlast Minerals Ltd
(Formerly known as Everlast Minerals Pty Ltd)
Consolidated entity disclosure statement
As at 30 June 2024

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Everlast Minerals Ltd	Body corporate	Australia	100.00%	Australia
Everlast Minerals Limited	Body corporate	Bangladesh	100.00%	Bangladesh

Everlast Minerals Ltd
(Formerly known as Everlast Minerals Pty Ltd)
Directors' declaration
30 June 2024

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 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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



PAUL QIAN (EXECUTIVE CHAIRPERSON)

3 June 2025

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INDEPENDENT AUDITOR'S REPORT To the Members of Everlast Minerals Ltd

Opinion

We have audited the financial report of Everlast Minerals Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, 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 material accounting policy information, the consolidated entity disclosure statement 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 2024 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 (including independence standards)* (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.

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Material Uncertainty Related to Going Concern - Auditor's report

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$24,114,614 and had net cash outflows from operating activities of \$1,799,285 for the year ended 30 June 2024. 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 opinion is not modified in respect of this matter.

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 2024, 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:

- a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and
- b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of 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/ar3.pdf. This description forms part of our auditor's report.

A handwritten signature in blue ink, appearing to read "G N Sherwood", with the initials "GNS" written in a smaller, simpler script to the right.

G N Sherwood
Partner

RSM Australia Partners
Sydney, 3 June 2025