



CATALINA
RESOURCES

CATALINA RESOURCES LTD

(Formerly Shree Minerals Limited)
ACN 130 618 683

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2022

CATALINA RESOURCES LTD

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CATALINA RESOURCES LTD

CORPORATE DIRECTORY

DIRECTORS

Sanjay Loyalka

Richard Beazley (appointed 2/8/2022)

Michael Busbridge (appointed 19/1/2023)

COMPANY SECRETARY

Sanjay Loyalka

REGISTERED OFFICE

Unit 38

18 Stirling Highway

Nedlands

WA 6009

AUDITOR

Stantons

Level 2, 40 Kings Park Road

West Perth WA 6005

SHARE REGISTRY

Boardroom Pty Ltd

Level 8, 210 George Street

Sydney NSW 2000

CATALINA RESOURCES LTD

DIRECTORS' REPORT

Your directors present their report on Catalina Resources Ltd (formerly Shree Minerals Limited), ("the Company") for the half year ended 31 December 2022.

DIRECTORS

The names of the directors in office at any time during or since the end of the half year are:

Sanjay Loyalka

Amu Shah (retired 28/11/2022)

Davide Bosio (resigned 19/1/2023)

Richard Beazley (appointed 2/8/2022)

Michael Busbridge (appointed 19/1/2023)

REVIEW OF OPERATIONS AND ACTIVITIES

Highlights

- **Business Development**
 - Sale of Arunta JV interest completed with listing of MetalsGrove Mining Limited (ASX: MGA) in July 2022. 4.75 million shares in MGA provide significant exposure to MGA's portfolio of high-quality lithium, rare earth, copper-gold, manganese and base metal projects in Western Australia and the Northern Territory.
 - Expansion of Dundas Project
 - Exploration Licence Applications E63/2136 & E 63/2227 (over approx. 30,000 ha) to expand over the two tenements (E63/2046 & E63/2048) held by the Company to increase total area of approximately 65,000 ha.
 - Identification of lithium, nickel and REE potential in addition to gold potential, when the project was initially acquired in June 2020.
 - Laverton Project acquired
 - Seven tenement applications over 6,600 ha in the highly endowed Laverton District.
 - Compelling under-cover gold and nickel targets identified.
 - ELA E38/3697 is located only 2 kms to the north of Lynas Rare Earth Ltd.'s (ASX: LYC) Mt Weld Carbonatite REE complex.
- **Corporate**
 - Appointed highly experienced Mining Engineer Mr. Richard Beazley as Non-Executive Director, effective 2nd August 2022.
 - Company name changed to Catalina Resources Ltd, effective 28 November 2022
 - Developed and launched a new company website.
 - Appointed Mr. Michael Busbridge, a Geologist with over 40 years of experience in the mining industry, as Technical Director of the Company.
- **Dundas Project**
 - Located within the Dundas Nature Reserve.
 - Spring Flora Surveys completed in end August 2022.
 - Targeted Fauna Surveys completed in early September 2022.
 - Reconnaissance mapping identified pegmatite drill chips from the spoil of historical drilling to validate the drill logs.
 - Cultural heritage survey completed within southern part of E63/2046 in October 2022 and E63/2048 in November 2022.
 - POW approval received for:

DIRECTORS' REPORT

- RAB drilling in the southern portion of the tenement E63/2046.
 - Auger Geochemical sampling in E63/2048.
 - Air core drilling completed for 105 holes in E63/2046.
 - Pegmatite intersected in 24 holes.
 - First assays from the maiden air core drilling program at Dundas confirm grades up to 0.81% (8146 ppm) total rare earth element oxides (TREO), including 0.16% Nd₂O₃, in hole 22DAC095.
 - Another hole (22DAC066) intersected 0.65% TREO, including 0.12% Nd₂O₃ and 0.14% La₂O₃, with coincident anomalous lithium geochemistry.
 - Lithium averaging 84 ppm over 44m to the end of hole (EOH) and 103 ppm over 28m to EOH has also been intersected. Anomalous REE assays also accompany the lithium.
- **Nelson Bay River Iron Project**
 - Lodged in early August 2022, DPMP Supplement No. 2 in response to "Request for Additional Information ("RFI") – Waste Rock and Mine Closure" in response to RFI issued by EPA in late June 2022, after completion of new technical modelling requested in the RFI.
 - DCCEEW advised in mid-October 2022 that after careful review of the DPMP dated August 2021 ("Proposal"), it has determined that the changes in the Proposal are not within the scope of EPBC Act approval 2011/5846 made in 2013 and holds the view that the proposed varied action should be referred for assessment under the EPBC Act.
 - Submission to DCCEEW made in November 2022.
 - **Lachlan Fold Belt Project**
 - Progressing activities agreed with the Resources Regulator, NSW to enable consideration of revoking of suspension at EL9155, Rock Lodge.
 - Pursuing Landholder Access agreement at EL9346, Oak Hill.

Business Development

While the company has faced significant challenges in 2022 (mainly due to ongoing delays at NBR project permitting due to regional political issues and suspension at Lachlan Fold belt project), the focus has been on relentlessly pursuing our strategy of building a portfolio of quality assets and advancing them using modern exploration techniques, mine development and process of continuous evaluation and prioritisation of its project portfolio. We believe that continuing to pursue our strategy while navigating through these challenges will be in the best interest of our shareholders.

The building of the exploration project portfolio is a culmination of a concerted business development effort by the Company's management in recent years. This was a proactive risk management strategy to diversify its business by not having reliance on just one asset. Until the beginning of 2019, the company had only the NBR Project in Tasmania.

It is particularly pleasing that the company was successful in identifying and acquiring a portfolio of exploration projects in highly prospective terrains mainly by pegging tenements from the Government at very low cost without any highly priced M&A (project purchase) expense. We believe the acquisition of these projects has placed the Company at an inflection point potentially as we move toward exploration activities across these assets.

The Company continues its efforts to seek new projects and has also implemented a process of continuous evaluation and prioritisation of its project portfolio. As a part of this strategy, the interest in Arunta Joint Venture acquired in June 2020 was divested to MetalsGrove Mining Ltd ("MGA"). During the half year, MetalsGrove Mining Ltd (ASX: MGA) listed on ASX in July 2022 in which the Company is a substantial

DIRECTORS' REPORT

shareholder arising out of the sale of the Company's rights, title and interest in the Arunta Joint Venture. The Company has a shareholding of 4,750,000 fully paid ordinary shares of MGA.

Two tenements (E63/2046 and E63/2048) in the Company's Dundas Project were granted in November 2021 and have been expanded further by successfully identifying and pegging two ELAS (E63/2136 and E63/2227).

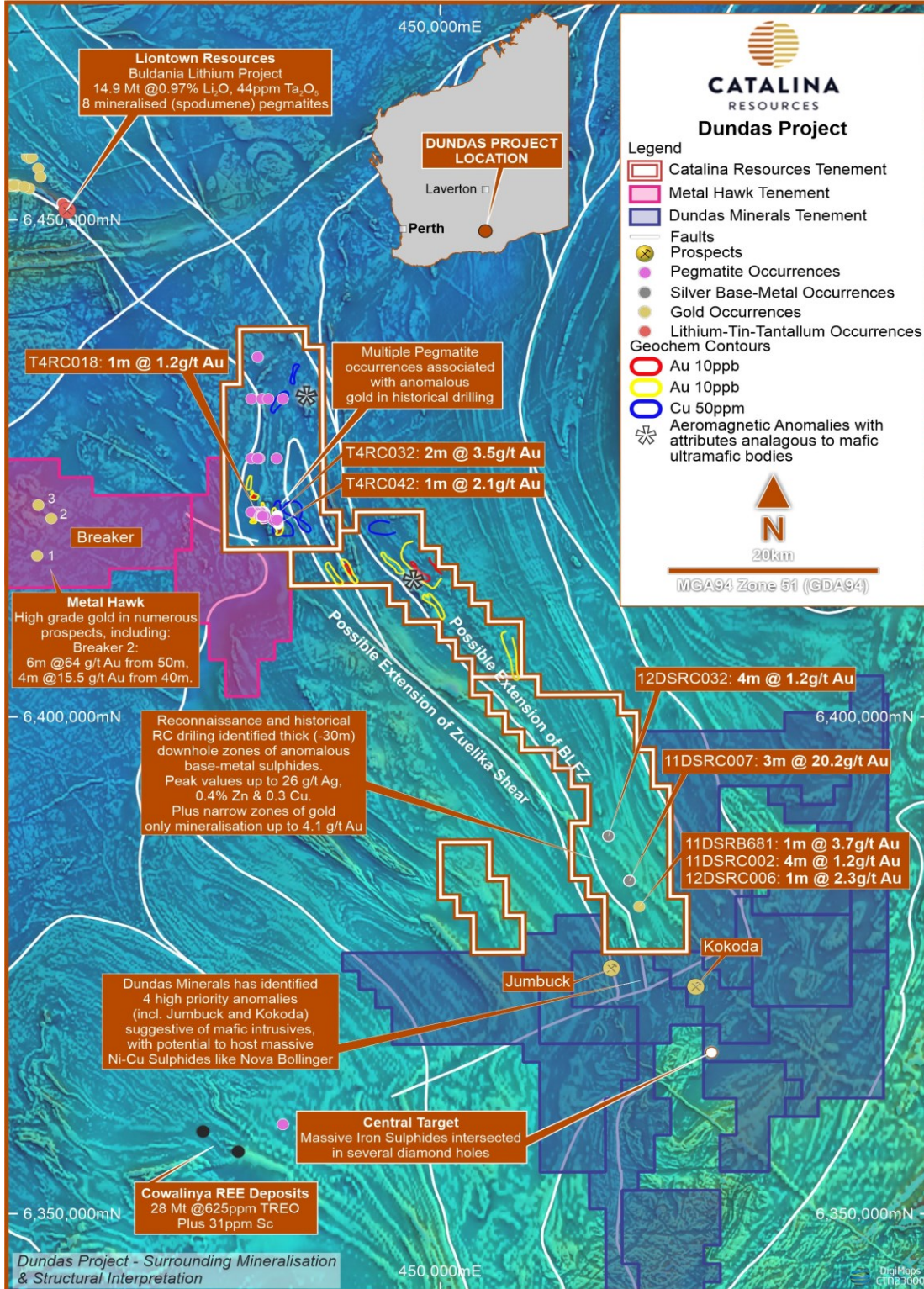


Figure 1. Historical data summary of Catalina's E63/2046, E63/2048, E63/2136, E63/2227 showing pegmatite occurrences recorded in historical drilling logs. Soil geochemical contours up to 5 km in length and anomalous drilling intersections are also shown. Underlying image is the regional aeromagnetic image. The location of the Boulder Lefroy Fault Zone ("BLFZ") and the Zuleika Shear ("ZS") is interpreted from the aeromagnetic data.

DIRECTORS' REPORT

- E63/2136. Near its southern boundary anomalous Co, Cu, Ni and Ag XRF values in massive sulphides and REE mineralisation has been intersected in drilling by Dundas Minerals (ASX: DUN).
- E63/2227. This application contains undrilled VTEM conductors coincident with historical nickel in soil anomalies. REE potential has also been identified as it is in close proximity to Heavy Rare Earth Limited's Cowlinya rare earth project, figure 1.

E63/2046 and E63/2048 tenement applications were initially made in June and July 2020 respectively based on gold anomalies as per historical exploration work. Since then, the Company has identified lithium potential through detailed technical studies at these tenements which was previously unknown.

The Company has been successful in identifying & securing seven tenement applications in the highly prospective Laverton province.

This province is known to contain some 30 million ounces of gold, making it the second highest endowed gold district in Western Australia behind Kalgoorlie. The Laverton gold district is also the highest growth gold district in Australia over the last 25 years. The region hosts several important gold and nickel deposits including Sunrise Dam (>10Moz), Wallaby (> 8Moz), Granny Smith (>2Moz, closed) and Lancefield (>2Moz, closed), Windarra Nickel (combined 85K tonnes nickel sulphide). Lynas Rare Earth Ltd also operates the world class Mt Weld Rare Earth Element (REE) operation only 2 kms to the south of Company's E38/3697 application.

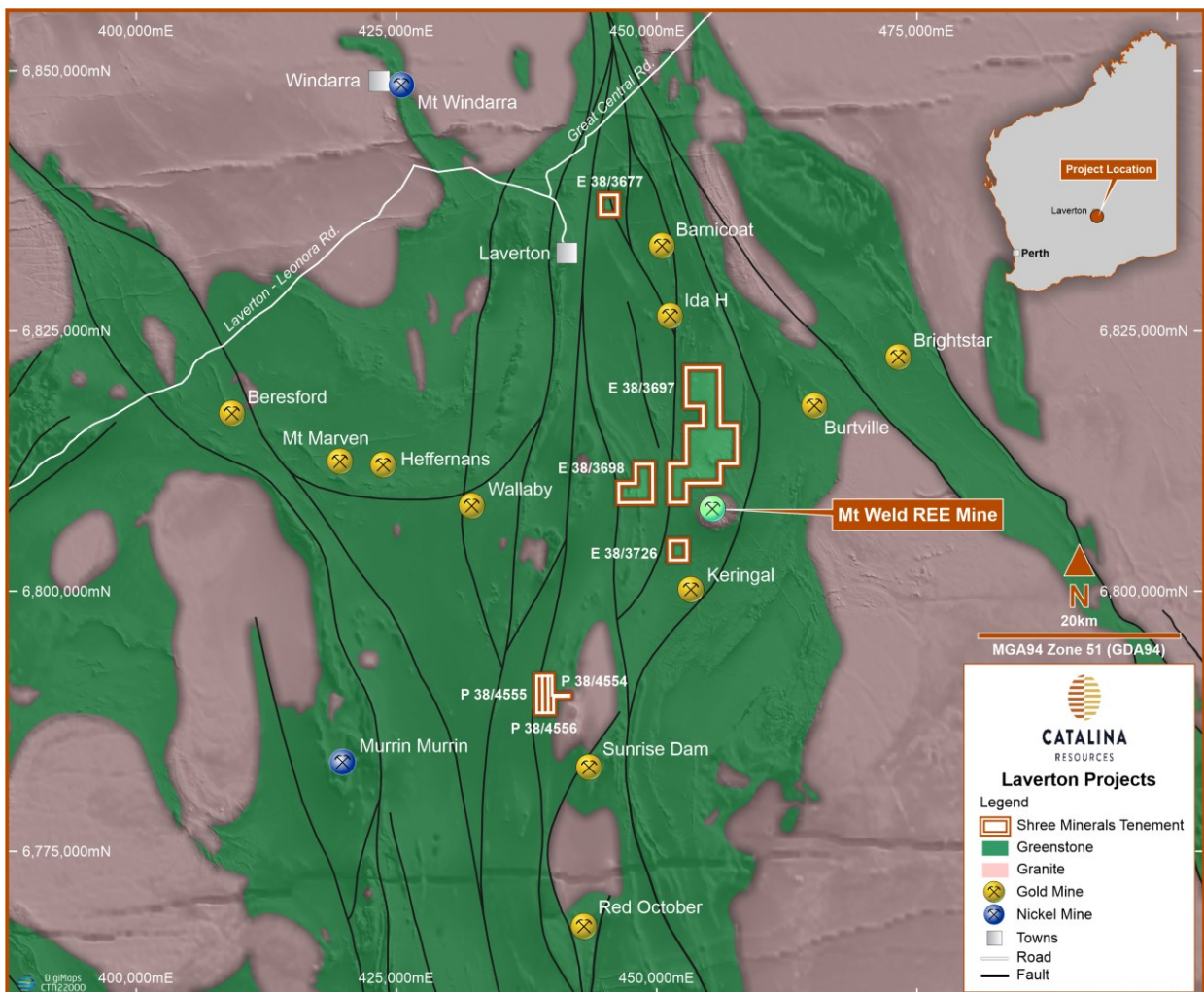


Figure 2. Regional location diagram of the seven tenement applications in the Laverton Goldfield.

The Laverton Project consists of seven tenements, illustrated in Figure 2. The company has identified a series of very prospective under-cover gold and nickel mineralisation drill targets within the tenements. The targets

DIRECTORS' REPORT

have been generated through an integrated approach using detailed interpretation of aeromagnetic and gravity images, historical exploration drilling programs and the mineralisation models developed from the neighbouring world class gold deposits.

Corporate

The Company has strengthened its management team with appointment of highly experienced Mining Engineer Mr. Richard Beazley as Non-Executive Director and Mr. Michael Busbridge a Geologist with over 40 years of experience in the mining industry, as Technical Director of the Company.

Mr. Beazley is a mining industry executive with a strong technical background and substantial experience in corporate and operational management and leadership. He has significant experience in Australia, Africa and South America. Previous roles include Chief Operating Officer for Sandfire Resources (ASX: SFR); Managing Director of Peak Resources Ltd (ASX: PEK); General Manager Operations at Consolidated Minerals; General Manager Southern Cross Operations at St Barbara Limited.

Mr. Busbridge has previously held managerial positions in Normandy Mining Ltd, Barrick Gold Australia and Teck Australia. He has an invaluable mix of gold, nickel, copper, lead and zinc, lithium, REEs, graphite and oil exploration experience throughout Australia coupled with several years as a mine / development geologist in gold and nickel mines.

The name of the Company was changed to Catalina Resources Ltd. The Board believes that the name of the Company should be reflective of its strategic direction. With the Company's move into building its exploration portfolio in Western Australia and New South Wales, the focus is shifting from development & recommencement of Nelson Bay River Iron project in Tasmania, with which the name Shree Minerals has been historically associated with. The Board believes this new identity represents a renewed focus on the future and the company's strategic direction to focus on its portfolio of exploration projects in world class mineral provinces as a part of its strategy for value creation with a focus on mineral exploration.

A new Company website has been developed & launched. The objective of this website www.catalinaresources.com.au is to be adequately informative & interactive for all our stakeholders.

Dundas Project

As the tenements are within the Dundas Nature Reserve, a Conservation Management Plan was completed in March 2021 as per condition of the tenement application and approved by the Minister with the grant of the Exploration Licence in November 2021. Consequently, the company has completed flora and fauna surveys during end August and early September 2022, over planned areas of initial exploration activities within the project area. It is a requirement to do these surveys in spring and the end of August 2022 was the first available opportunity after the granting of the tenements in November 2021. These two tenement applications were made by the Company in June and July 2020 respectively. Extra processes are required to be completed systematically in consultation with The Department of Biodiversity, Conservation and Attractions (DBCA) for the tenements located within the Dundas Nature Reserve. These processes do take time prior to field exploration commencing. As an example, refer to Falcon Metals (ASX: FAL) commenced drilling at the Viking Gold Project (located within the Dundas Nature Reserve) in September 2022 (ref. FAL ASX announcement 21/09/2022). FAL has the right to earn a 70% interest in the Viking Project from ASX-listed Metal Hawk Limited (ASX: MHK). This tenement was applied for in 2019 by MHK.

Mapping by the Company in October identified historical aircore drilling spoils from 10 holes from the Pan Aust Exploration drilling program in 1998. Despite the sample piles being eroded and covered by heavy vegetation regrowth, sample chips were readily identified and collected for sampling. Mapping identified 3 holes containing pegmatite chips.

DIRECTORS' REPORT

A cultural heritage survey was conducted by members of the Ngadju Native Title Aboriginal Corporation ("NNTAC") over Catalina's exploration tenements in October as planned in southern part of E63/2046 and in November over E63/2048.

POW approval received in October 2022 for:

- RAB drilling planned to test the identified lithium pegmatite potential and gold anomalies, in the southern portion of the tenement E63/2046 as per the approved Conservation Management Plan ("CMP").
- In-fill of the historical 1 km spaced auger soil sample traverses in E63/2048 with a powered auger to define and prioritise targets for RAB and RC drilling.

Air core drilling was completed during the quarter for 105 holes in southern portion of E63/2046. Pegmatites were intersected in 24 aircore holes.

- First assays from the maiden air core drilling program at Dundas confirm grades up to 0.81% (8146 ppm) total rare earth element oxides (TREO), including 0.16% Nd₂O₃, in hole 22DAC095.
- Another hole (22DAC066) intersected 0.65% TREO, including 0.12% Nd₂O₃ and 0.14% La₂O₃, with coincident anomalous lithium geochemistry.
- Lithium averaging 84 ppm over 44m to the end of hole (EOH) and 103 ppm over 28m to EOH has also been intersected. Anomalous REE assays also accompany the lithium.
- The anomalous drilling geochemistry occurs within deeply oxidised regolith and saprolite (clay) zones. It has developed by in-situ weathering of an unknown bedrock.
- Anomalous REE mineralisation also occurs in bedrock in several holes below the regolith horizons. Excellent potential exists for higher grade, higher commercial value, hard rock REE mineralisation in the project area.
- Assays confirm a critical heavy rare earth oxide (HREO) ratio NdPr+DyTb of 19% of total REEs.
- The assays are derived from 4m composite samples, and it is expected that dilutionary effects of this sampling has reduced grades of mineralisation. Increased grades are expected from the individual one metre sampling intervals that make up the 4m composite samples.

These very anomalous REE and lithium assays puts Dundas project on the path of a significant REE and lithium discovery in a highly prospective and very underexplored location. Assays indicate significant REE intersections up to 16m thick and anomalous lithium intersections up to 44m thick are present. The coincidence of lithium with the anomalous REE geochemistry is unusual and reiterates the prospectivity of the region.

A 6-20m blanket of transported colluvium and lake clays overlies and masks the bedrock geology. To look below this blanket air core drilling successfully intersected geochemical and lithological information of the bedrock to plan follow up RC drilling. Essentially the air core work has identified the geochemical halo to a potentially larger target at depth. Deeper RC drilling will be planned to drill underneath and along strike of these air core anomalies.

Significant REE intersections include:

- **16m @ 2720 ppm TREO from 16 – 32m (EOH) in hole 22DAC066, including:**
 - 4m @ 6570 ppm TREO from 16-20m, including 1270 ppm Nd₂O₃, 135 ppm Dy₂O₃.
 - 4m @ 114 ppm Li from 12-16m
- **4m @ 8140 ppm TREO from 20 – 24m in hole 22DAC095, including:**
 - 4m @ 1586 ppm Nd₂O₃, 1419 ppm La₂O₃, 3,536 ppm CeO₂ from 20-24m.
- **8m @ 2790 ppm TREO from 20 - 28m in hole 22DAC097.**

Significant lithium intersections include:

- **4m @ 114 ppm Li from 12-16m in hole 22DAC066.**
- **44m @ 84 ppm Li, 82 ppm La, 66 ppm Nd from 40 -84m (EOH) in hole 22DAC071**
- **28m @ 103 ppm Li, 74 ppm Nd, 85 ppm La from 52 – 80m (EOH) in hole 22DAC073**

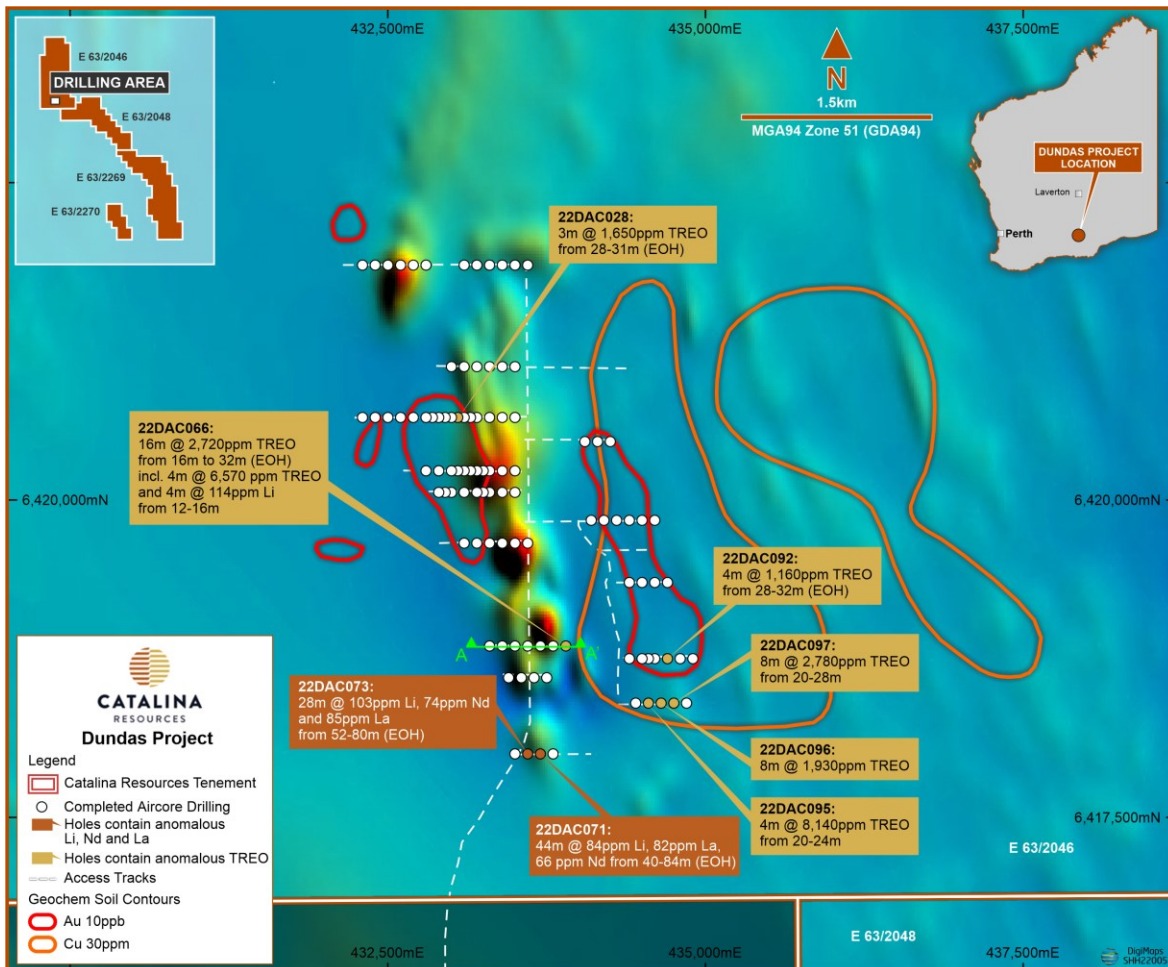


Figure 3. Air core drilling and assay summary. Underlying image is the regional aeromagnetic image.

Within hole 22DAC016, from 30-35m (EOH), pegmatite containing a blue green mineral was intersected. The mineral was logged as aqua marine, a gem variety of the beryl mineral group. Air core drill chips from the intersection and their crystal form is illustrated in figure 4. Such occurrences of accessory minerals are important to recognising the mineralisation potential of the pegmatite. These minerals may suggest that the late-stage crystallising residual or pegmatitic melt, derived from the main granitic magma, may have been enriched in incompatible elements including Li, Be, B, Cs, Rb, Ta and REEs.

Mineral analytical reports received from the air core drilling samples suggest that the blue green mineral reported was not aqua marine (beryl).

Catalina intends to undertake additional technical studies of these samples and crystals to determine its composition and make an identification. Further scrutiny of these samples will include X-ray diffraction analysis (XRD). A primary use of XRD analysis is the identification of materials based on their diffraction pattern. XRD works by irradiating a material with incident X-rays and then measuring the intensities and scattering angles of the X-rays that leave the material.



Figure 4. Chip tray showing the final 5m (30-35m) of hole 22DAC016. Downhole meterage is shown. The distinctive blue-green mineral is illustrated amongst the pegmatite chips.

Whilst the assays do not support the presence of aqua marine / Beryllium (Be), the REE anomaly intersections highlight the prospectivity. Significant REE enrichment in the regolith at Dundas is the result of weathering induced clay formation and REEs can be either enriched or depleted in different depth horizons of the regolith. Of note is the presence of anomalous REE mineralisation in bedrock in several holes below the regolith horizons. This suggests potential exists at Dundas for higher grade, higher commercial value, hard rock REE mineralisation.

As the tenements are in the Dundas Nature Reserve, any exploration activity can be carried out as per an approved Conservation Management Plan (CMP). The Company has commenced Preparation and discussions with DBCA for finalisation of a second CMP for:

- Next stage of exploration being RC and diamond drilling for areas currently approved in first CMP and undergoing fieldwork in 2022-23 for aircore drilling & augur drilling.
- Explorations plans over pegmatite intersections identified in northern areas of E63/2046.
- Exploration plans for ELA, E63/2136.
- Exploration plans for ELA, E63/2227.

An initial draft of this second CMP was submitted to DBCA in November 2022 and a second draft has been submitted in February 2023 after feedback received in January 2023. We understand that the CMP approval process will involve reviews by few other Government bodies and then considered by the Conservation and Parks Commission and the Minister for Environment as required under Section 24 of the Mining Act 1978. We expect this process will take several months and consequently the timing of any follow up exploration over the area where aircore drilling has been completed in Dec 2022. Catalina expects to begin deeper drilling, via RC methods, in a few months once the above processes are completed and approved and subject to weather conditions as Catalina has made commitments that exploration activities will not be conducted under high fire risk conditions or when local fire bans have been declared and to access the reserve only during dry soil conditions as accessing of Dundas Nature Reserve during the wet season may risk the rutting and erosion of tracks.

DIRECTORS' REPORT

Nelson Bay River Iron Project

The Company is deeply disappointed with the inordinate delays caused by ever changing and new requirements in the permitting process, due to regional political issues. The project is a developed iron ore mining operation subsequent to the approvals from both Tasmanian State Environmental and Commonwealth Environmental after two separate assessments.

The project was subject to separate Commonwealth and State environmental assessment processes which normally the Commonwealth would have relied on the State environmental assessment process under bilateral arrangements.

Due to legal issues, the company has been required to re-apply for the state environmental approval, which it did in late 2018. After several iterations (due to ever changing requirements) & inordinate delays, Development Proposal and Environment Management Plan ("DPEMP") was accepted by EPA Tasmania in September 2021 and advertised for public comment over Dec 2021 to February 2022. We have subsequently been advised that the Company may need to re- apply for the Commonwealth Environmental approval (" EPBC approval") and the state environmental approval process has been put on hold till such time. The company has been trying to obtain clarification from the Government in this regard over the last 10 months. We are disappointed that the Proposal may now need additional approvals despite the Company having specifically written to the Commonwealth environmental department in 2018, seeking confirmation that the EPBC approval for the project remained valid and there would be no requirement to re-apply for that approval despite the state government re-permitting requirement.

While the Company is frustrated with the ongoing holdups and delays at NBR, it continues to follow up with the Government authorities. The Company also is conducting, on an ongoing basis, a strategic review as part of recently implemented process of continuous evaluation and prioritisation of its project portfolio and risk management, as articulated earlier in this report.

In August 2022, the Company completed and lodged with EPA, a second supplement to DPEMP as a response to request for additional information ("RFI") received from EPA in late June 2022, regarding Waste Rock and Mine Closure.

This RFI was issued by EPA in addition to the RFI regarding Flora and Fauna issued by EPA in late March 2022 for which a supplement to DPEMP was lodged June 2022.

In mid-October 2022, the Company received correspondence from Department of Climate Change, Energy, the Environment and Water ("DCCEEW" and or "The Department") in response to our correspondence dated 13th April 2022. EPA Tasmania previously advised on 25th March 2022 to refer the current development proposal for the DSO project at NBR to the Commonwealth Government's Department for determination under the EPBC Act, particularly in relation to the Giant Freshwater Crayfish (A. Gouldi). The Department has advised that it has reviewed the Development Proposal and Environmental Management Plan ("Proposal") dated August 2021 submitted by Shree to the EPA. After careful consideration, The Department has determined that the changes in the Proposal are not consistent with the EPBC approval previously granted in 2013. The Department considers that the changes are not within the scope of EPBC Act approval 2011/5846 and holds the view that the proposed varied action should be referred for assessment under the EPBC Act. While expressing regret at the extended delay in responding to the Company's correspondence, The Department advised that the matter is complex and required careful evaluation to ensure this advice is legally and technically robust. The Company made a submission to DCCEEW in November 2022 in this regard & awaits a response. The Company hopes to get an understanding of the process and timeline for the EPBC assessment once guidance is received from The Department.

DIRECTORS' REPORT

Lachlan Fold Belt Project

The Company has been pursuing landholder access agreements at Oak Hill (EL 9346). Upon gaining access, exploration will include in-fill auger soil sampling to refine drilling targets.

During the period, focus has been on progressing activities agreed with the Resources Regulator to enable consideration for revoking the suspension at Rock Lodge EL9155 which include:

- Independent review of systems and processes for meeting compliance obligations.
- Independent ecological review and assessment of the vegetation community within the project area;
- Corrective actions and rehabilitation requirements resulting from works undertaken; and
- Apply for and grant of Aboriginal Heritage Impact Permit.

The Company has also been negotiating with the Regulator for conclusion of the investigations and actions in connection with the matter. After the suspension is revoked, the Company plans to drill two or three deeper diamond drill holes. Down Hole Electro Magnetic Surveys (DHEM) will also be employed, searching for off-hole conductors, that may represent wider massive sulphide mineralisation than what has already been found. Additionally, diamond drilling will enable the collection of orientated structural data, including dips and strikes of mineralised veins, necessary for future drill hole planning and calculations of the true widths of mineralisation.

Competent Person Statement

The review of historical exploration activities and results contained in this report is based on information compiled by Michael Busbridge, a Member of the Australian Institute of Geoscientists and a Member of the Society of Economic Geologists. He is a Director of Catalina Resources Ltd. He has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code).

Michael Busbridge has consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information in the original reports, and that the form and context in which the Competent Person's findings are presented have not been materially modified from the original reports.

Where the Company refers to the Mineral Resources in this report (referencing previous releases made to the ASX), it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the Mineral Resource estimate with that announcement continue to apply and have not materially changed.

CATALINA RESOURCES LTD

DIRECTORS' REPORT

Tenements

- **The mining tenements held at the end of period and their location.**

<u>Mine Lease/ Exploration License</u>		<u>Locality</u>	<u>Remarks</u>
3M/2011	ML	Nelson Bay River	100% Catalina Resources Ltd
E40/378	EL	Golden Chimney	100% Catalina Resources Ltd
E40/384	EL	Ulysses South	100% Catalina Resources Ltd
E63/2046	EL	Dundas	100% Catalina Resources Ltd
E63/2048	EL	Dundas	100% Catalina Resources Ltd
E63/2136	ELA	Dundas	100% Catalina Resources Ltd
E63/2227	ELA	Dundas	100% Catalina Resources Ltd
EL9155	EL	Rock Lodge	100% Catalina Resources Ltd
EL9346	EL	Oak Hill	100% Catalina Resources Ltd
E38/3677	ELA	Laverton	100% Catalina Resources Ltd
E38/3697	ELA	Laverton	100% Catalina Resources Ltd
E38/3698	ELA	Laverton	100% Catalina Resources Ltd
E38/3726	ELA	Laverton	100% Catalina Resources Ltd
P38/4554	ELA	Laverton	100% Catalina Resources Ltd
P38/4555	ELA	Laverton	100% Catalina Resources Ltd
P38/4556	ELA	Laverton	100% Catalina Resources Ltd
E38/3771	ELA	Laverton	100% Catalina Resources Ltd
E38/3772	ELA	Laverton	100% Catalina Resources Ltd
E63/2269	ELA	Dundas	100% Catalina Resources Ltd
E63/2270	ELA	Dundas	100% Catalina Resources Ltd

Note: ML= Mining Lease; EL = Exploration Licence; ELA= Exploration Licence Application.

- **The mining tenement interests relinquished during the period and their location**
 - EL 9017 Turondale, Lachlan Fold, NSW
 - EL 9310 Prince of Wales, Lachlan Fold, NSW
 - ELA 38/3727, Laverton, WA
- **The mining tenements interests acquired and disposed of during the period and their location**
4 new licence applications, being E38/3771, E38/3772, E63/2269 and E63/2270 (being re-applications over E38/3698, E38/3697, E63/2136 and E63/2227 respectively) were applied.
- **The beneficial percentage interests held in farm-in or farm-out agreements at the end of the period**
Nil
- **The beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the period**
Nil

Outlook

The Company has built up an exciting portfolio of Exploration projects. These projects have not benefited from modern exploration techniques, in an emerging area which has an established reputation as a world-class mineral province. The Company remains committed to driving value for Shareholders as it continues to progress exploration on these projects.

CATALINA RESOURCES LTD

DIRECTORS' REPORT

SUBSEQUENT EVENTS

There are no items, transactions or events of a material and unusual nature likely, in the opinion of the Directors, to affect significantly, the results of those operations, or the state of affairs of the Company in future financial years.

RESULT OF OPERATIONS

The net loss for the period was \$872,171 (31 December 2021: \$312,931). The increased loss was mainly due to:

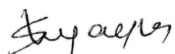
- a) impairment provision of mine development asset at Nelson Bay River Mine project of \$231,070 due to ongoing delay & consequent risk/ uncertainty with the approval process.
- b) Impairment of exploration asset of \$115,590 due to the surrender of two tenements at Lachlan Fold Belt (being Turondale Project and Price of Wales Project) as per implemented strategic process of continuous evaluation and prioritisation of the Company's project portfolio.
- c) Loss of \$ 237,500 on fair valuation of MetalsGrove Mining Ltd's (MGA) 4,750,000 shares held by the Company at \$0.15 being the closing price of MGA shares on 31/12/2022 on ASX.

FINANCIAL POSITION

The net assets of the Company are \$ 6,445,070 as at 31 December 2022 (30 June 2022: \$7,317,241).

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 14 for the half-year ended 31 December 2022.



Sanjay Loyalka
Executive Chairman
6th March 2023



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6 March 2023

Board of Directors
Catalina Resources Limited
Unit 38, 18 Stirling Highway
Nedlands WA 6009

Dear Sirs

RE: CATALINA RESOURCES LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Catalina Resources Limited.

As Audit Director for the review of the financial statements of Catalina Resources Limited for the half-year ended 31 December 2022, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Eliya Mwale
Director



CATALINA RESOURCES LTD

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Note	31-Dec-22 \$	31-Dec-21 \$
Revenue from continuing operations			
Interest income		47,187	1,661
Miscellaneous income		-	29,887
Expenses from continuing operations			
Care and maintenance		(25,921)	(45,889)
Depreciation expense		(5,633)	(5,633)
Finance charges		(6,444)	(6,638)
Employee and consulting fees (including valuation of Directors Options)		(218,435)	(209,661)
Regulatory costs		(21,933)	(26,087)
Occupancy and communication		(11,494)	(1,372)
Foreign exchange loss/ gain		2	3
(Loss)/gain on fair valuation of financial assets		(237,500)	-
Accounting and legal fees		(20,274)	(25,295)
Exploration impairment		(115,590)	-
Provision for impairment of mine development		(231,070)	-
Other expenses		<u>(25,066)</u>	<u>(23,907)</u>
(Loss) before income tax		(872,171)	(312,931)
Income tax		<u>-</u>	<u>-</u>
(Loss) for the period		<u>(872,171)</u>	<u>(312,931)</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total Comprehensive (Loss) for the period		<u>(872,171)</u>	<u>(312,931)</u>
(Loss) per share for attributable to ordinary equity holders of the company:			
Basic (Loss) cents per share		(0.07)	(0.03)
Diluted (Loss) cents per share		(0.07)	(0.03)

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

CATALINA RESOURCES LTD

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	31-Dec-22 \$	30-Jun-22 \$
Assets			
<i>Current Assets</i>			
Cash and cash equivalents		312,700	1,579,700
Bank term deposits		3,950,339	3,500,000
Other receivables		85,934	57,295
Prepayments		28,079	27,912
Total Current Assets		4,377,052	5,164,907
<i>Non-Current Assets</i>			
Financial assets at fair value		712,500	950,000
Exploration and evaluation		1,917,010	1,187,191
Mine development		-	188,835
Right- of- Use Asset		1,549	6,194
Restricted cash	4	838,700	838,700
Plant and equipment		5,668	6,656
Total Non-Current Assets		3,475,427	3,177,576
Total Assets		7,852,479	8,342,483
Liabilities			
<i>Current Liabilities</i>			
Trade and other payables	8	399,675	190,727
Lease liability		1,781	7,034
Provisions	9	178,357	-
Provision for employee entitlement		596	481
Total Current Liabilities		580,409	198,242
<i>Non-Current Liabilities</i>			
Lease liability		-	-
Rehabilitation provision	4	827,000	827,000
Total Non-Current Liabilities		827,000	827,000
Total Liabilities		1,407,409	1,025,242
Net Assets		6,445,070	7,317,241
Equity			
Contributed equity	3	25,695,326	25,695,326
Reserves	3	1,015,858	1,015,858
Accumulated (losses)		(20,266,114)	(19,393,943)
Total Equity		6,445,070	7,317,241

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

CATALINA RESOURCES LTD

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Contributed	Accumulated		
	Equity	Losses	Reserves	Total
	\$	\$	\$	\$
BALANCE AT 1 JULY 2021	23,062,121	(19,525,313)	1,015,858	4,552,666
Total comprehensive loss for the period	-	(312,931)	-	(312,931)
Shares issued during the half year	-	-	-	-
Options issued during the half year	-	-	-	-
Capital raising costs	-	-	-	-
BALANCE AT 31 DECEMBER 2021	<u>23,062,121</u>	<u>(19,838,244)</u>	<u>1,015,858</u>	<u>4,239,735</u>
BALANCE AT 1 JULY 2022	25,695,326	(19,393,943)	1,015,858	7,317,241
Total comprehensive loss for the period	-	(872,171)	-	(872,171)
Shares issued during the half year	-	-	-	-
Options issued during the half year	-	-	-	-
Capital raising costs	-	-	-	-
BALANCE AT 31 DECEMBER 2022	<u>25,695,326</u>	<u>(20,266,114)</u>	<u>1,015,858</u>	<u>6,445,070</u>

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

CATALINA RESOURCES LTD

CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Note	31-Dec-22 \$	31-Dec-21 \$
Cash flows from operating activities (including exploration)			
Payments to suppliers and employees (inclusive of GST)		(367,359)	(351,164)
Interest received		<u>47,187</u>	<u>1,661</u>
Net cash (used in) operating activities (including exploration)		<u>(320,172)</u>	<u>(349,503)</u>
Cash flows from investing activities			
Payment for mineral exploration		(443,777)	(275,553)
Payment for mine development		<u>(47,459)</u>	<u>(135,614)</u>
Net cash outflow from investing activities		<u>(491,236)</u>	<u>(411,167)</u>
Cash flows from financing activities			
Repayment of lease liability		<u>(5,253)</u>	<u>(4,845)</u>
Net cash used in financing activities		<u>(5,253)</u>	<u>(4,845)</u>
Net (decrease) increase in cash and cash equivalents		(816,661)	(765,515)
Cash and cash equivalents at the beginning of the period		<u>5,079,700</u>	<u>3,922,549</u>
Cash and cash equivalents at the end of the period (including bank term deposits)		<u>4,263,039*</u>	<u>3,157,034</u>

* The balance of cash and cash equivalents in the Statement of Cash Flows includes cash at bank (\$312,700) and short-term bank deposits (\$3,950,339).

The above cash flow statement should be read in conjunction with the accompanying notes.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to the financial period.

(A) BASIS OF PREPARATION

The half-year financial statements are a general-purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standard ensures compliance with International Financial Reporting Standards IAS 34 Interim Financial Reporting.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2022 and any public announcements made by Catalina Resources Ltd during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the Company and are consistent with those in the annual financial report for the year ended 30 June 2022, except as noted below.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

The half-year financial report is prepared on the accrual basis and historical basis, modified where applicable by the measurement of fair value of selected financial assets and financial liabilities. The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

Going Concern:

As at 31 December 2022, the Company had cash and cash equivalents and bank term deposits of \$ 4,263,039 and net asset position of \$6,445,070.

Significant efforts have been made to preserve cash and reduce costs and secure additional finance.

The Company continues to engage with its stakeholders and continues to monitor opportunities from interested investors to raise additional equity for the business and the Company's Board of Directors has a long history of fund raising in the public and will do so when required.

The Company also carefully manages discretionary expenditure in line with the Company's cash flow.

The financial report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be required to realise assets and extinguish liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

(B) SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year's financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation were the same as those that applied to the financial statements for the year ended 30 June 2022.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

(C) NEW AND REVISED ACCOUNTING STANDARDS

The Company has adopted all 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.

NOTE 2: OPERATING SEGMENTS

The Company operates predominately in mineral exploration and development industry. Geographically, the Company is domiciled and operates in Australia. In accordance with AASB 8 Operating Segments, a management approach to reporting has been applied. The information presented in the Statement of Profit or Loss and Other Comprehensive Income, and the Statement of Financial Position reflects the sole operating segment.

NOTE 3: ISSUED CAPITAL AND OPTION BASED RESERVES

As at 31 December 2022, there were 1,238,486,892 (30th June 2022: 1,238,486,892) fully paid ordinary shares issued and 62,500,000 (30th June 2022: 62,500,000) options exercisable as following:

- 30,000,000 options exercisable at a price of \$0.01 each with an expiry date of 30th November 2023
- 32,500,000 options exercisable at a price of \$0.012 each with an expiry date of 30th November 2024

NOTE 4: RESTRICTED CASH AND REHABILITATION PROVISION

Restricted cash is related to deposits supporting guarantees as follows:

	31 December 2022	30 June 2022
	\$	\$
Security Bonds to Mineral Resources Tasmania	827,000	827,000
Forestry Tasmania	10,000	10,000
Office Lease	1,700	1,700
	<u>838,700</u>	<u>838,700</u>

Rehabilitation provision of \$827,000 is recognised on the basis of amount of security bonds given to Mineral Resources Tasmania.

NOTE 5: DIVIDENDS

No dividend has been declared or paid during the half-year ended 31 December 2022 (31 December 2021: NIL).

CATALINA RESOURCES LTD

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

NOTE 6: CONTINGENT LIABILITIES

Since the last reporting date, there has been no change to any contingent liabilities or contingent assets of the Company.

NOTE 7: RELATED PARTIES

There are no related party transactions except for remuneration payments to employees in normal course of business.

NOTE 8: TRADE AND OTHER PAYABLES

	31 December 2022	30 June 2022
	\$	\$
<i>Current</i>		
Trade creditors and accruals	389,862	160,245
Other payables	9,813	30,482
	<u>399,675</u>	<u>190,727</u>

NB: Trade creditors and accruals mainly for invoices of \$231,808 received in January 2023 towards aircore drilling at Dundas Project completed in December 2022.

NOTE 9: PROVISIONS

	31 December 2022	30 June 2022
	\$	\$
<i>Current</i>		
Provisions	178,357	-
	<u>178,357</u>	<u>-</u>

NB: Provisions of towards \$140,000 minimum expenditure agreed as per in principal agreement with NSW Resources Regulator and activity work orders committed for \$38,357 to enable consideration for revoking the suspension at Rock Lodge EL9155

NOTE 10: EVENTS SUBSEQUENT TO BALANCE DATE

There are no items, transactions or events of a material and unusual nature likely, in the opinion of the Directors, to affect significantly, the results of those operations, or the state of affairs of the Company in future financial years.

CATALINA RESOURCES LTD

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the financial statements and notes set out on pages 15 to 21 are in accordance with the Corporations Act 2001, including:

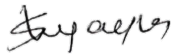
(i) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Act 2001 and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Company's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and

(iii) complying with International Financial Reporting Standards as disclosed in Note 1.

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors made pursuant to Section 295(5)(a) of the Corporations Act 2001.



Sanjay Loyalka
Executive Chairman

Signed at Perth the 6th day of March 2023.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
CATALINA RESOURCES LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Catalina Resources Limited, which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of Catalina Resources Limited's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

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

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 6 March 2023.

Responsibility of the Directors for the Financial Report

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



Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd
Eliya Mwale

Eliya Mwale
Director

West Perth, Western Australia
6 March 2023