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Far Northern Resources Limited

ABN 89 621 685 701

Consolidated General Purpose Financial Statements

6 Month Period Ended 31 December 2023

Far Northern Resources Limited

ABN 89 621 685 701

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6 Month Period Ended 31 December 2023

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Far Northern Resources Limited

ABN 89 621 685 701

Directors' Report
31 December 2023

The Directors present their report, together with the consolidated financial statements of the Group, being the Far Northern Resources Limited (the Company) and its controlled entities, for the 6-month period ended 31 December 2023.

General information

Directors

The names of the Directors in office at any time during, or since the end of the year are as follows:

Names

Mr Cameron Woodrow

Mr Matthew Bashford

Mr Rod Corps

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activity of the Group during the financial year were exploration company with activities in Far North Queensland. Exploration Blocks: ML 20380, EPM 26473. The tenements are approximately 180km west of Cairns and 35km west of Chillagoe. ML 20380 has a 2004 JORC Resource that is the base of exploration by FNR. EPM 26473 is a greenfield project that is part of the holding of FNR and is currently being explored for gold, silver and base metals.

No significant changes in the nature of the Group's activity occurred during the financial year.

Review of Operations

The group loss for the 6 month period after providing for income tax was $ 277,552 (2023: $394,994 loss).

Objectives

The objective of the Group is to grow its core asset of the Empire gold Mine and to bring in a partner or listed ASX company that has the skills to bring the Empire Gold mine into production. Far Northern Resources Limited is in advanced discussion with several listed company that may be willing to buy or joint venture with the company.

Key performance measures

The key performance measure of the Group is to upgrade of the resource at ML20380 to a JORC 2012 standard.

- Develop EPM 26473 to drill ready status.
- Complete Engineering and metallurgy.
- FNR completed a drilling program at ML20380 during the year some 2000m.

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Directors' Report

31 December 2023

Environmental issues

The Group's operations are regulated by the Department of natural resources, mines and energy (DNRME).

Information on Directors

Cameron Woodrow	
Qualifications	PS146 Australian Securities Exams
Experience	20 Years
Special Responsibilities	MD / Capital Raising / Field work / R & D
Matthew Bashford	
Qualifications	Bachelor of Commerce, Chartered Accountant, Tax Agent
Experience	30 years
Special Responsibilities	Finance and Accounting
Rod Corps	
Experience	30 Years
Special Responsibilities	Director / Finance and Stockbroking

Directors Remuneration Report

		Salary	Superannuation	Total
		$	$	$
Cameron Woodrow	31 Dec 2023	75,000	8,250	83,250
	30 June 2023	100,000	10,500	110,500

Directors Shareholdings Report

The Directors interest in the company at the date of this report are as follows:

		Balance 30.6.23	Issued during the Year	Balance 31.12.23
Cameron Woodrow	Ordinary Shares	10,990,000	-	10,990,000
	Options 3	1,000,000	-	1,000,000
	Options 4	1,133,334	-	1,133,334
Matthew Bashford	Options 1	350,000	-	350,000
	Options 3	1,000,000	-	1,000,000
	Options 4	1,133,333	-	1,133,333
Rod Corps	Options 3	1,000,000	-	1,000,000
	Options 4	1,133,333	-	1,133,333

Options 1: Exercise price @ $0.25 - expiry date 24 Feb 2025
Options 3: Exercise price @ $0.30 - expiry date 30 June 2026
Options 4: Exercise price @ $0.25 - expiry date 30 June 2026

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Directors' Report

31 December 2023

Meetings of Directors

While there were numerous informal meetings held, below is a list of the formal board and director meetings held during the period ending 31 December 2023.

Attendances by each director during the year were as follows:

	Directors' Meetings	
Name of Directors	**Number eligible to attend**	**Number attended**
Cameron Woodrow	**6**	**6**
Matthew Bashford	**6**	**6**
Rod Corps	**6**	**6**

Indemnification and Insurance of Directors and Auditors

The company has not agreed to indemnify Directors , officers or the auditor against a liability incurred as such an officer or auditor.

The company has not taken out an insurance policy insuring the Directors against a liability incurred as a Director or officer of the company.

Events Subsequent to Balance Sheet date

The company plans to raise between $4,000,000 and $6,000,000 and to acquire Bridge Creek Mining Pty Ltd and the balance of the Premier Mining Pty Ltd shares and to list the company's shares on the ASX.

The company's plans following the completion of the IPO plans to continue explorations on the tenements with the aim of further increasing the resources prior to potentially undertaking mining operations.

Auditor's Declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 4 for the period ended 31 December 2023.

Signed in accordance with a resolution of the Board of Directors.

Director:……..
Cameron Woodrow

Director:……..
Matthew Bashford

Dated 27 March 2024

Lead Auditor's Independence Declaration
under Section 307C of the Corporations Act 2001

To the Directors of Far Northern Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Far Northern Resources Limited for the half year ended 31 December 2023, there have been:

1. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and

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

Alex Koutzoumis
Chartered Accountant
Registered Company Auditor

Sydney, NSW
25 March 2024

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For 6 month period ended 31 December 2023

	Note	31 December 2023 $	30 June 2023 $
Revenue		-	27,000
Employee benefits expenses		(83,250)	(110,500)
Exploration expenses		(5,581)	(12,311)
Depreciation		(32,505)	(65,600)
Other expenses		(164,660)	(245,064)
Net Profit / (Loss) before income tax		(285,996)	(406,475)
Income tax expense		-	-
Minority Interests		8,444	11,481
Profit / (Loss) for the year		(277,552)	(394,994)
Other comprehensive income, net of income tax		-	-
Total comprehensive income (loss) for the year		(277,552)	(394,994)

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The accompanying notes form part of these financial statements.

Far Northern Resources Limited

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Consolidated Statement of Financial Position

As at 31 December 2023

	Note	31 December 2023 $	30 June 2023 $
ASSETS			
CURRENT ASSETS			
Cash and Cash equivalents	5	136,323	425,891
Trade and Other Receivables		2,599	10,375
TOTAL CURRENT ASSETS		138,922	436,266
NON-CURRENT ASSETS			
Exploration and Evaluation Expenditure		94,536	76,921
Goodwill on Consolidation	6	553,927	553,927
Property, Plant and Equipment	11	796,294	828,799
TOTAL NON-CURRENT ASSETS		1,444,757	1,459,647
TOTAL ASSETS		1,583,679	1,895,913
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	10	29,311	55,652
TOTAL CURRENT LIABILITIES		29,311	55,652
NON-CURRENT LIABILITIES			
Related Party Loan	9	79,035	78,931
TOTAL NON-CURRENT LIABILITIES		79,035	78,931
TOTAL LIABILITIES		108,346	134,583
NET ASSETS		1,475,334	1,761,330
EQUITY			
Share Capital	12	2,678,592	2,678,592
Retained earnings		(1,417,917)	(1,140,365)
Minority Interests		214,659	223,103
TOTAL EQUITY		1,475,334	1,761,330

The accompanying notes form part of these financial statements.

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Consolidated Statement of Changes in Equity

For the period ended 31 December 2023

	Share Capital	Retained Earnings	Total
	$	$	$
31 December 2023			
Balance at 30 June 2023	2,678,592	(1,140,365)	1,761,330
Issue of share capital	-	-	-
Loss for the year	-	(277,552)	(277,552)
Minority Interests			214,659
Balance at 31 December 2023	2,678,592	(1,417,917)	1,475,334

	Share Capital	Retained Earnings	Total
	$	$	$
30 June 2023			
Balance at 1 July 2022	1,953,502	(745,371)	1,442,683
Issue of share capital	725,000	-	725,000
Loss for the year	-	(394,994)	(394,994)
Minority Interests			223,103
Balance at 30 June 2023	2,678,592	(1,140,365)	1,761,330

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The accompanying notes form part of these financial statements.

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Consolidated Statement of Cash Flows

For the Period Ended 31 December 2023

	Note	31 December 2023	30 June 2023
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts		-	27,000
Payments to suppliers and employees		(289,464)	(335,204)
Net cash provided by operating activities		(289,464)	(308,204)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Other cash items from investing activities		-	-
Loans to / (from) Related parties		(104)	(1,128)
Net cash (used in) investing activities		(104)	(1,128)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from capital raising		-	725,000
Other financing activities		-	-
Net cash provided by financing activities		-	725,000
Net increase (decrease) in cash and cash equivalents held		(289,568)	415,668
Cash and cash equivalents at beginning of year		425,891	10,223
Cash and cash equivalents at end of period	5	136,323	425,891

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the 6-month Period Ended 31 December 2023

1 Basis of Preparation

This financial report includes the consolidated financial statements and notes of the Far Northern Resources Limited and Controlled entities (Consolidated Group or Group).

Far Northern Resources Limited is an unlisted public Group limited by shares, registered and domiciled in Australia.

Far Northern Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

These consolidated general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and 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').

This consolidated financial report is for the 6-month period ended 31 December 2023 and the comparatives are for a 12-month period ended 30 June 2023.

2 New Accounting Standards and Interpretations

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB). Consequently, this financial report has been prepared in accordance with and complies with International Financial Reporting Standards as issued by the IASB33

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Notes to the Financial Statements

For the Period Ended 31 December 2023

3 Summary of Significant Accounting Policies

(a) Basis for consolidation

The consolidated financial statements included the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 6 to the financial statements.

Subsidiaries

Subsidiaries are all entities over which the parent has control. Control is established when the parent 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 relevant activities of the entity.

Associates

Interests in associates, where the investor has significant influence over the investee, are accounted for using the equity method in accordance with AASB 128 Investment in Associates and Joint Ventures. Under this method, the investment is initially recognized as cost and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

(b) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

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3 Summary of Significant Accounting Policies (continued)

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Financial instruments

For comparative year

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Group

becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

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3 Summary of Significant Accounting Policies (continued)

(d) Financial instruments (continued)

The Group's trade and other receivables fall into this category of financial instruments.

In some circumstances, the Group renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Group does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss or other financial liabilities depending on the purpose for which the liability was acquired. Although the Group uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Groups financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of Financial Assets

At the end of the reporting period the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

For current year

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

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3 Summary of Significant Accounting Policies (continued)

(d) Financial instruments (continued)

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

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3 Summary of Significant Accounting Policies (continued)

(d) Financial instruments (continued)

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets are more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and finance lease liabilities.

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3 Summary of Significant Accounting Policies (continued)

(e) Revenue and other income

Other income
Other income is recognized on an accrual basis when the Group is entitled to it.

(f) Cash and cash equivalents

Cash and cash equivalents comprises of cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(g) Exploration, Evaluation and Development Expenditure

Costs incurred during exploration and evaluations relating to an area of interest are accumulated. Costs are carried forward to the extent they are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not yet reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. In these instances, the entity must have rights of tenure to the area of interest and must be continuing to undertake exploration operations in the area.

(h) Property, plant and equipment

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

Plant and equipment
Plant and equipment are measured using the cost model.
Depreciation

Plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group, commencing when the asset is ready for use.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	**Useful life**
Plant & Equipment	5 - 15 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

(i) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

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3 Summary of Significant Accounting Policies (continued)

(i) Going concern

We note that notwithstanding the Group incurred a $ 277,552 net loss during the 6 month period ended 31 December 2023, the financial statements have been provided on a going concern basis as the Group is raising a minimum of $ 4,000,000 capital from the equity market and will be able to pay its debts as and when they fall due and payable.

(j) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group or refer to Note 2 for details of the changes due to standards adopted.

4 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

There is no significant estimates and judgements made for this year.

5 Cash and Cash Equivalents

	31.12.23	2023
	$	$
CURRENT		
Cash at Bank	135,695	425,263
Cash on Hand	628	628
	136,323	425,891

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6 Interests in Subsidiaries

(a) Composition of the Group

Subsidiaries	Country of Incorporation	% Owned 2023	% Owned 2023
Chillagoe Resources Pty Ltd	Australia	100%	100%
Premier Mining Pty Ltd	Australia	73.6%	73.6%

The percentage of ownership interest held is equivalent to the percentage voting rights for the subsidiary.

Goodwill is the premium arising on consolidation and is treated as an intangible (non-current) asset. The partial goodwill method has been used.

(b) Significant restrictions relating to subsidiaries

There are no significant restrictions to access or use the assets and settle the liabilities of the Group.

7 Interests in Associates

In 2020 Premier Mining Pty Ltd was the Group's only associate due to Chillagoe Resources a 100% subsidiary of Far Northern Resources Ltd holding 21% of Premier.

In 2021 Chillagoe Resources increased its holding in Premier Mining Pty Ltd to 73.6% changing the company's status from associate to subsidiary.

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Notes to the Financial Statements

For the Period Ended 31 December 2023

8 Key Management Personnel Remuneration

Key management personnel remuneration included within employee expenses for the year is shown below:

	2024 $	2023 $
Short-term Employee Benefits	83,250	110,500
Post-employment benefits	-	-
Share based payments	-	-
	83,250	110,500

9 Related Parties

(a) The Group's main related parties are as follows:

Key management personnel -refer to Note 8.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated.

There were no related party transactions.

Associates	Purchases $	Sales $	Other $	Balance owed to the company $	Outstanding owed by the company $	Provision for bad debts $	Bad debts expenses $
None							

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(c) Loans to / from related parties

	2024	2023
Non-Current Liabilities	$	$
Directors Loans	79,035	78,931
	79,035	78,931

The related party loan assets and liabilities are both unsecured, interest free with no fixed repayment term.

10 Trade and Other Payables

	2024	2023
	$	$
Current		
Trade payables	18,403	44,744
GST & PAYG Withholding tax payable	10,908	10,908
	29,311	55,652

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

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Notes to the Financial Statements

For the Period Ended 31 December 2023

11 Property, Plant and Equipment

	2024	2023
Plant & Equipment	$	$
At cost	966,182	966,182
Accumulated depreciation	(169,888)	(137,383)
Total plant & equipment	796,294	828,799
Total property, plant and equipment	796,294	828,799

12 Issued Capital

	2024	2023
	$	$
Ordinary Shares 24,545,471 (2023: 27,545,471)	2,678,592	2,678,592
	2,678,592	2,678,592

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up the Company. In a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

13 Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 31 December 2023 (30 June 2023: None).

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Notes to the Financial Statements

For the Period Ended 31 December 2023

14 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2024	2023
	$	$
Loss for the year	(277,552)	(394,994)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation and amortisation	32,505	65,600
Changes in assets and liabilities:		
- (increase) / decrease in trade and other receivables	7,776	(6,915)
- (Increase) / decrease in Loans related parties	(104)	(1,128)
- increase / (decrease) in trade and other payables	(26,341)	(55,411)
- Increase / (decrease) in GST clearing account	-	6,915
Cashflows from operations	(263,716)	(275,111)

15 Auditor's remuneration

	2024	2023
Amounts received or due and receivable by the auditors of company for:	$	$
Audit of the financial report	15,000	19,500
	15,000	**19,500**

16 Events Occurring After the Reporting Date

There are no subsequent events that need to be reported.

17 Statutory Information

The registered office and principal place of business of the group is:

Far Northern Resources Limited
Unit D, 107 Alfred Street
Fortitude Valley
QLD 4006

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Far Northern Resources Limited

ABN 89 621 685 701

Directors' Declaration

The Directors of the Company declare that:

1. The consolidated financial statements and notes for the 6-month period ended 31 December 2023 are in accordance with the *Corporations Act 2001* and:

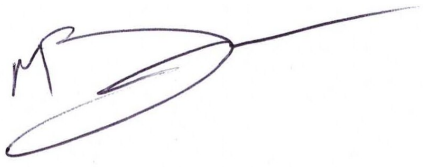
   a. Comply with Australian Accounting Standards and International Financial Reporting Standards as stated in Note 1, and

   b. Give a true and fair view of the financial position as at 31 December 2023 and of the performance of the consolidated group for the 6 month peroid ended on that date;

2. In the Directors' opinion, 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 Board of Directors.

Director: Cameron Woodrow



Director:…….. Matthew Bashford

Dated 27 March 2024

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Independent Auditor's Review Report to the Members of Far Northern Resources Limited

Report on the Half-Year Financial Report as at 31 December 2023

Conclusion

We have reviewed the half-year financial report of Far Northern Resources Limited ("the Company"), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the consolidated entity comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

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 Far Northern Resources Limited does not comply with the *Corporations Act 2001* including:

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

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporation 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.

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our opinion, we draw attention to Note 3 (i): Going Concern in the financial report, which states that, during the half year to 31 December 2023, the consolidated entity incurred a loss of $277,552 had net cash outflows from operating activities of $289,568. As at the balance date the consolidated statement of financial position indicates the Group held cash of $136,323 and had net liabilities of $108,346.

The above conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern. However, the company has raised $4,109,000 capital from the equity market to fund future operations.

Our review conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that 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. ASRE2410 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 consolidated entity's financial position as at 31 December 2023 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Alex Koutzoumis
Chartered Accountant
Registered Company Auditor # 4298

Sydney, NSW
25 March 2024

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