



# Financial Report for the Full Year ended 30 June 2023

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## Corporate Directory

### DIRECTORS

**James Walker (GAICD, FCA, B.Comm (UNSW))**

Non-Executive Chair

**Phil Gardner (FAICD, CPA, B.Comm (Newcastle))**

Non-Executive Director

**Blake Cannavo**

Managing Director and CEO

### COMPANY SECRETARY

**Hasaka Martin (FGIA)**

### REGISTERED OFFICE

Suite 4201, Level 42 Australia Square  
264-278 George Street  
Sydney NSW 2000

### PRINCIPLE PLACE OF BUSINESS

Suite 10, 6-14 Clarence Street  
Port Macquarie NSW 2444  
AUSTRALIA

Telephone: 02 6583 7833

Website: [www.nmresources.com.au](http://www.nmresources.com.au)

### AUDITORS

HLB Mann Judd Assurance (NSW) Pty Ltd

### SHARE REGISTRY

Boardroom Pty Ltd

### BANKERS

Australian & New Zealand Banking Group

### SOLICITORS

Queensland Law Group

### STOCK EXCHANGE

Native Mineral Resources Holdings Limited  
shares are listed on the Australian Securities  
Exchange (ASX code: NMR)



## Directors' Report

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

### Directors

The following persons were directors of Native Mineral Resources Holdings Limited during the whole of the financial period and up to the date of this report, unless otherwise stated:

- James Walker
- Phil Gardner
- Blake Cannavo

### Principal Activities

During the financial year the principal continuing activities of the consolidated entity consisted of exploration and development activities at the consolidated entity's mining tenements predominately situated in Queensland and Western Australia.

### Dividends

No dividends were paid or declared during the financial year.

### Review of Operations

Native Mineral Resources (NMR) has a clear focus on delivering exploration success. The company will focus on rapid target delineation in order to fast track towards mine development and operations ensuring the best value return for investors. The company plans to achieve this goal by building a world-class tenement portfolio and adopting modern techniques and technologies for exploration.

NMR plans to continue to add value to the company by quickly building on its already impressive exploration results.

### Tenement Grants

No new tenement granted during the FY23 financial year. E69/4035 Mundra East & E69/4036 Mundra West still in application since 25<sup>th</sup> March 2022.

### Tenement Applications

One additional tenement application was lodged with DMRNE for adjoining tenements to NMR's existing Palmerville project. New tenement EPM28847 Wrotham cover 51 km<sup>2</sup> of total 17 Sub-blocks.

### Maneater Breccia in QLD

During FY23, NMR conducted the following three (3) exploration campaigns for the tenement / project:

#### *EPM 28038 Maneater Diamond Drilling:*

Our diamond drilling initiatives, namely MPD002 and MPD003, yielded impressive results. MPD002 reached a depth of 477.6 meters, while MPD003 went even deeper to 543.3 meters. These drilling operations, conducted from October to November 2022, provided crucial insights into the geological composition and potential resource deposits within the target area.

#### *EPM 28038 Maneater Geophysical Airborne Magnetic Survey:*

In April 2023, we successfully completed an extensive airborne magnetic survey over the Maneater region, covering a distance of 894 line kilometres. This survey utilized advanced geophysical techniques to map magnetic variations in the area, contributing to our understanding of subsurface geological structures and potential mineralization zones.

*EPM 28038 Maneater Geophysical Induced Polarisation Survey:*

Our commitment to comprehensive exploration continued with the Geophysical Induced Polarisation Survey in the Maneater region. Executed from June to July 2023, this survey consist of 4x2 km length line with 300m spacing. By evaluating the electrical response of subsurface materials, this survey has provided valuable information for identifying potential mineral deposits and refining our exploration strategy.

**Palmerville Project in QLD**

During FY23, NMR conducted the following two (2) exploration campaigns for the tenement / project:

*Regional Palmerville Geophysical Airborne Magnetic Survey:*

From April to June 2023, we successfully executed a comprehensive geophysical airborne magnetic survey, covering an extensive distance of 30,112 line-kilometres across the Regional Palmerville area. This high-resolution survey allowed us to capture detailed magnetic variations within the region, contributing to the identification of subsurface geological structures and potential resource zones.

*EPM 27396 Glenroy/Fairlight Field Mapping & Sampling:*

In May 2023, we undertook meticulous field mapping and sampling efforts in the Glenroy and Fairlight regions. Through these initiatives, we collected and analysed 13 samples, each offering valuable insights into the geological composition and mineralization potential of the area. These findings serve as integral components in shaping our exploration strategies and refining our understanding of the resource landscape.

**Nullarbor Project in WA**

During FY23, NMR conducted the following two (2) exploration campaigns for the tenement / project:

*E69/3850 Nullarbor Central Phase 1 Diamond Drilling:*

As part of our Phase 1 exploration campaign, we conducted diamond drilling activities at Nullarbor Central. These efforts resulted in the successful drilling of DDHC to depths of 290.4 meters and 551.4 meters. These operations, undertaken with precision and expertise, provided crucial geological insights and laid the foundation for our understanding of the subsurface resources within this area.

*E69/3852 Nullarbor Northern Phase 2 Diamond Drilling:*

From August to September 2022, our Phase 2 exploration campaign focused on the Nullarbor Northern region. During this phase, we executed diamond drilling operations on DDH002, achieving an impressive depth of 1020.3 meters. These drilling efforts were conducted meticulously, allowing us to gather essential geological data that will play a pivotal role in shaping our exploration strategy moving forward.

**Government Grants**

No new government grants applied during the FY23. However the CEI grant of AUD\$200,000 back in February 2022 has been reimbursed to NMR in June 2023 upon completing the Airborne Magnetic and comply to DMRNE submissions.

***Competent Person's Statement***

The information in this report that relates to Exploration Results and Minerals Resources is based on information compiled by Mr Greg Curnow, MAUSIMM, a Competent Person who is a member of the Australian Institute of Geoscientists. Mr Curnow has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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”. Mr Curnow consents to the inclusion in this report of the matters based upon the information in the form and context in which it appears.

### ***Financial Position***

At 30 June 2023, the consolidated entity had net assets of \$194,703 (30 June 2022: \$498,044) and \$306,837 in cash (30 June 2022: \$449,962).

### ***Significant changes in the state of affairs***

There were no 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 17 August 2023, NMR announced it had acquired 51% of the highly prospective McLaughlin Lake Lithium project (MEL 1028A) located in the Oxford Lake region of Manitoba, Canada. In order to complete this purchase, NMR has entered into a Share Placement to raise \$640,913 at an issue price of \$0.03 (with attaching 1-for-3 Options exercisable at \$0.06).

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

### ***Likely developments and expected results of operations***

The consolidated entity intends to continue its exploration, development and production activities on its existing projects and to acquire further suitable projects for exploration as opportunities arise.

### ***Environmental regulation***

The consolidated entity is subject to and is compliant with all aspects of environmental regulation of its exploration and mining activities. The directors are not aware of any environmental law that is not being complied with.

### ***Information on Directors***

|                                      |   |
|--------------------------------------|---|
| Name:                                | James Walker  |
| Title:                               | Non-Executive Independent Chair   |
| Qualifications:                      | GAICD, FCA, B.Comm (UNSW)   |
| Experience and expertise:            | James has over 25 years' experience as a Chartered Accountant, non-executive director and senior executive of various high growth companies. James has successfully completed multiple ASX IPOs, corporate acquisition transactions, secondary round raises on both the ASX and UK AIM markets and private capital raises.<br>James thrives on scaling businesses, commercialising technology and building new global markets, with extensive experience across a wide range of international high growth businesses, including deal-tech, data-driven customer experience, sensor systems, mining technology services, automotive, aviation, biotechnology, hotel telemarketing, drone detection and security sectors. |
| Other current directorships:         | Executive Chair of BluGlass (ASX: BLG) and a non-executive Director of  |
| Former directorships (last 3 years): | Digital Wine Ventures (ASX: DW8) resigned in May 2023   |
| Special responsibilities:            | Member of the Nomination and Remuneration Committee<br>Member of the Audit and Risk Committee   |
| Interests in shares:                 | 2,694,599 (Indirect)  |

|                               |                                |
|-------------------------------|--------------------------------|
| Interests in options:         | 756,000 Employee Share Options |
| Contractual rights to shares: | None                           |

|                           |   |
|---------------------------|---|
| Name:                     | Phil Gardner  |
| Title:                    | Non-Executive Independent Director  |
| Qualifications:           | FAICD, CPA, B.Comm (Newcastle)  |
| Experience and expertise: | Philip brings a long and diverse range of experience to his position as non-executive director of the company. As a CPA and Fellow of the AICD, he has the technical skills to provide balance to the board's strong industry-specific competencies. With 29 years' experience as a CEO and 21 years as a director of public, private, government and not for profit organisations, he brings the oversight and risk management experience to support the NMR team through its listing and life as a public company. Philip has had a non-executive director career across the health, infrastructure and tourism industries. |

|                                      |   |
|--------------------------------------|---|
| Other current directorships:         | None  |
| Former directorships (last 3 years): | None  |
| Special responsibilities:            | Chair of the Nomination and Remuneration Committee<br>Chair of the Audit and Risk Committee |
| Interests in shares:                 | 5,872,223 (Direct)  |
| Interests in options:                | 756,000 Employee Share Options  |
| Contractual rights to shares:        | None  |

|                           |  |
|---------------------------|--|
| Name:                     | Blake Cannavo  |
| Title:                    | Managing Director and Chief Executive Officer  |
| Qualifications:           | None   |
| Experience and expertise: | Blake is an accomplished Chief Operating Officer with more than 25 years' experience in the mining and construction sectors with companies including Fortescue Metals Group, Lihir Gold Limited and Aquila Resources.<br><br>He has been responsible for delivering a diverse range of projects valued up to \$10B in Asia Pacific, South Africa, the UK and Europe. A competent strategist, Blake has a proven track record in developing innovative plans and activities to ensure that projects are delivered on schedule and budget. |

|                                      |                       |
|--------------------------------------|-----------------------|
| Other current directorships:         | None                  |
| Former directorships (last 3 years): | None                  |
| Special responsibilities:            | None                  |
| Interests in shares:                 | 70,232,793 (Indirect) |
| Interests in options:                | 13,750,000            |
| Contractual rights to shares:        | None                  |

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

### **Company Secretary**

Hasaka Martin has held the role of Company Secretary since 26 July 2021. He is a Chartered Secretary and a Fellow of the Governance Institute of Australia.

On 31 March 2023, Marika White resigned as one of the joint the company secretaries.

### **Meetings of directors**

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

|               | Board of Directors |      | Nomination & Remuneration Committee |      | Audit & Risk Committee |      |
|---------------|--------------------|------|-------------------------------------|------|------------------------|------|
|               | Attended           | Held | Attended                            | Held | Attended               | Held |
| James Walker  | 6                  | 6    | 1                                   | 1    | 2                      | 2    |
| Phil Gardner  | 6                  | 6    | 1                                   | 1    | 2                      | 2    |
| Blake Cannavo | 6                  | 6    |                                     |      |                        |      |

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.



## Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

### Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

### *Non-executive directors' remuneration*

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

Non-executive directors received 756,000 zero-priced options each as part of their remuneration package upon IPO in November 2020. The Board Chair also received a salary (see under "Details of Remuneration") during the 30 June 2023 financial year.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was contained in the IPO prospectus (page 282) where the maximum annual aggregate remuneration was set at \$500,000.

### *Executive remuneration*

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The company has not yet finalised any short-term or long-term incentive program for key management personnel.

### *Use of remuneration consultants*

No remuneration advisors were engaged during the year nor was any formal remuneration advice received during the year.

### *The company's 2022 Annual General Meeting ('AGM')*

At the 2022 AGM, 94.82% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

### *Details of remuneration*

#### *Amounts of remuneration*

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Native Mineral Resources Holdings Limited:

- James Walker - Non-Executive Chair
- Phil Gardner - Non-Executive Director
- Blake Cannavo - Managing Director and Chief Executive Officer

|                                | Cash Salary<br>and Fees | Superannuation | Employee<br>entitlements accrued | Equity Settled<br>Options | Total   |
|--------------------------------|-------------------------|----------------|----------------------------------|---------------------------|---------|
| <b>2023</b>                    | \$                      | \$             | \$                               | \$                        | \$      |
| <i>Non-Executive Directors</i> |                         |                |                                  |                           |         |
| James Walker                   | 50,000                  | 5,250          | -                                | 50,400                    | 105,650 |
| Phil Gardner                   | -                       | -              | -                                | 50,400                    | 50,400  |
| <i>Executive Directors</i>     |                         |                |                                  |                           |         |
| Blake Cannavo                  | 503,263                 | 52,500         | 56,921                           | 42,350                    | 655,034 |
|                                | 553,263                 | 57,750         | 56,921                           | 143,150                   | 811,084 |

|                                | Cash Salary<br>and Fees | Superannuation | Employee<br>entitlements accrued | Equity Settled<br>Options | Total   |
|--------------------------------|-------------------------|----------------|----------------------------------|---------------------------|---------|
| <b>2022</b>                    | \$                      | \$             | \$                               | \$                        | \$      |
| <i>Non-Executive Directors</i> |                         |                |                                  |                           |         |
| James Walker                   | 50,000                  | 5,000          | -                                | 50,400                    | 105,400 |
| Phil Gardner                   | -                       | -              | -                                | 50,400                    | 50,400  |
| <i>Executive Directors</i>     |                         |                |                                  |                           |         |
| Blake Cannavo                  | 301,784                 | 30,000         | 16,843                           | 41,800                    | 390,427 |
|                                | 351,784                 | 35,000         | 16,843                           | 142,600                   | 546,227 |

Cash bonuses are not currently part of the remuneration packages of staff. The maximum bonus values are established at the start of each financial year and amounts payable are determined in the final month of the financial year by the Nomination and Remuneration Committee.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

|                                | Fixed Remuneration |      | Share Based Remuneration |      |
|--------------------------------|--------------------|------|--------------------------|------|
| Name                           | 2023               | 2022 | 2023                     | 2022 |
| <i>Non-Executive Directors</i> |                    |      |                          |      |
| James Walker                   | 52%                | 52%  | 48%                      | 48%  |
| Phil Gardner                   | 0%                 | 0%   | 100%                     | 100% |
| <i>Executive Directors</i>     |                    |      |                          |      |
| Blake Cannavo                  | 94%                | 89%  | 6%                       | 11%  |

### Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

|                      |  |
|----------------------|--|
| Name:                | Blake Cannavo  |
| Title:               | Managing Director and Chief Executive Officer  |
| Agreement commenced: | 1 August 2020  |
| Term of agreement:   | No fixed period  |
| Details:             | Base salary for the year ending 30 June 2023 of \$500,000 plus superannuation, to be reviewed annually by the Nomination and Remuneration Committee. 30 days termination notice by either party. |

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

### Share-based compensation

#### Issue of shares

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023 are set out below:

|               |      |
|---------------|------|
| Name          | Date |
| Blake Cannavo | None |
| James Walker  | None |
| Phil Gardner  | None |

#### Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

| Name          | Number of options granted | Grant date       | Vesting date and exercisable date | Expiry date      | Exercise price | Fair value per option at grant date |
|---------------|---------------------------|------------------|-----------------------------------|------------------|----------------|-------------------------------------|
| James Walker  | 756,000                   | 17 August 2020   | 01 December 2023                  | 7 August 2025    | \$0.00         | \$0.20                              |
| Phil Gardner  | 756,000                   | 17 August 2020   | 01 December 2023                  | 7 August 2025    | \$0.00         | \$0.20                              |
| Blake Cannavo | 8,250,000                 | 31 January 2022  | 30 June 2024                      | 21 December 2025 | \$0.34         | \$0.0001                            |
| Blake Cannavo | 5,500,000                 | 30 November 2022 | 30 June 2023                      | 31 May 2026      | \$0.26         | \$0.06                              |

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the company. Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2023 are set out below:

| Name          | Value of options granted or recognised as expense during the year<br>\$ | Value of options exercised during the year<br>\$ | Value of options lapsed during the year<br>\$ | Remuneration consisting of options for the year<br>% |
|---------------|---|--|---|--|
| James Walker  | 50,400  | -  | -   | 48%  |
| Phil Gardner  | 50,400  | -  | -   | 100%   |
| Blake Cannavo | 42,350  | -  | -   | 6%   |

#### *Additional disclosures relating to key management personnel*

##### *Shareholding*

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

|                        | Balance at start of the year | Received as part of remuneration | Additions  | Disposals/ Other | Balance at end of the Year |
|------------------------|------------------------------|----------------------------------|------------|------------------|----------------------------|
| <i>Ordinary shares</i> |                              |                                  |            |                  |                            |
| James Walker           | 2,169,266                    | -                                | 525,333    | -                | 2,694,599                  |
| Philip Gardner         | 4,133,334                    | -                                | 1,738,889  | -                | 5,872,223                  |
|                        |                              |                                  |            |                  | -                          |
| Blake Cannavo          | 52,501,050                   | -                                | 17,731,743 | -                | 70,232,793                 |
|                        | 58,803,650                   | -                                | 19,995,965 | -                | 78,799,615                 |

##### *Option holding*

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

|                                     | Balance at start of the year | Granted   | Exercised | Expired/ forfeited/ other | Balance at end of the Year |
|-------------------------------------|------------------------------|-----------|-----------|---------------------------|----------------------------|
| <i>Options over ordinary shares</i> |                              |           |           |                           |                            |
| James Walker                        | 756,000                      | -         | -         | -                         | 756,000                    |
| Philip Gardner                      | 756,000                      | -         | -         | -                         | 756,000                    |
| Blake Cannavo                       | 8,250,000                    | -         | -         | -                         | 8,250,000                  |
| Blake Cannavo                       |                              | 5,500,000 | -         | (5,500,000)               | -                          |
|                                     | 9,762,000                    | -         | -         | (5,500,000)               | 9,762,000                  |



#### *Other transactions with key management personnel and their related parties*

During the year Bamford Engineering Pty Ltd (a company 100% owned by Blake Cannavo) charged the company \$72,600 (30 June 2022: \$66,000) for rental of offices owned by Bamford Engineering. In addition, \$228,117 (30 June 2022: \$223,454) was paid for consultancy work carried out by staff of Bamford Engineering. Assets purchased from Bamford for a total written-down value of \$0 (30 June 2022: \$71,609).

A portion of these funds, together with the cash component of wages from January to June were transferred to BOC Holdings (a company 100% owned by Blake Cannavo) and used to participate in the Rights Issue of shares on 27 June 2023. This comprised \$309,707, together with net cash of \$186,775. BOC Holdings were issued 16,549,412 shares.

*This concludes the remuneration report, which has been audited.*

#### **Shares under option**

Unissued ordinary shares of Native Mineral Resources Holdings Limited under option at the date of this report are as follows:

| Grant date       | Expiry Date      | Exercise Price | Number under option |
|------------------|------------------|----------------|---------------------|
| 17 August 2020   | 7 August 2025    | \$0.00         | 1,512,000           |
| 17 August 2020   | 7 August 2025    | \$0.00         | 110,000             |
| 11 November 2020 | 16 November 2023 | \$0.25         | 2,500,000           |
| 31 January 2022  | 21 December 2025 | \$0.34         | 8,250,000           |
| 31 January 2023  | 30 June 2024     | \$0.20         | 2,244,443           |

#### **Shares issued on the exercise of options**

There were no ordinary shares of Native Mineral Resources Holdings Limited issued during the year ended 30 June 2023 and up to the date of this report on the exercise of options granted.

#### **Indemnity and insurance of officers**

The consolidated entity 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 consolidated entity paid a premium in respect of a contract to ensure 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 consolidated entity 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 consolidated entity 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 consolidated entity, or to intervene in any proceedings to which the consolidated entity is a party for the purpose of taking responsibility on behalf of the consolidated entity for all or part of those proceedings.

**Non-audit services**

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 19 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in note 19 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

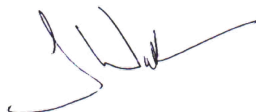
**Officers of the company who are former partners of HLB Mann Judd**

There are no officers of the company who are former directors of HLB Mann Judd Assurance (NSW) Pty Limited.

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

The Auditor's Independence Declaration is set out on page 16 and forms part of the Directors' Report for the full year ended 30 June 2023.

Pursuant to section 306 *Corporations Act 2001* this Directors' Report is made in accordance with a resolution of the Directors and is signed by James Walker on behalf of the directors.



**James Walker**

Non-executive chair

30 August 2023

**Auditor's Independence Declaration**

To the directors of Native Mineral Resources Holdings Limited:

As lead auditor for the audit of the financial report of Native Mineral Resources Holdings Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

This declaration is in relation to Native Mineral Resources Holdings Limited and the entities it controlled during the period.

**Sydney, NSW**  
**30 August 2023**



**N J Guest**  
**Director**

**hlb.com.au**

**HLB Mann Judd Assurance (NSW) Pty Ltd ABN 96 153 077 215**

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

## Consolidated Statement of Financial Position

### NATIVE MINERAL RESOURCES HOLDINGS LIMITED

|                                  | NOTES | 30-Jun-23<br>\$ | 30-Jun-22<br>\$ |
|----------------------------------|-------|-----------------|-----------------|
| <b>Financial Assets</b>          |       |                 |                 |
| Cash and cash equivalents        | 7     | 306,837         | 449,962         |
| Trade and other receivables      | 8     | 112,932         | 109,618         |
|                                  |       | <b>419,769</b>  | <b>559,580</b>  |
| <b>Fixed Assets</b>              |       |                 |                 |
| Property, Plant and Equipment    | 9     | 146,202         | 164,390         |
| <b>Total Fixed Assets</b>        |       | <b>146,202</b>  | <b>164,390</b>  |
| <b>Total Assets</b>              |       | <b>565,971</b>  | <b>723,970</b>  |
| <b>Liabilities</b>               |       |                 |                 |
| <b>Current Liabilities</b>       |       |                 |                 |
| Trade and other payables         | 10    | 244,371         | 158,993         |
| Employee Entitlements            | 10    | 126,897         | 66,933          |
| <b>Total Current Liabilities</b> |       | <b>371,268</b>  | <b>225,926</b>  |
| <b>Total Liabilities</b>         |       | <b>371,268</b>  | <b>225,926</b>  |
| <b>Net Assets (Liabilities)</b>  |       | <b>194,703</b>  | <b>498,044</b>  |
| <b>Equity</b>                    |       |                 |                 |
| Share Capital                    | 11    | 12,541,979      | 9,268,187       |
| Share Based Payment Reserve      | 12    | 645,160         | 495,040         |
| Accumulated Losses               | 13    | (12,992,436)    | (9,265,183)     |
| <b>Total Equity</b>              |       | <b>194,703</b>  | <b>498,044</b>  |

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

### NATIVE MINERAL RESOURCES HOLDINGS LIMITED

|                                 |       | 30-Jun-23          | 30-Jun-22          |
|---------------------------------|-------|--------------------|--------------------|
|                                 |       | \$                 | \$                 |
|                                 | NOTES |                    |                    |
| Sale of Gold                    |       | -                  | 30,667             |
| Direct Expenses                 |       |                    |                    |
| Operating expenses              |       | -                  | (146,982)          |
| Gross Profit                    |       | -                  | (116,315)          |
| Interest Revenue                |       | 527                | 288                |
| Government Grants               |       | 399,547            | 62,945             |
| Sale of Tenements               |       | -                  | 235,000            |
| Other Income                    |       | 8,164              | 18,210             |
| Board & Directors Expenses      |       | (230,677)          | (229,762)          |
| Exploration Development         |       | (1,766,249)        | (2,070,663)        |
| Exploration Management          |       | (141,106)          | (172,021)          |
| Finance Related Fees & Charges  |       | (725)              | (2,783)            |
| Office Expenses                 |       | (109,972)          | (215,303)          |
| Professional Services Fees      |       | (453,851)          | (547,650)          |
| Depreciation                    |       | (44,467)           | (37,904)           |
| Property, Plant, Equipment Hire |       | (5,673)            | (16,968)           |
| Travel                          |       | (58,130)           | (20,173)           |
| Utilities                       |       | (17,598)           | (13,685)           |
| Wage Costs                      |       | (1,305,359)        | (1,452,103)        |
| Other expenses                  |       | (1,684)            | (22,568)           |
| Loss before income tax benefit  |       | <b>(3,727,253)</b> | <b>(4,601,455)</b> |
| Income tax benefit              |       | -                  | -                  |
| <b>Loss for the period</b>      |       | <b>(3,727,253)</b> | <b>(4,601,455)</b> |
| Basic loss per share            | 22    | (3.29)             | (4.96)             |
| Diluted loss per share          | 22    | (3.29)             | (4.96)             |



## Consolidated Statement of Cash Flows

### NATIVE MINERAL RESOURCES HOLDINGS LIMITED

|  |       | 30-Jun-23          | 30-Jun-22          |
|--|-------|--------------------|--------------------|
|  |       | \$                 | \$                 |
|  | NOTES |                    |                    |
| CASH FLOWS FROM OPERATING ACTIVITIES                       |       |                    |                    |
| Proceeds from exploration and evaluation                   |       | -                  | 64,928             |
| Cash Inflow from Interest Income                           |       | 527                | 288                |
| Grant receipts   |       | 399,547            | 62,945             |
| Other revenue  |       | 26,000             | 18,210             |
| Payments for exploration and evaluation                    |       | (2,343,332)        | (3,114,004)        |
| Payments to suppliers and employees                        |       | (1,508,462)        | (1,579,972)        |
| NET CASH FLOW USED IN OPERATING ACTIVITIES                 | 15    | <u>(3,425,720)</u> | <u>(4,547,605)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES                        |       |                    |                    |
| Proceeds from Disposal of Tenements                        |       | -                  | 177,938            |
| Payment to acquire or for Property, Plant & Equipment      |       | (26,280)           | (165,173)          |
| NET CASH FLOWS USED IN INVESTING ACTIVITIES                |       | <u>(26,280)</u>    | <u>12,765</u>      |
| CASH FLOWS FROM FINANCING ACTIVITIES                       |       |                    |                    |
| Proceeds from the issue of shares and options              |       | 3,381,377          | 3,000,797          |
| Transactions costs related to the issue of shares, options |       | (72,502)           | (65,087)           |
| NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES            |       | <u>3,308,875</u>   | <u>2,935,710</u>   |
| Net change in cash held                                    |       | (143,125)          | (1,599,130)        |
| Cash and cash equivalents at beginning of period           |       | <u>449,962</u>     | <u>2,049,092</u>   |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD                 | 7     | <u>306,837</u>     | <u>449,962</u>     |

## Consolidated Statement of Changes in Equity

Attributable to shareholders of Native Mineral Resources Holdings Limited

|   | Ordinary<br>Shares | Accumulated<br>Losses | Share<br>Based<br>Payment<br>Reserve | Total Equity       |
|---|--------------------|-----------------------|--------------------------------------|--------------------|
|   | \$                 | \$                    | \$                                   | \$                 |
| <b>Balance at 1 July 2021</b>   | <b>6,313,727</b>   | <b>(4,664,278)</b>    | <b>352,990</b>                       | <b>2,002,439</b>   |
| Loss for the year   | -                  | (4,601,455)           | -                                    | (4,601,455)        |
| Other comprehensive Income  | -                  | -                     | -                                    | -                  |
|   | <b>6,313,727</b>   | <b>(9,265,733)</b>    | <b>352,990</b>                       | <b>(2,599,016)</b> |
| <b>Transactions with shareholders in their capacity as shareholders</b> |                    |                       |                                      |                    |
| Transfer from share based payment reserve to accumulated losses         | -                  | 550                   | (550)                                | -                  |
| Issue of Shares net of transaction costs                                | 2,954,460          | -                     | -                                    | 2,954,460          |
| Share based payments  | -                  | -                     | 142,600                              | 142,600            |
| <b>Balance at 30 June 2022</b>  | <b>9,268,187</b>   | <b>(9,265,183)</b>    | <b>495,040</b>                       | <b>498,044</b>     |
| <b>Balance at 1 July 2022</b>   | <b>9,268,187</b>   | <b>(9,265,183)</b>    | <b>495,040</b>                       | <b>498,044</b>     |
| Loss for the year   | -                  | (3,727,253)           | -                                    | (3,727,253)        |
| Other comprehensive Income  |                    |                       |                                      |                    |
|   | <b>9,268,187</b>   | <b>(12,992,436)</b>   | <b>495,040</b>                       | <b>(3,229,209)</b> |
| <b>Transactions with shareholders in their capacity as shareholders</b> |                    |                       |                                      |                    |
| Issue of Shares net of transaction costs                                | 3,273,792          | -                     | -                                    | 3,273,792          |
| Share based payments  | -                  | -                     | 150,120                              | 150,120            |
| <b>Balance at 30 June 2023</b>  | <b>12,541,979</b>  | <b>(12,992,436)</b>   | <b>645,160</b>                       | <b>194,703</b>     |

## Notes to Financial Statements

### NOTE 1: CORPORATE INFORMATION

The financial statements of Native Mineral Resources Holdings Limited ("the company") and its controlled entities ("the Group" or the "consolidated entity") for the year ended 30 June 2023 are authorised for issue in accordance with the resolution of the Directors on 30 August 2023. Native Mineral Resources Holdings Limited is a company incorporated in Australia and limited by shares listed on the ASX.

The company is a for-profit entity for the purposes of preparing financial statements.

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a) Basis of Preparation

These general-purpose financial statements for the financial year ended 30 June 2023 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The financial statements have been prepared on a historical cost basis.

The principal accounting policies are set out below.

From 1 July 2022, the consolidated entity has adopted all Australian Accounting Standards and Interpretations effective for annual periods beginning on or before 1 July 2022. The adoption of new and amended standards and interpretations had no impact on the financial position or performance of the consolidated entity.

The consolidated entity has not elected to early adopt any new standards or amendments that are issued but not yet effective.

#### b) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements may require management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Details of these are set out in Note 3.

#### c) Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (i.e. subsidiaries). Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group 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.

Intercompany transactions, balances and unrealised gains on transactions between Group companies (if any) are eliminated. Accounting policies of all companies in the Group are consistent.

#### d) Income Tax

With the Company in a tax loss situation no income tax has been brought to account. Once profitable the income tax expense will comprise current income tax expense and deferred tax expense.

Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable tax rates enacted, or substantively enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that no adverse change will occur in income taxation legislation, that the Company will derive sufficient future assessable income to enable the benefit to be realised and that the Company will continue to comply with the conditions of deductibility imposed by the law.

#### **e) Current and non-current classification**

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

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

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

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

#### **f) 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.

#### **g) Impairment of assets**

At the end of each reporting period, the consolidated entity assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### **h) Exploration and evaluation expenditure**

The acquisition and maintenance costs of tenements are expensed in the period incurred.

#### **i) 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 plant and equipment over their expected useful lives as follows:

|           |            |
|-----------|------------|
| Plant     | 3-10 years |
| Equipment | 2-5 years  |
| Computers | 3-5 years  |

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

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

#### **j) Provisions**

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

#### **k) Trade and other payables**

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

#### **l) Employee benefits**

##### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

##### *Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.



**m) Share-based payments**

Equity-settled share-based compensation benefits are provided to directors, the lead manager and employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to directors, the lead manager and employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes or the Monte Carlo 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.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying the Black-Scholes or Monte Carlo option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the expense at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.

All changes in the liability are recognised in profit or loss.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

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, director 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.

**n) Issued capital**

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares are shown as a deduction from the equity proceeds.

**o) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**p) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**q) Earnings per share**

*Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Native Mineral Resources Holdings Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

*Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**r) New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The consolidated entity considered that these will not have a material impact on the financial statements.

**s) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue is capable of being reliably measured. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

The consolidated entity recognises revenue as follows:

*Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct

good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

*Sales of goods*

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

*Interest*

Interest revenue is recognised using the effective interest method.

*Grant income*

Income from Government grants is recognised only when the conditions of the grant are satisfied.

*Sale of tenements*

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer.

**t) Going concern**

The consolidated entity has incurred operating losses of \$3,727,253 (2022: \$4,601,455) and negative operating cash flows of \$3,425,720 (2022: \$4,547,605) for the financial year ended 30 June 2023. As at 30 June 2023 the consolidated entity held cash of \$306,837 (2022: \$449,962), and net assets of \$194,703 (2022: \$498,044).

Notwithstanding the loss for the financial year, the financial statements have been prepared on an ongoing concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

The Directors believe that there are reasonable grounds that the Company will be able to continue as a going concern, on the following basis:

- The Directors consider that the consolidated entity has the ability to continue to raise additional funds on a timely basis. The consolidated entity has raised funds in the past and the Directors have no reason to believe that it will not be able to continue to source equity or alternative funding if required; and
- The consolidated entity has the ability to scale back a significant portion of its expenditure activities if required

However, the consolidated entity's ability to continue as a going concern is dependent upon raising capital or loan funding, thus resulting in a material uncertainty that may cast doubt on the consolidated entity's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Based on the consolidated entity's forecasts, the consolidated entity will need to raise additional funds to meet its planned and budgeted exploration expenditure as well as regular corporate overheads during the next 6 months. The consolidated entity's capacity to raise additional funds will be impacted by the success of the ongoing exploration activities and market conditions.

### **NOTE 3: 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 with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model or the Monte Carlo model taking into account the terms and conditions upon which the instruments were granted. 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. Refer to note 18 for further information.

### **NOTE 4: SEGMENT INFORMATION**

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, is the CEO.

The group operates in one operating segment being Exploration and Evaluation of Minerals, and one geographical segment, being Australia.

**NOTE 5: COMMITMENTS AND CONTINGENCIES****a) Tenements**

The Group has certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work on mining tenements. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Group. These commitments have not been provided for in the financial report. Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature and amount of future expenditure beyond the next year. Expenditure may be reduced by seeking exemption from individual commitments, by relinquishing of tenure. Expenditure may be increased when new tenements are granted.

The minimum expenditure commitment on the tenements is:

|  | <b>Consolidated Group</b> |                     |
|--|---------------------------|---------------------|
|  | <b>30 June 2023</b>       | <b>30 June 2022</b> |
|  | <b>\$</b>                 | <b>\$</b>           |
| Not later than one year                      | 1,071,301                 | 737,247             |
| Later than one year and less than five years | 2,243,655                 | 1,018,622           |

**b) Employees**

The Company has issued options to directors and employees as part of their total remuneration. Those issued in the current period are listed in Note 12 and 18.

**NOTE 6: INCOME TAX EXPENSE**

*Numerical reconciliation of income tax expense and tax at the statutory rate*

|  | <b>Consolidated</b> |                    |
|--|---------------------|--------------------|
|  | <b>2023</b>         | <b>2022</b>        |
|  | <b>\$</b>           | <b>\$</b>          |
| Prima facie income tax on operating loss at 25% (2021: 26%)                          | <u>(931,813)</u>    | <u>(1,150,364)</u> |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: |                     |                    |
| Share options issued   | 35,788              | 35,650             |
| Shares issued to pay for tenement purchases  | -                   | 4,688              |
| Other adjustments  | (7,023)             |                    |
| Deferred tax assets not recognised   | 903,048             | 1,110,026          |
| Income tax expense   | <u>-</u>            | <u>-</u>           |

The consolidated entity has not recognised any deferred income tax asset which may arise from available tax losses. The consolidated entity has estimated its tax losses to be \$10,765,626 (2022: \$7,330,024) at 30 June 2023. A benefit of 25% (2022: 25%) of approximately \$2,691,407 (2022: \$1,832,506) associated with the tax losses carried forward will only be obtained if:

- The consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- The consolidated entity continues to comply with the conditions for deductibility imposed by the law; and



## NOTES TO FINANCIAL STATEMENTS (cont.)

- No changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

### NOTE 7: CASH AND CASH EQUIVALENTS

|              | Consolidated   |                |
|--------------|----------------|----------------|
|              | 2023           | 2022           |
|              | \$             | \$             |
| Cash at bank | 305,837        | 448,962        |
| Cash on hand | 1,000          | 1,000          |
|              | <u>306,837</u> | <u>449,962</u> |

### NOTE 8: TRADE AND OTHER RECEIVABLES

|                   | Consolidated   |                |
|-------------------|----------------|----------------|
|                   | 2023           | 2022           |
|                   | \$             | \$             |
| Trade debtors     | -              | 739            |
| Prepayments       | 84,782         | 19,691         |
| Other receivables | 28,150         | 89,188         |
|                   | <u>112,932</u> | <u>109,618</u> |

### NOTE 9: PLANT AND EQUIPMENT

|                                | Consolidated          |                       |
|--------------------------------|-----------------------|-----------------------|
|                                | 2023                  | 2022                  |
|                                | \$                    | \$                    |
| Plant                          | 137,769               | 124,105               |
| Less: Accumulated Depreciation | (47,197)              | (25,634)              |
|                                | <u>90,572</u>         | <u>98,471</u>         |
| Equipment                      | 73,859                | 67,608                |
| Less: Accumulated Depreciation | (30,925)              | (14,997)              |
|                                | <u>42,934</u>         | <u>52,611</u>         |
| Computers                      | 24,526                | 18,163                |
| Less: Accumulated Depreciation | (11,830)              | (4,855)               |
|                                | <u>12,696</u>         | <u>13,308</u>         |
|                                | <u><u>146,202</u></u> | <u><u>164,390</u></u> |

## NOTES TO FINANCIAL STATEMENTS (cont.)

### *Reconciliations*

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

| <b>Consolidated</b>     | Plant<br>\$ | Equipment<br>\$ | Computers<br>\$ | Total<br>\$ |
|-------------------------|-------------|-----------------|-----------------|-------------|
| Balance at 30 June 2021 | 33,786      | 3,335           | -               | 37,121      |
| Additions               | 83,428      | 63,582          | 18,163          | 165,173     |
| Disposals               | -           | -               | -               | -           |
| Depreciation expense    | (18,743)    | (14,306)        | (4,855)         | (37,904)    |
| Balance at 30 June 2022 | 98,471      | 52,611          | 13,308          | 164,390     |
| Balance at 30 June 2022 | 98,471      | 52,611          | 13,308          | 164,390     |
| Additions               | 13,664      | 6,252           | 6,363           | 26,279      |
| Disposals               | -           | -               | -               | -           |
| Depreciation expense    | (21,563)    | (15,929)        | (6,975)         | (44,467)    |
| Balance at 30 June 2023 | 90,572      | 42,934          | 12,696          | 146,202     |

## NOTE 10: TRADE AND OTHER PAYABLES AND EMPLOYEE ENTITLEMENTS

|                                 | <b>Consolidated</b> |                |
|---------------------------------|---------------------|----------------|
|                                 | <b>2023</b>         | <b>2022</b>    |
|                                 | <b>\$</b>           | <b>\$</b>      |
| <b>TRADE AND OTHER PAYABLES</b> |                     |                |
| Trade Creditors                 | 38,674              | 67,775         |
| Other Payables                  | 174,197             | 47,195         |
| Accrued Expenses                | 31,500              | 44,023         |
|                                 | <u>244,371</u>      | <u>158,993</u> |
| <b>EMPLOYEE PROVISIONS</b>      |                     |                |
| Annual Leave Accrual            | 126,897             | 66,933         |
|                                 | <u>126,897</u>      | <u>66,933</u>  |

**NOTE 11: ISSUED CAPITAL**

|  | 30-Jun-23  | 30-Jun-22 | 30-Jun-23   | 30-Jun-22  |
|--|------------|-----------|-------------|------------|
|  | \$         | \$        | Number      | Number     |
| <b>Ordinary Shares</b>                                     |            |           |             |            |
| Fully paid ordinary shares                                 | 12,541,979 | 9,268,187 | 99,128,441  | 99,128,441 |
| <b>Movement in contributed Equity for the period</b>       |            |           |             |            |
| Balance at beginning of the period                         | 9,268,187  | 6,313,727 | 99,128,441  | 85,288,500 |
| Shares issued during the current financial year            |            |           |             |            |
| 08 August 2022 (Rights Issue to shareholders)              | 481,141    | -         | 3,701,083   | -          |
| 05 October 2022 (Issued as part of Rights Issue shortfall) | 322,037    | -         | 2,477,206   | -          |
| 31 October 2022 (Issued as part of Rights Issue shortfall) | 1,344,606  | -         | 10,343,118  | -          |
| 31 January 2023 (Share Placement)                          | 404,000    | -         | 4,488,887   | -          |
| 27 June 2023 (Rights Issue to shareholders)                | 804,784    | -         | 26,826,134  | -          |
| Shares issued during the previous period                   |            |           |             |            |
| 30 June 2022   | -          | 3,019,547 | -           | 13,839,941 |
| Less: Share issuance costs                                 | (82,776)   | (65,087)  | -           | -          |
| Balance at end of period                                   | 12,541,979 | 9,268,187 | 146,964,869 | 99,128,441 |

*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 buy-back*

There is no current on-market share buy-back.

*Capital risk management*

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

**NOTE 12: SHARE BASED PAYMENT RESERVE**

|   | <b>Consolidated</b> |                |
|---|---------------------|----------------|
|   | <b>2023</b>         | <b>2022</b>    |
|   | <b>\$</b>           | <b>\$</b>      |
| Share based payments reserve opening balance                    | 495,040             | 352,990        |
| Options issued to directors and employees                       | 143,150             | 142,600        |
| Options Issued to a third party                                 | 6,970               | -              |
| Transfer from share based payment reserve to accumulated losses | -                   | (550)          |
| Share based payments closing balance                            | <u>645,160</u>      | <u>495,040</u> |

**NOTE 13: ACCUMULATED LOSSES**

|   | <b>Consolidated</b> |                    |
|---|---------------------|--------------------|
|   | <b>2023</b>         | <b>2022</b>        |
|   | <b>\$</b>           | <b>\$</b>          |
| Accumulated losses at the beginning of the financial year | (9,265,183)         | (4,663,728)        |
| Loss after income tax expense for the year                | <u>(3,727,253)</u>  | <u>(4,601,455)</u> |
| Accumulated losses at the end of the financial year       | <u>(12,992,436)</u> | <u>(9,265,183)</u> |

**NOTE 14. KEY MANAGEMENT PERSONNEL***Compensation*

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

|                              | <b>Consolidated</b> |                |
|------------------------------|---------------------|----------------|
|                              | <b>2023</b>         | <b>2022</b>    |
|                              | <b>\$</b>           | <b>\$</b>      |
| Short-term employee benefits | 610,184             | 368,627        |
| Post-employment benefits     | 57,750              | 35,000         |
| Share-based payments         | <u>143,150</u>      | <u>142,600</u> |
|                              | <u>811,084</u>      | <u>546,227</u> |

**NOTE 15: RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES**

|   | <b>Consolidated</b> |             |
|---|---------------------|-------------|
|   | <b>2023</b>         | <b>2022</b> |
|   | <b>\$</b>           | <b>\$</b>   |
| Loss after income tax expense for the year          | (3,727,253)         | (4,601,455) |
| Adjustments for:                                    |                     |             |
| Depreciation and amortisation                       | 44,467              | 37,904      |
| Provision for annual leave                          | 59,964              | 27,471      |
| Share-based payments                                | 143,150             | 142,600     |
| Shares issued to pay for Tenement purchases         | -                   | 18,750      |
| Payments to acquire Tenements                       | -                   | -           |
| Proceeds from Sale of Tenements                     | -                   | (177,938)   |
| Payables associated with Equity accounts            | 10,888              | -           |
| Money held in Lieu of Shares                        | (39,000)            | -           |
| Change in operating assets and liabilities:         |                     |             |
| (Increase)/Decrease in receivables                  | (3,314)             | (51,2565)   |
| Increase/(Decrease) in trade creditors and accruals | 85,378              | 56,318      |
| Net cash from operating activities                  | (3,425,720)         | (4,547,605) |

**NOTE 16: FINANCIAL INSTRUMENTS***Overview*

The Group has exposure to the following risks from use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks related to the operations of the Company through regular reviews of the risks.

**(a) Credit Risk exposures**

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The credit risk on financial assets of the Group which have been recognised on the statement of financial position is the carrying amount. The Group is not materially exposed to any individual debtor. As the Group operates in the mining exploration sector, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables. The Group undertakes exploration and evaluation activities exclusively in Australia. At the statement of financial position date there were no significant concentrations of credit risk.

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at reporting date was:

|                             | <b>Consolidated</b> |                  |
|-----------------------------|---------------------|------------------|
|                             | <b>30-Jun-23</b>    | <b>30-Jun-22</b> |
|                             | <b>\$</b>           | <b>\$</b>        |
| <b>Financial Assets</b>     |                     |                  |
| Cash and Cash equivalents   | 306,837             | 449,962          |
| Trade and other receivables | 112,932             | 109,618          |
|                             | <u>419,769</u>      | <u>559,580</u>   |

None of the above receivables were overdue at balance date.

*Maturities of financial liabilities*

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| <b>Contractual maturities of financial liabilities</b> | <b>Less than 6 months</b> | <b>6 - 12 months</b> | <b>Between 1 and 2 years</b> | <b>Between 2 and 5 years</b> | <b>Over 5 years</b> | <b>Total contractual cashflows</b> | <b>Carrying amount (assets)/ liabilities</b> |
|--|---------------------------|----------------------|------------------------------|------------------------------|---------------------|------------------------------------|--|
| <b>At 30 June 2023</b>                                 | <b>\$</b>                 | <b>\$</b>            | <b>\$</b>                    | <b>\$</b>                    | <b>\$</b>           | <b>\$</b>                          | <b>\$</b>                                    |
| Trade Creditors  | 244,371                   | -                    | -                            | -                            | -                   | 244,371                            | 244,371                                      |
| <b>At 30 June 2022</b>                                 |                           |                      |                              |                              |                     |                                    |  |
| Trade Creditors  | 158,993                   | -                    | -                            | -                            | -                   | 158,993                            | 158,993                                      |

**(b) Liquidity Risk**

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

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

If the Group anticipates a need to raise additional capital in the next 12 months to meet forecasted operational activities, then the decision on how the Group will raise future capital will depend on market conditions existing at the time.

**(c) 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 Group's income or the value of 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.

*(i) Currency Risk*

The Group is not currently exposed to currency risk

## NOTES TO FINANCIAL STATEMENTS (cont.)

### (ii) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Groups cash and cash equivalents.

At reporting date, the interest rate profile of the Group's interest-bearing financial instruments was as follows:

|                                  | <b>Consolidated</b> |                  |
|----------------------------------|---------------------|------------------|
|                                  | <b>30-Jun-23</b>    | <b>30-Jun-22</b> |
|                                  | <b>\$</b>           | <b>\$</b>        |
| <i>Variable rate Instruments</i> |                     |                  |
| Financial Assets                 | 281,829             | 433,958          |
| Financial Liabilities            | -                   | -                |
|                                  | <u>281,829</u>      | <u>433,958</u>   |

### Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates for the whole of the reporting period would have an increase (decrease) equity and profit or loss by the amounts shown below, where interest is applicable. This analysis assumes that all other variables remain constant.

|                           | <b>Profit (or Loss)</b>   |                           | <b>Equity</b>             |                           |
|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                           | <b>100bp<br/>increase</b> | <b>100bp<br/>decrease</b> | <b>100bp<br/>increase</b> | <b>100bp<br/>decrease</b> |
|                           | <b>\$</b>                 | <b>\$</b>                 | <b>\$</b>                 | <b>\$</b>                 |
| Variable Rate instruments |                           |                           |                           |                           |
| 30 Jun 2022               | 4,774                     | (3,906)                   | 4,774                     | (3,906)                   |
| 30 Jun 2023               | 3,100                     | (2,536)                   | 3,100                     | (2,536)                   |

### (iii) Net fair values

Methods and assumptions used in determining net fair value.

For assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The Group has no financial assets where carrying amounts exceed net fair value at balance date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in notes to and forming part of the financial statements.

## NOTE 17: RELATED PARTY TRANSACTIONS

During the year Bamford Engineering Pty Ltd (a company 100% owned by Blake Cannavo) charged the company \$72,600 (30 June 2022: \$66,000) for rental of offices owned by Bamford Engineering. In addition, \$228,117 (30 June 2022: \$223,454) was paid for consultancy work carried out by staff of Bamford Engineering. Assets purchased from Bamford for a total written-down value of \$0 (30 June 2022: \$71,609).

A portion of these funds, together with the cash component of wages from January to June were transferred to BOC Holdings (a company 100% owned by Blake Cannavo) and used to participate in the Rights Issue of shares on 27 June 2023. This comprised \$309,707, together with net cash of \$186,775. BOC Holdings were issued 16,549,412 shares.

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties.

#### NOTE 18: SHARE BASED PAYMENTS

During the period ended 30 June 2023, a number of options were issued to a director, Blake Cannavo. Using the Monte Carlo model, the fair value of each option is as set out below and based on the following criteria/assumptions.

|   | Short Term Incentive Options | Long Term Incentive Options |
|---|------------------------------|-----------------------------|
| Number of options issued                                      | 5,500,000                    | 8,250,000                   |
| Expiry (years)  | 2                            | 4                           |
| Exercise price (\$)   | 0.26                         | 0.34                        |
| Vesting period (years)  | 1                            | 3                           |
| Share price at issue date (\$)                                | 0.185                        | 0.235                       |
| Expected life   | 2 years                      | 3.2 years                   |
| Volatility  | 67%                          | 65%                         |
| Risk free interest rate                                       | 3.09%                        | 1.25%                       |
| Dividend yield  | 0%                           | 0%                          |
| Total expense recorded for the period ended 30 June 2023 (\$) | 1,100                        | 41,250                      |

The performance of the vesting period began on 1 July 2022. The options were approved at the shareholders AGM on 30 November 2022.

The vesting date for the short-term incentive options was 30 June 2023, provided that the share price of the company is equal to or greater than \$1.00, calculated using a 5-day volume weighted average price ("VWAP") on any date from the 2022 AGM up to and including 30 June 2023. However, the share price vesting condition was not met, therefore the options lapsed.

The vesting date for the long-term incentive options is 30 June 2024, provided that the share price of the company is equal to or greater than \$2.00, calculated using a 5-day VWAP on any date from the 2022 AGM up to and including 30 June 2024.



**NOTE 19: REMUNERATION OF AUDITORS**

During the financial year the following fees were paid or payable for services provided by HLB Mann Judd Assurance (NSW) Pty Ltd, the auditor of the company, its network firms and unrelated firms:

|   | <b>Consolidated</b> |               |
|---|---------------------|---------------|
|   | <b>2023</b>         | <b>2022</b>   |
|   | <b>\$</b>           | <b>\$</b>     |
| <i>Audit services - HLB Mann Judd</i>       |                     |               |
| Audit or review of the financial statements | 45,426              | 42,500        |
| <i>Other services - HLB Mann Judd</i>       |                     |               |
| Preparation of the tax return               | 2,000               | 8,700         |
| Other taxation advice                       | 535                 | 2,050         |
|   | <u>2,535</u>        | <u>10,750</u> |
|   | <u>47,961</u>       | <u>53,250</u> |

**NOTE 20: PARENT ENTITY INFORMATION***Statement of Profit or Loss and Other Comprehensive Income*

|                          | <b>Parent</b> |             |
|--------------------------|---------------|-------------|
|                          | <b>2023</b>   | <b>2022</b> |
|                          | <b>\$</b>     | <b>\$</b>   |
| Loss after Income Tax    | (235,915)     | (299,377)   |
| Total comprehensive loss | (235,915)     | (299,377)   |

*Statement of Financial Position*

|                               | <b>Parent</b>     |                  |
|-------------------------------|-------------------|------------------|
|                               | <b>2023</b>       | <b>2022</b>      |
|                               | <b>\$</b>         | <b>\$</b>        |
| Total Current Assets          | 24,657            | 2,905            |
| Total Non-Current Assets      | 12,015,758        | 8,790,239        |
| Total Assets                  | <u>12,040,415</u> | <u>8,793,144</u> |
| Total Current Liabilities     | <u>82,832</u>     | <u>23,558</u>    |
| Total Liabilities             | <u>82,832</u>     | <u>23,558</u>    |
| Net Assets                    | <u>11,957,583</u> | <u>8,769,586</u> |
| Equity                        |                   |                  |
| - Issued Capital              | 12,541,978        | 9,268,187        |
| - Share Based Payment Reserve | 645,160           | 495,040          |
| - Accumulated losses          | (1,229,555)       | (993,641)        |
| Total Equity                  | <u>11,957,583</u> | <u>8,769,586</u> |

**NOTE 21: INTERESTS IN SUBSIDIARIES**

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in Note 2:

| Name                             | Principal place of business<br>/ Country of incorporation | Ownership interest |           |
|----------------------------------|---|--------------------|-----------|
|                                  |   | 2022<br>%          | 2021<br>% |
| Native Mineral Resources Pty Ltd | Australia   | 100.00%            | 100.00%   |

**NOTE 22: EARNINGS PER SHARE**

|  | Consolidated |             |
|--|--------------|-------------|
|  | 2023         | 2022        |
|  | \$           | \$          |
| <i>Earnings per share for profit from continuing operations</i>  |              |             |
| Loss after income tax  | (3,727,253)  | (4,601,455) |
| Loss after income tax attributable to the owners of Native Mineral Resources Holdings Limited  | (3,727,253)  | (4,601,455) |
| Loss after income tax attributable to the owners of Native Mineral Resources Holdings Limited used in calculating diluted earnings per share | (3,727,253)  | (4,601,455) |
|  |              |             |
|  | Cents        | Cents       |
| Basic earnings per share (cents per share)   | (3.29)       | (4.96)      |
| Diluted earnings per share (cents per share)   | (3.29)       | (4.96)      |
|  |              |             |
|  | Number       | Number      |
| <i>Weighted average number of ordinary shares</i>  |              |             |
| Weighted average number of ordinary shares used in calculating basic earnings per share  | 113,306,870  | 92,786,104  |
| Adjustments for calculation of diluted earnings per share:   |              |             |
| Options over ordinary shares   | -            | -           |
| Weighted average number of ordinary shares used in calculating diluted earnings per share  | 113,306,870  | 92,786,104  |

*Options*

Options on issue are not included in the calculation of diluted earnings per share because they are considered to be antidilutive for the year ended 30 June 2023. These options could potentially dilute earnings per share in future periods.

**NOTE 23: EVENTS SUBSEQUENT TO REPORTING DATE**

On 17 August 2023, NMR announced it had acquired 51% of the highly prospective McLaughlin Lake Lithium project (MEL 1028A) located in the Oxford Lake region of Manitoba, Canada. In order to complete this purchase, NMR has entered into a Share Placement to raise \$640,913 at an issue price of \$0.03 (with attaching 1-for-3 Options exercisable at \$0.06).

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

## Directors' Declaration


In the opinion of the directors of Native Mineral Resources Holdings Limited ("the Company"):

- a) the financial statements and notes set out on pages 17 to 39 are in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the financial position of the consolidated entity as at 30 June 2023 and of its performance for the year ended on that date; and
  - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- 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; and
- c) the remuneration report in the directors' report complies with the disclosure requirements of Section 300A of the *Corporations Act 2001*.

The notes to the financial statements include a statement of compliance with International Financial Reporting Standards.

The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 30 June 2023.

Signed in accordance with a resolution of the directors.



**James Walker**  
Non-executive chair

30 August 2023

## **Independent Auditor's Report to the Members of Native Mineral Resources Holdings Limited**

### **REPORT ON THE AUDIT OF THE FINANCIAL REPORT**

#### **Opinion**

We have audited the financial report of Native Mineral Resources Holdings Limited ("the Company") and its controlled entity ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### **Material Uncertainty Regarding Going Concern**

We draw attention to Note 2 t) in the financial report, which indicates that the Group incurred a net loss of \$3,727,253 and operating cash outflows of \$3,425,720 during the year ended 30 June 2023 and, as of that date, the Group held cash of \$306,837 and had net assets of \$194,703. As stated in Note 2 t), these events or conditions, along with other matters as set forth in Note 2 t), 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.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

**hlb.com.au**

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| Key Audit Matter  | How our audit addressed the key audit matter  |
|---|---|
| <b>Share based payments (Note 18)</b>   |   |
| <p>In the current and previous periods, the Company has entered into share based payment arrangements with directors and management.</p> <p>As detailed in Note 2 of the financial statements, and in accordance with AASB 2: <i>Share Based Payments</i>, the fair value of the options at grant date are determined by management, with reference to external valuation sources, and utilised to account for the share based payment expense and options issued.</p> <p>The key assumptions in determining the fair value of the options are set out in Note 18 to the financial statements.</p> <p>We considered this area to be a key audit matter due to the value of the transactions and the significant management estimation and judgements involved in assessing the fair value of the share based payments issued during the year.</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• We reviewed and verified the key terms of the options issued as shared based payments during the year, to the supporting agreements and documentation.</li> <li>• We reviewed the fair valuation calculation for the options, with reference to the methodology utilised and the key assumptions adopted in the valuation.</li> <li>• We tested the accuracy of the recorded share-based payment expense for the period in the statement of profit or loss and option reserve.</li> <li>• We assessed the accuracy of the Company's disclosures of the share based payment arrangement and options on issue in the financial statements with reference to the requirements of accounting standards.</li> </ul> |

### Information Other than the Financial Report and Auditor's Report Thereon

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

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

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

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

### Responsibilities of the Directors for the Financial Report

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

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

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about

the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **REPORT ON THE REMUNERATION REPORT**

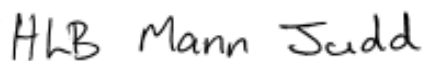
### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 9 to 14 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Native Mineral Resources Holdings Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

### **Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



**HLB Mann Judd Assurance (NSW) Pty Ltd**  
**Chartered Accountants**

**Sydney, NSW**  
**30 August 2023**



**N J Guest**  
**Director**



## Shareholder Information

The shareholder information set out below was applicable as at 30 July 2023.

### Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

| Holdings Ranges       | Number<br>of holders | Total Units        | % of total     |
|-----------------------|----------------------|--------------------|----------------|
| 1-1,000               | 24                   | 7,594              | 0.010          |
| 1,001-5,000           | 154                  | 463,770            | 0.320          |
| 5,001-10,000          | 131                  | 1,154,918          | 0.790          |
| 10,001-100,000        | 291                  | 10,490,553         | 7.140          |
| 100,001-9,999,999,999 | 108                  | 134,848,034        | 91.760         |
| <b>Totals</b>         | <b>708</b>           | <b>146,964,869</b> | <b>100.000</b> |

### Equity security holders

#### *Twenty largest quoted equity security holders*

The names of the twenty largest security holders of quoted equity securities are listed below:

|   | Ordinary shares    |                                |
|---|--------------------|--------------------------------|
|   | Number<br>held     | % of total<br>shares<br>Issued |
| BOC HOLDINGS PTY LTD <BOC FAMILY A/C>                           | 69,881,692         | 47.550%                        |
| SIACH PTY LTD   | 6,681,517          | 4.546%                         |
| ROBBIE HUNT PTY LTD <ROBBIE HUNT SUPER A/C>                     | 3,828,000          | 2.605%                         |
| DROHL PTY LTD   | 3,340,759          | 2.273%                         |
| SUTTON GARDNER PTY LTD  | 3,150,000          | 2.143%                         |
| SYMPALL PTY LTD   | 3,069,311          | 2.088%                         |
| DOUBLEDAY AUSTRALIA PTY LTD                                     | 2,807,499          | 1.910%                         |
| MR PHILIP PATRICK GARDNER                                       | 2,722,223          | 1.852%                         |
| BURRILL SKIES PTY LIMITED <BURRILL SKIES A/C>                   | 2,004,587          | 1.364%                         |
| MISS BELINDA SUSAN RODGER                                       | 1,989,740          | 1.354%                         |
| SYMPALL PTY LIMITED <DARREN PEARSON S/FUND A/C>                 | 1,875,000          | 1.276%                         |
| ALTOR CAPITAL MANAGEMENT PTY LTD <ALTOR ALPHA FUND A/C>         | 1,839,649          | 1.252%                         |
| CHELSEA ON THE PARK PTY LIMITED                                 | 1,173,489          | 0.798%                         |
| MR DAMIAN JAMES MCILROY   | 1,156,595          | 0.787%                         |
| MR DAMIAN JAMES MCILROY & MRS NICOLE M MCILROY <MCILROY SF A/C> | 1,125,000          | 0.765%                         |
| MR BERTRAND LALANNE   | 1,000,000          | 0.680%                         |
| AZZOP PTY LTD   | 1,000,000          | 0.680%                         |
| MR BENJAMIN WECHSLER  | 895,000            | 0.609%                         |
| MR RICHARD BENJAMIN ALVARES                                     | 851,107            | 0.579%                         |
| VSP INVESTMENTS PTY LTD   | 722,765            | 0.492%                         |
| <b>Total Securities of Top 20 Holdings</b>                      | <b>111,113,933</b> | <b>75.606%</b>                 |

## Substantial holders

Substantial Holders (as disclosed in substantial holding notices)

| Substantial Holder   | Class of Shares   | Number of Shares Held | Voting Power (%) |
|----------------------|---|-----------------------|------------------|
| BOC Holdings Pty Ltd | Fully Paid Ordinary Shares (including quoted and unquoted fully paid ordinary shares) | 69,881,692            | 47.55%           |

## Classes of Equity Securities

Number of Holders of each Class of Equity Securities

| Class of Security  | Number of Holders | Units on Issue |
|--|-------------------|----------------|
| Fully Paid Ordinary Shares   | 708               | 146,964,869    |
| Employee Options (EOP) – EXP 07/08/2025  | 4                 | 1,622,000      |
| LMP Options \$0.25 Expiring 3 Years from Quotation ASX Escrow 2 years              | 2                 | 2,500,000      |
| Employee Options - Unlisted \$0.08 Options Vest 30 June 2024 Expiring 30 June 2026 | 1                 | 8,250,000      |
| Employee Options - Unlisted \$0.06 Options Vest 30 June 2024 Expiring 30 June 2024 | 2                 | 5,500,000      |
| Unlisted \$0.20 Options Expiring 30 June 2024                                      | 20                | 2,244,445      |

## Restricted Securities

| Class of Security   | Number of Securities Issued | Date Escrow Ends |
|---|-----------------------------|------------------|
| LMP Options \$0.25 Expiring 3 Years from Quotation ASX Escrow 2 years | 2,500,000                   | 16 November 2023 |

## Unquoted Securities

| Class of Security  | Number of Holders | Units on Issue |
|--|-------------------|----------------|
| EOP – EXP 07/08/2025   | 4                 | 1,622,000      |
| LMP Options \$0.25 Expiring 3 Years from Quotation ASX Escrow 2 years              | 2                 | 2,500,000      |
| Unlisted \$0.08 Options Vest 30 June 2024 Expiring 30 June 2026                    | 1                 | 8,250,000      |
| Employee Options - Unlisted \$0.06 Options Vest 30 June 2024 Expiring 30 June 2024 | 2                 | 5,500,000      |

|   |    |           |
|---|----|-----------|
| Unlisted \$0.20 Options Expiring 30 June 2024 | 20 | 2,244,445 |
|---|----|-----------|

Holders of unquoted securities holding more than 20%

| Class of Security  | Holder Name                    | Units Held | %     |
|--|--------------------------------|------------|-------|
| Lead Manager Options (LMP) \$0.25 Expiring 3 Years from Quotation ASX Escrow 2 years | LODGE CORPORATE PTY LIMITED    | 2,375,000  | 95.0% |
| Unlisted \$0.20 Options Expiring 30 June 2024  | WFC NOMINEES AUSTRALIA PTY LTD | 1,111,112  | 49.5% |

### Voting rights

The voting rights attached to ordinary shares are set out below:

#### *Ordinary shares*

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.

There are no other classes of equity securities with voting rights.

## Tenements

| Description                           | Tenement number | Interest owned % |
|---------------------------------------|-----------------|------------------|
| Palmerville - Queensland              | EPM 11980       | 100              |
| Palmerville - Queensland              | EPM 18325       | 100              |
| Palmerville - Queensland              | EPM 19537       | 100              |
| Palmerville - Queensland              | EPM 26891       | 100              |
| Palmerville - Queensland              | EPM 26893       | 100              |
| Palmerville - Queensland              | EPM 26894       | 100              |
| Palmerville - Queensland              | EPM 26895       | 100              |
| Palmerville - Queensland              | EPM 27396       | 100              |
| Palmerville - Queensland              | EPM 27452       | 100              |
| Maneater Hill - Queensland            | EPM 28038       | 100              |
| Eastern Goldfields, Western Australia | E37/1362        | 100              |
| Eastern Goldfields, Western Australia | E37/1363        | 100              |
| Eastern Goldfields, Western Australia | E31/1203        | 100              |
| Eastern Goldfields, Western Australia | E24/210         | 100              |
| Nullarbor, Western Australia          | E69/3849        | 100              |
| Nullarbor, Western Australia          | E69/3850        | 100              |
| Nullarbor, Western Australia          | E69/3852        | 100              |
| <i>Under Application</i>              |                 |                  |
| Mundra - Western Australia            | E69/4035        | 100              |
| Mundra - Western Australia            | E69/4036        | 100              |
| Palmerville - Queensland              | EPM 28847       | 100              |