

# ASX Announcement

31 AUGUST 2022

ASX:  
S3N

## APPENDIX 4E (RULE 4.3A)

### FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

#### RESULTS FOR ANNOUNCEMENT TO THE MARKET

All comparisons to the year ended 30 June 2021

This information should be read in conjunction with the attached Consolidated Annual Report of SensOre Ltd. for the year ended 30 June 2022.

|                                                                                      |    | Change<br>% |    | Amount<br>\$ |
|--------------------------------------------------------------------------------------|----|-------------|----|--------------|
| Revenue and other income from ordinary activities                                    | Up | 23.4        | to | 2,076,119    |
| Loss from ordinary activities after tax attributable to equity holders of the parent | Up | 89.8        | to | 7,912,871    |
| Loss for the year attributable to equity holders of the parent                       | Up | 98.9        | to | 6,834,103    |

#### COMMENTARY ON THE RESULTS FOR THE YEAR ENDED 30 JUNE 2022

For commentary on the results for the year ended 30 June 2022, please refer to the Review of Operations & Principal Activities section of the Directors' Report.

#### NET TANGIBLE ASSETS PER ORDINARY SHARE

|                                                       | 30 June 2022 | 30 June 2021 |
|-------------------------------------------------------|--------------|--------------|
| Net tangible asset backing per ordinary share (cents) | 19.3         | 16.6         |

Additional Appendix 4E disclosure requirements and commentary can be found in the accompanying Consolidated Annual Report for the year ended 30 June 2022.

This Appendix 4E report is based on the Consolidated Annual Report audited by Grant Thornton with the Independent Auditor's Report included in the Consolidated Annual Report.

This announcement was authorised for release by the Board of Directors of SensOre Ltd.

#### Enquiries

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# Annual Report

**For the year ended 30 June 2022**



## FORWARD-LOOKING STATEMENTS

Certain information contained in this report, including any information on SensOre Ltd's (**SensOre** or the **Company**) plans or future financial or operating performance and other statements that express management's expectations or estimates of future performance, constitute forward-looking statements. Forward-looking statements can generally be identified by the use of forward-looking words, such as 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target' and other similar expressions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. Forward-looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance.

Forward-looking statements are based on a number of estimates and assumptions that, while considered reasonable by management at the time, are subject to significant business, economic and competitive uncertainties. SensOre cautions that such statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of SensOre to be materially different from the Company's estimated future results, performance or achievements expressed or implied by those forward-looking statements. These factors include: the inherent risks involved in exploration and development of mineral properties, financing risk, changes in economic conditions, changes in the regulatory environment and other government actions, changes in other factors, such as business and operational risk management, many of which are beyond the control of SensOre. There can be no assurance that actual outcomes will not differ materially from these statements.

Past performance information given in this report is given for illustrative purposes only and is not necessarily a guide to future performance. No representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements, forecast financial information or other forecast. Nothing contained in this report is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or future performance of SensOre.

Except as required by applicable regulations or by law, SensOre does not undertake any obligation to publicly update, review or release any revisions to any forward-looking statements to reflect new information, future events or circumstances after the date of this report.

Nothing in this report should be construed as either an offer to sell or a solicitation to buy or sell SensOre securities.

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## CHAIRMAN'S MESSAGE

My fellow shareholders,

It gives me great pleasure to present the 2022 Annual Report for SensOre Limited (ASX: S3N), the first since our listing on the Australian Securities Exchange (ASX) in February 2022. We have made great progress over the past 12 months, positioning SensOre as a leading geoscience technology disruptor and delivering on the goals set out in our Initial Public Offer prospectus last year.

SensOre is focused on discovering battery and critical metals and developing economic mines of the future via our three business divisions – technology, services and exploration. Our leading artificial intelligence (AI) and machine learning technology, such as our proprietary Discriminant Predictive Targeting®, aims to increase discovery rates, reduce exploration costs through more focused and accurate exploration and minimise the environmental footprint of this work. We work with exploration and mining companies, such as BHP, Barton Gold and Deutsche Rohstoff, to offer these AI-enhanced products and services, generating new exploration opportunities. We also have a portfolio of wholly owned and joint venture projects, primarily in Western Australia, where we are exploring multiple targets and amplifying our reach and our potential for success in partnership with other explorers.

In cementing our position as a leader in the industry, our acquisition of Melbourne-based Intrepid Geophysics subsequent to year-end in July 2022 enhances our client base and data integration and provides us with an enhanced presence on Australia's East Coast. This acquisition followed a pilot program with Intrepid during the second half of the year, which confirmed the technological synergies and product complementarity between the two companies. Results of the pilot program, focused on the highly prospective Stawell and Ballarat gold corridors in Victoria, will reach our clients in the current quarter and we have been pleased with the strong interest from prospective clients regarding this operation.

Our technology capabilities were boosted through completion of a discovery process with CGI (formerly Unico) to advance our cloud-based platform. Using our technology to create a digital twin of the Earth's surface, we can enhance the way exploration companies identify and analyse targets which will optimise decision making. We also completed a major update to clean and ingest geochemical data into our hyperdimensional Data Cube of WA, using Geological Survey of Western Australia data to enhance our offering.

As we expanded our knowledge in Victoria, we also extended our services into South Australia during the year. In our partnership with Barton Gold, we are validating targets in the central Gawler Craton which will allow us to add data to our SA Data Cube in the area surrounding Barton Gold's tenements.

We enjoyed some success on the exploration front during the year, particularly at our North Darlot, Maynards Dam and Balagundi projects, all of which are in WA. North Darlot returned exciting gold results from air core and reverse circulation (RC) drilling that highlighted the project's potential to host mineralisation over a 5km strike length that remains untested by drilling. We are planning further RC as well as diamond drilling to follow up these initial results. Assays are pending from extensive drilling programs completed at Eaglehawk, Balagundi and Maynards Dam/Marloo while we also await results from a single mud rotary and diamond drill hole at Moonera. Results from these programs will help us shape exploration plans for the next 12 months.

SensOre has achieved impressive progress in the months following our IPO and is well funded to continue this. We thank our Shareholders for their participation in the IPO, our Managing Director Richard Taylor and the management team for their efforts over the past 12 months, as well as all those who were involved in the onerous task of an IPO and ASX listing, to allow SensOre to scale up our plans across our three business divisions and hit the ground running in the months since this milestone. We look forward to delivering on further goals in the year ahead.

The year ahead looks to be another busy and productive period for our Company as we integrate the Intrepid Geophysics business and continue to advance plans for our technology, services and exploration divisions. I am excited about what the future holds for SensOre and I hope you will continue to share the journey with us.

Yours sincerely,



Robert Peck AM  
Chairman

## DIRECTORS' REPORT

The directors of SensOre present their report, together with the consolidated financial statements of the Company and its controlled entities (the **Group**), for the year ended 30 June 2022 and the audit report thereon.

### DIRECTORS

The names of directors in office during the year and up to the date of this report are:

Robert Peck  
Richard Taylor  
Robert Rowe  
Nicholas Limb  
Adrian Manger  
Anthony O'Sullivan

### INFORMATION ON DIRECTORS

The names and details of the directors in office during the period and as at the date of this report, unless indicated otherwise, are:

#### Non-executive Chairman

##### Robert Peck AM BArch, MBA

Robert is a founding Principal of peckvonhartel architects with 50 years' experience in the architectural, development and infrastructure sectors, and the building industry nationally and in South East Asia. He is former President of the Australian Association of Consulting Architects, founding director of Japara Healthcare, former Chair of iVvy and director of the RVF Group.

Directorships of other listed companies since 1 July 2020: None

#### Executive Director & Chief Executive Officer

##### Richard Taylor GAICD, MBA, LL.M., BEc/LLB

Richard has held senior executive roles in the resource sector for more than 15 years. Prior to SensOre, he was CEO of ASX-listed Terramin Australia Ltd and held senior roles with Mineral Deposits Limited, PanAust, MMG Ltd and Oxiana Ltd specialising in business development, strategy and governance. Richard is a qualified lawyer. He holds an MBA from the University of Cambridge and a Master's degree in Law from ANU.

Directorships of other listed companies since 1 July 2020: Terramin Australia Limited

#### Executive Director & Chief Operating Officer

##### Robert Rowe BSc (Hons), MAusIMM, RPG in Mineral Exploration with AIG and MSEG

Robbie has +30 years of experience in gold and copper exploration from greenfield to mining environment. He was former Chief Geologist and VP Exploration Australia Africa Asia Pacific region with Barrick Gold Corporation. He was an UNCOVER executive and from 2014 to 2020 was an independent consultant to the mining industry, government and academia. Robbie is responsible for the acquisition of new data sources and for managing execution of field exploration programs for technology validation.

Directorships of other listed companies since 1 July 2020: None

#### Non-executive Directors

##### Nicholas Limb BSc (Hons), MAusIMM

Nic has overseen various ASX-listed mining and exploration companies as managing director, executive chairman and, more recently, non-executive chairman. Those companies were mainly in the gold and mineral sands industries, operating in Australia and internationally. From 2011 to 2021, Nic was non-executive chairman of an ASX-listed oil and gas exploration and development company. He has also held various non-executive director roles with listed wine companies and was chairman of the board of an international joint venture mining and smelting company for a number of years. Nic is a professionally qualified geoscientist, has developed significant leadership, financial and negotiating skills, and has extensive risk oversight, governance and management expertise.

Directorships of other listed companies since 1 July 2020: FAR Limited

## DIRECTORS' REPORT

### **Adrian Manger B.Bus, CPA, MBA**

Adrian is a senior business executive with 30 years' of minerals industry experience, including 20 years in executive roles with BHP. He has founded and successfully commercialised private Australian, Chilean and Peruvian mineral exploration companies, including investment financing and joint ventures with majors. Adrian was recently involved in listing a Chilean exploration portfolio on the Canadian Securities Exchange and serves as the company's Chairman. He was a founding board member for the Australia Colombia Business Council and a former board member of Fundacion Buen Punto, a Colombian Not-For-Profit community sports foundation. Adrian is a Certified Practising Accountant and member of CPA Australia.

Directorships of other listed companies since 1 July 2020: Pampa Metals Corporation

### **Anthony O'Sullivan BSc (Hons), MSc, FAusIMM, Fellow SEG**

Anthony is Chief Development Officer of recently Nasdaq listed, The Metals Company, and has over 30 years' experience in mineral exploration, technology and project development. He is a former BHP Global Exploration Leadership team member and has been involved in multiple start-ups including QPX Exploration, which focused on deploying artificial intelligence and machine learning to improve mineral exploration outcomes.

Directorships of other listed companies since 1 July 2020: None

## **INFORMATION ON OFFICERS**

### **Chief Technology Officer**

#### **Alfred Eggo BSc (Hons)**

Alf has 40 years of leading roles in technical excellence, including 16 years with Rio Tinto and 24 years as an independent consultant. His core skills are in geochemistry and a focus on the application of machine learning to large, multi-disciplinary databases to support mineral exploration. Alf is responsible for the technical development and deployment of DPT including the Data Cube build and automation of the platform DPT modules.

### **Chief Financial Officer**

#### **Greg Bell BCom, CA**

Greg Bell joined SensOre in 2021 from roles with Taurus in the Democratic Republic of Congo and Chief Financial Officer of Mineral Deposits Limited where he was responsible for all financial aspects of the Company including finance strategy, funding, taxation and financial reporting. He has over 20 years of accounting and corporate finance experience. Greg has a Bachelor of Commerce from the University of Melbourne and is a member of the Chartered Accountants of Australia and New Zealand.

### **Company secretary & general manager – corporate affairs**

#### **Michaela Evans BA (Hons), PhD, AGIA**

Michaela comes to SensOre with extensive cross-sector secretarial and governance experience following senior appointments with ASX-listed Mineral Deposits Limited and private fintech eNett International. Michaela has also worked with listed oil and gas explorer FAR Limited and been employed in various research capacities by Curtin University and The University of Western Australia. Michaela holds a Bachelor of Arts and PhD from The University of Western Australia, a Graduate Diploma in Applied Corporate Governance and is an Associate Member of the Governance Institute of Australia.

## **FORMER PARTNER OF THE AUDIT FIRM**

No current or former audit partners are directors or officers of the Company.

### REVIEW OF OPERATIONS & PRINCIPAL ACTIVITIES

SensOre combines its geoscience Data Cube and its proprietary target generation and validation technology (Discriminant Predictive Targeting®, **DPT**®) with its team's geosciences expertise to discover economically viable mineral deposits efficiently, sustainably and at pace for clients and for itself. SensOre's big data approach means that the Company generates new target knowledge across large areas and working with clients allows SensOre to commercialise this knowledge.

The generation and validation of AI-enhanced deposit predictions (**AI-Target(s)**) are at the core of SensOre's business. SensOre structures its operations into three business divisions to leverage AI-Target opportunities:

- **Technology**

To enhance its Exploration performance and expand its Exploration Services, SensOre invests in the continuous improvement of its technology & IP assets (including DPT®, Data Cube, AGLADS®, iFertile®, iDeposit® and the SensOre Discoveries Database).

- **Services**

SensOre works with a select number of exploration and mining companies as clients to offer AI-enhanced targeting and prospectivity mapping and to leverage SensOre's knowledge over large areas. In doing so, SensOre aims to renew exploration pipelines and improve discovery success rates for its clients and partners.

- **Exploration**

Using its technology and intellectual property (**IP**) assets, the Company has built a tenement portfolio of wholly owned and joint ventured tenement assets in Western Australia with the aim to discover in-demand resources through systematic exploration and evaluation. SensOre adopts a 'project generator' model, maintaining multiple projects and, where required, amplifying its reach by sharing exploration costs through joint ventures.

Over the year, SensOre demonstrated significant developments across its three business units, reinforcing the Company's ambition of becoming a top-performing minerals targeting company. Along with completion of an Initial Public Offering and ASX listing in February 2022, SensOre announced the acquisition of Intrepid Geophysics – a significant step towards customer acquisition, data integration and revenue building. More information on this transaction is provided below.

### Technology

SensOre's technology applies advances in AI and machine learning to large geoscience datasets to increase discovery rates, reduce exploration costs and minimise the environmental footprint of exploration.

### Acquisition of Intrepid Geophysics

As announced on 5 July 2022, SensOre agreed to acquire Intrepid Geophysics, a leading provider of geophysics software and services headquartered in Melbourne, Australia with distributors and resellers globally.

Intrepid Geophysics' advanced automated geophysical software and geoscience expertise complement SensOre's existing suite of machine learning and AI mineral exploration software products and technology offerings. Intrepid Geophysics' large client base and strong cashflows were integral to SensOre's strategic assessment of the transaction.

The acquisition of Intrepid Geophysics provides the following combination benefits:

- *Accelerates growth strategy:* SensOre's strategy has been to organise all of Australia's geoscience data within its proprietary Data Cube technology. Acquiring Intrepid Geophysics' 35 years of integrated geology and geophysics technology development and machine learning capability significantly advances that capability. A Victorian pilot project completed in partnership established the complementarity of the skillsets of human resources acquired.
- *Expands mineral exploration technology sector (METS) presence and exposure:* SensOre acquired a second team of dedicated geoscience professionals based on Australia's east coast with established relationships in Asia, Africa and North/South America, as well as cross-over expertise in the oil and gas, groundwater, geothermal and the emerging hydrogen storage sectors.

## DIRECTORS' REPORT

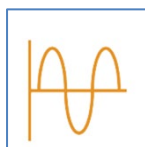
- **Strengthens technology and product portfolio:** In acquiring Intrepid Geophysics, SensOre gains access to multiple new targeting and decision based proprietary technologies and strategic decision-based services using 2.5-dimension Airborne Electro-Magnetic (AEM) inversion technology, tensor gradient technology, geology from geophysics feature extraction, and service automated workflows. These technologies fill a gap in SensOre's product suite by incorporating geophysics products that take exploration targeting from the macro-focused Prospectivity Modelling and Discriminant Predictive Targeting® approach into drill target delineation in three dimensions.

Intrepid Geophysics deploys its products for business benefits in a range of sectors and industries including government, academia, minerals exploration, petroleum (oil and gas), hydrogeology, geothermal energy and geotechnical engineering. Intrepid Geophysics has long-term contractual agreements with more than 20 geological surveys and a collection of mining and oil and gas companies, covering wide-ranging activities.

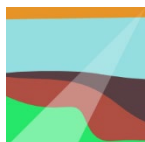
Existing Intrepid Geophysics' software acquired under the transaction is summarised below:



**Intrepid 3D** is an airborne and ground geophysical data processing and interpretation package. It has software tools for gridding, levelling, interpretation and quality control of geophysical data. Other applications include: processing and interpretation of gravity and magnetic surveys; marine potential field data processing; depth to basement modelling; multiscale edge enhancement; and airborne radiometric data processing.



**Moksha-EM** is an airborne electromagnetic full waveform inversion data processing and interpretation package. Moksha-EM's core algorithm assumes 2D geology and a 3D source, combining the resolution of a 3D inversion with the speed of a 1D inversion. The data processing and interpretation package enables entire surveys to be inverted rather than a select few flight lines, enhancing coverage and ensuring no flight data is wasted. A joint induced polarisation (IP) inversion and a reference model option are now available that enables imaging of geological features below previously difficult to process areas such as those covered with induced polarization effects.



**Argus** is a 3D geological modelling package with a tightly integrated geophysical forward and inverse modelling capability. The inversion method (gravity and/or magnetic) is stochastic in nature and litho-constrained. Multiple models are produced and can be assessed using statistical probabilities. Argus can use input data from a wide variety of sources. For example, surface geological mapping, bore-hole logs and seismic horizons. Argus' strengths lie in honouring coupled geological and structural observations and employing rule-based modelling from stratigraphic and fault network conventions.



**JetStream II** is a web-based, spatially searchable data catalogue that enables geoscientists to quickly assess the coverage, type and vintage of georeferenced spatial data held over any given area. JetStream works by storing data in a manner so that archived data can be searched efficiently. Its catalogue maintenance scheme automatically harvests spatial information from any new data set and updates the catalogue accordingly. With legacy data often being difficult to find and out of date, JetStream helps by automatically identifying this data and then publishing it on a centralised server.



**Sea-g Marine Gravity** is a fully featured marine gravity processing application powered by Intrepid Geophysics technology for on-cruise and post-cruise use. Sea-g takes the user step by step through the planning, data reduction, filtering, QA/QC and processing of gravity data.

Further details of the Intrepid Geophysics acquisition are outlined below and in note 31 to the financial statements.

## DIRECTORS' REPORT

### *Technology platform development*

During the year ended 30 June 2022, SensOre signed an agreement with CGI/Unico to expand SensOre's current client services to a cloud-based SaaS (software as a service) product. The contract is an important step in SensOre's technology development roadmap. SensOre's existing proprietary AI-enhanced technology is designed to advance the way companies integrate, interrogate and analyse geoscience data, increasing the potential for mineral discovery. It is envisaged that development and deployment of the proprietary platform will open the door to scale the Company's products and expand SensOre's capacity to service mineral exploration companies in Australia and overseas reducing the Company's unit cost per engagement. The project will use SensOre's AI-driven technology to create a digital twin of the Earth's surface, enhancing the way exploration companies identify and analyse mineral exploration targets with a focus on optimising the decision-making process in targeting.

The discovery process was completed in May 2022 with next steps in the project currently being evaluated.

### *GSWA data ingestion milestone*

As announced on 30 June 2022, SensOre's Technology division reached an important milestone during the year, completing a major update involving the cleaning, levelling and ingestion of valuable geochemical data into the Company's hyperdimensional Data Cube. The expanded Data Cube now includes the 2021 released Geological Survey of Western Australia industry data across WA and strengthens the AI-enhanced exploration services SensOre offers to its clients and partners.

### *Victoria pilot project*

SensOre and Intrepid Geophysics completed a successful pilot project in Victoria during the year, confirming the technological synergies and product complementarity between the two companies. The results of the pilot are expected to be deployed to clients in Q3 CY22 (in accordance with the Intrepid Geophysics acquisition outlined above), focussed on the highly prospective Stawell and Ballarat gold corridors. There is strong interest from prospective clients within these corridors.

## **Services**

SensOre works with several exploration and mining companies to offer AI-enhanced products and services. In doing so, SensOre aims to renew exploration pipelines and optimise exploration and discovery for its clients and partners.

### *Barton Gold partnership*

SensOre signed a term sheet with Barton Gold Holdings Limited (ASX: BGD) (Barton Gold) to adapt and refine SensOre's AI and machine learning DPT® technology to a portion of the Gawler Craton in South Australia surrounding Barton Gold's assets. The agreement is worth up to \$400,000 in co-funding to add data to the Company's SA Data Cube in the area surrounding Barton Gold's tenements. SensOre will also be entitled to additional royalty fees linked to gold ounces produced (or copper equivalent).

Further, SensOre completed Phase 1 prospectivity mapping objectives over the central Gawler Craton in South Australia, validating existing gold targets located on Barton's tenements and identifying multiple new gold and copper targets across the 60,000km<sup>2</sup> target area.

### *Deutsche Rohstoff JLE Venture*

SensOre agreed to terms with Deutsche Rohstoff AG on the identification, acquisition and exploration of SensOre generated lithium targets in Western Australia (JLE Venture). SensOre stands to benefit from Deutsche Rohstoff as a partner through agreed targeting, acquisition and geological consulting fees for a minimum of eight accepted lithium targets, worth \$125,000 per target for a total of \$1 million. The Company will hold an initial participating interest of 30%, with Deutsche Rohstoff holding the balance. A preliminary budget of \$4 million will fund exploration activity (\$2.8 million contributed by Deutsche Rohstoff and \$1.2 million by SensOre). SensOre commenced works associated with the identification, acquisition and exploration of SensOre generated lithium targets in Western Australia during Q2 2022.

## DIRECTORS' REPORT

### *BHP Agreement*

SensOre completed a further Phase 3 nickel iteration under an existing Joint Targeting Agreement (**JTA**) with BHP. Executed in September 2020, the JTA, which focused on nickel targeting within a pre-defined search space, was SensOre's first major client agreement. The iteration completed during the year was the third iteration (Phase 3). Under the agreement, SensOre benefits from fees and success-based payments on certain events occurring.

SensOre continues to progress negotiations with a number of exploration and resource companies in relation to both its current and new product offerings.

### **Exploration projects**

SensOre holds an interest in several tenement packages in Western Australia directly via wholly owned subsidiaries and via agreements with third parties. As indicated, some SensOre Group projects are still in the application phase.

#### **SensOre Yilgarn Ventures (SYV)**

100% SYV:

- 8 Mile Well (10 of the 11 tenements granted)
- Boodanoo
- Mogul Well
- Tea Well East

SYV joint ventures:

- Moonera (farm-in 80%)
- Maynards Dam (farm-in 70% subject to a potential 10% buyback in favour of Torque Metals Ltd (**Torque**))
- Marloo (farm-in 70%)

#### **SensOre Exploration Holdings (SEH)**

- Sandstone Road (farm-in 85%)

#### **SensOre Battery Minerals (SBM)**

- Auralia (earn-in interest up to 70%)
- Jenkins (tenement granted 26 July 2022)
- Scorpion (application)

#### **Yilgarn Exploration Ventures (YEV) (60% SensOre, 40% ASX-listed DGO Gold Limited)**

Operated under a Shareholders' Agreement (**SHA**) in partnership with DGO Gold Limited (**DGO**), YEV was the first of SensOre's Group companies to house its AI-Targets. YEV's projects, outlined below, are held directly and under farm-in agreements.

100% YEV interest:

- Christmas Well
- Tea Well (15 of 21 tenements relinquished during the period)

YEV joint ventures:

- Balagundi (farm-in 80%) and Central Balagundi (farm-in 80%)
- Desdemona North (farm-in to 75%)
- Grace (farm-in to 75%)
- Meekatharra (Tea Well) (farm-in 85%)
- Mt Magnet North (farm-in 85%)
- North Darlot (farm-in 85%)

## DIRECTORS' REPORT

### *New farm-in projects*

During the year ended 30 June 2022 and to the date of this report, the Group entered into the following agreements:

- SBM entered into a farm-in agreement with CGM (WA) Pty Ltd (**CGM**) in relation to the Auralia project. Under the agreement, SBM may earn up to 70% interest in the Auralia project by expending \$5 million over two earn-in phases (51% by expending \$1.5 million in three years and a further 19% by expending \$3.5 million over an additional two years). CGM can elect to contribute after the first phase. The agreement covers the following tenements: E69/3636, E69/3637 and E69/3700.
- YEV entered into a farm-in agreement with Great Southern Gypsum Limited (**GSG**) in relation to the Grace project. Under the agreement, YEV may acquire an interest of up to 75% by expending \$3 million within four years of the conditions precedent satisfaction date (50/50 joint venture establishment once \$1.5 million is expended). The agreement covers the following tenements: E70/5253, M70/1384 and P70/1750. On 31 January 2022, YEV notified GSG that conditions precedent had been satisfied and paid \$30,000 to the tenement holder in accordance with the terms of the agreement.
- SYV entered into a farm-in agreement with Monger Exploration Pty Ltd (**MEX**) in relation to the Marloo project. Under the agreement, SYV may acquire an interest of up to 70% by expending \$800,000 within four years of the conditions precedent satisfaction date. The agreement covers tenement E15/1498. Notice of satisfaction of conditions precedent was provided to MEX on 4 April 2022.

### *Tenements surrendered/divested during the year*

The following tenements were surrendered during the period:

- Tea Well
  - P51/3121
  - P51/3122
  - P51/3123
  - P51/3124
  - P51/3125
  - P51/3126
  - P51/3127
  - P51/3128
  - P51/3129
  - P51/3130
  - P51/3131
  - P51/3132
  - P51/3133
  - P51/3134
  - P51/3135
- Mount Magnet South
  - P58/1821
  - P58/1822
  - P58/1823

The following tenement was divested during the period:

- Providence Bore – E29/1072

### **Exploration activities**

Following completion of its IPO, SensOre and its subsidiaries embarked on a wide-ranging exploration program to test its AI-Targets, including:

#### *Mt Magnet North*

In February 2022, a 202m diamond tail drilling program was completed at Mt Magnet North which:

- confirmed structural continuity of a sulphide-bearing shear zone at depth below mineralisation identified in 2020/21 air core and RC drilling; and
- evidenced a 10-20m wide sulphide-bearing shear zone hosted in altered sediment, basalt and intermediate intrusive sequence commencing at 200m (downhole).

Diamond drilling assay results received during May 2022 returned anomalous gold results and a sulphide bearing shear zone was intercepted at 200m-220m. Earlier drilling undertaken by the SensOre Group at Mt Magnet North returned some potentially economic intercepts in wide-spaced drilling that may represent peripheral mineralisation of a larger system at depth. The project remains prospective and mineralisation is not closed off at depth or to the north.

During the year, the Mt Magnet North farm-in period was extended by mutual agreement from three to four years.

## DIRECTORS' REPORT

### *Balagundi*

SensOre completed a first pass, eight-hole RC drilling program at Balagundi in November 2021. The drilling program was designed to test two interpreted structural trends, Balagundi to the north-east and Homeward Bound to the south-west. As announced on 14 February 2022, the program revealed gold anomalism in the central target area with best results from 21BGRC004 which returned 34m @ 0.54g/t Au from 96m, including:

- 1m @ 5.4g/t Au from 96m
- 2m @ 3.6g/t Au from 114m in a zone of 16m @ 0.8g/t Au from 114m
- 1m @ 2.5g/t Au from 127m (reported in the 16m @ 0.8g/t Au above)

A further air core drilling program was completed at the Balagundi and Central Balagundi projects in May and June 2022 with 81 holes drilled for a total of 3,778m. Multielement and gold assay results are anticipated in Q3 CY22.

The minimum expenditure commitment requirement under the Balagundi farm-in letter agreement was achieved during the year.

### *Boodanoo*

The Company completed a maiden air core drilling program of 35 air core holes for 1,143m targeting the Thirsty Lizard prospect at Boodanoo in March 2022. Located 450km northeast of Perth and 75km southeast of Mount Magnet, Boodanoo is an early-stage AI-target located on a major structure in an area previously unrecognised for its gold potential. Multielement and gold assay results were received in May 2022 that confirmed gold geochemical anomalism but returned no economically significant intercepts to date. The project warrants further review.

### *North Darlot*

The Company completed an air core program at North Darlot in March 2022. The project is located 975km northeast of Perth and 25km north of Red 5's 4.0 Moz Darlot-Centenary Deposits in the Yandal region of the Yilgarn Block in Western Australia. North Darlot is an early-stage, AI-target located between two major known gold fertile structures.

As announced on 22 June 2022 and 26 July 2022, gold and multielement assays confirmed a new basement gold mineralised system building on recent SensOre air core results including:

- 7m @ 1.11g/t Au from 52m including 1m @ 5.13g/t and 14m @ 0.63g/t Au from 68m (22DNRC011) within a broad lower grade intercept of 30m @ 0.56Au from 52m
- 11m @ 0.41g/t Au from 58m and 10m @ 0.55 g/t Au from 88m (22DNRC012) within a broad lower grade intercept of 45m @ 0.27g/t from 53m

These results highlighted the project's potential to host mineralisation over a 5km strike length that remains untested by drilling. A follow-up deeper RC and diamond drilling program is planned.

### *Eaglehawk (Meekatharra – Tea Well)*

SensOre successfully completed an air core program in May 2022, comprising 74 holes for a total of 6,480m targeting the Eaglehawk prospect at the Tea Well JV project. Drilling was designed to test for gold mineralisation below cover over the large gravity low and weak gravity high identified due to a data sharing exercise between SensOre entity Yilgarn Exploration Resources (YEV) and Great Boulder Resources.

Eaglehawk is located along strike from Great Boulder Resources' (ASX: GBR) Mulga Bill and Loaded Dog prospects (Side Well project), 650km northeast of Perth and 7km southeast of the 6.9Moz Meekatharra Gold Operations in the Murchison region of Western Australia. Results of this drilling program are expected to be received during Q3 2022.

During the period, the Tea Well JV farm-in period was extended by mutual agreement from three to four years.

### *Desdemona North*

Geochronological age determination testing was completed at Desdemona North during the year. Although difficulties in obtaining sufficient zircon samples for effective dating were encountered, one sample showed a bimodal distribution suggesting contamination of older rocks, interpreted as the intrusives passed through the older Gwalia stratigraphy, inheriting older zircons and demonstrating older stratigraphy. The older Gwalia stratigraphy hosts major

## DIRECTORS' REPORT

current and historic mining operations and the presence of the Gwalia stratigraphy at depth opens up new exploration potential to the north of the Desdemona North tenements.

Amendments to the Desdemona North farm-in agreement were formalised during the period, widening the farm-in area to include two additional tenements (E37/1203 and E37/1315) to the north and northeast of the existing area and extending the farm-in period to 4.5 years. The expanded area includes the historical Annapurna prospect in E37/1203.

### *Maynards Dam & Marloo*

As outlined above, the SensOre Group signed a farm-in agreement with Lefroy Exploration (ASX: LEX) subsidiary Monger Exploration Pty Ltd (**MEX**), to earn up to a 70% interest in the Marloo project (E15/1498) by expending \$800,000 over four years.

As announced on 16 June 2022, SensOre commenced maiden air core drilling at the Maynards Dam and Marloo projects. The project area is 90km southeast of Kalgoorlie and 25km east of Jindalee Resources' Widgiemooltha Project and Gold Fields' (JSE: GFI) St Ives gold complex. Historical drilling records at Maynards Dam indicate intercepts of up to 4m @ 21.21g/t Au from 22m.<sup>1</sup> The Maynards Dam project together with Strauss and Lady Doris prospects as well as the Paris mine are inferred to be in a similar stratigraphic sequence to St Ives and similar to the Revenge and Intrepide deposits. The targets predicted by SensOre's DPT® system are interpreted as potentially analogues for both St Ives and Norseman style gold systems consisting of intrusion related and structurally controlled auriferous quartz veins. A splay off the Boulder-Lefroy Fault, a regionally fertile structure in the Eastern Goldfields, passes down the western side of the project area.

The program was completed in July 2022, with 165 air core holes drilled for a total of 5,288m. Gold and multielement assays are anticipated in Q3 CY22.

The first-year minimum expenditure commitment requirement under the Maynards Dam farm-in letter agreement was achieved in July 2022, noting an extension from JV partners was negotiated due to land access delays.

### *Moonera*

A single mud rotary diamond hole (22MODD001) was completed by Wallis Drilling at Moonera in May 2022, successfully drilling through cover to basement to a total depth of 733.10m. The program was designed to test the large circular aeromagnetic and gravity anomalous geophysical features of the Moonera prospect and may confirm the presence of a predicted mineral system target in an area of extensive post mineral cover with no previous effective drilling. Samples were submitted for petrology analysis and selected quarter core sent for assaying.

SensOre met the WA Government's Exploration Incentive Scheme (**EIS**) Round 23 co-funded drilling interim requirements, wherein the Company can claim a maximum reimbursement of \$200,000 under the EIS guidelines, with \$160,000 reimbursed to date.

The minimum expenditure commitment requirement under the Moonera farm-in letter agreement was achieved during the year.

### *Providence Bore*

The Providence Bore project was divested during the year. Under the Sale Agreement and Royalty Deed, YEV retains a 1% net smelter return royalty on all mineral production from Providence Bore (E29/1072) and will receive a fee for Providence Bore data.

### *Auralia JV*

Desktop independent review of DPT® (Discriminant Predictive Targeting®) confirmed the potential of the nickel targets within the Auralia Project. Scoping and design of an infill ground gravity survey were completed over the identified target areas during the reporting period. SensOre plans a combined 500m x 250m station infill gravity program to update the 3D inversion model before commencing site drilling in the first half of 2023. Drilling will be used to determine the nature of the basement geology and potential fertility for magmatic nickel and copper mineralisation.

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<sup>1</sup> PBC038. Refer to the Maynards Dam historical drilling summaries provided in the Independent Technical Assessment Report (ITAR) included as Appendix A to the Prospectus released to the ASX on 9 February 2022.

## DIRECTORS' REPORT

Drill holes will be used as a suitable platform for downhole EM surveys. The timeline for drilling is dependent on completion of the geophysical survey and compliance with heritage and access requirements for drilling.

The Company's wholly owned and joint venture tenements remain in good standing at the date of this report. Other than as outlined in this announcement (including the Tenement Schedule included in Additional Information for Listed Companies at the end of this financial report), SensOre has not acquired or disposed of any tenements during the quarter and beneficial interests held by the SensOre Group in its tenements has not changed. Further details regarding SensOre Group tenements, including project locations, are set out in the Tenement Schedule included in Additional Information for Listed Companies at the end of this financial report. Refer to the Independent Technical Assessment Report (ITAR) (Appendix A to the SensOre Prospectus released by ASX on 9 February 2022) for further SensOre Group project information. Other than as included in this financial report and in relation to Balagundi (14 February 2022) and North Darlot (22 June 2022 and 26 July 2022) SensOre confirms that it is not aware of any new information or data that materially affects the SensOre Group project information included in the ITAR.

### CORPORATE

During the year ended 30 June 2021, the Company secured a \$4 million investment from DGO Gold Limited (recently acquired by Gold Road Resources (ASX: GOR)) to acquire a 40% equity interest in YEV. DGO's investment funded the testing of six tenement packages containing conventional and AI-Targets in 2020 and 2021. At 30 June 2021, \$3.5 million of this investment had been received with the remaining \$500,000 received in July 2021. For the period ended 30 June 2022, DGO contributed further funding to YEV as outlined below:

- SensOre acquired the Balagundi & Central Balagundi project for YEV's portfolio in return for an investment by DGO of \$444,000 (of which \$222,000 was received in July 2021 – the balance of \$222,000 was received in July 2022); and
- DGO contributed \$505,240 to YEV (representing 40% of YEV's cash funding needs during the period) to finance exploration of YEV's tenements.

Joint venture partner DGO took a position in the Company through the IPO and SensOre provided an additional gold target to YEV (which subsequently did not progress due to DGO's acquisition by Gold Road Resources Limited) as well as changes to the way future YEV exploration is funded. The changes address SensOre's interest in increasing certainty in YEV's exploration program. A number of SensOre's clients are also shareholders in the Company.

The Company completed its pre-IPO funding activities by issuing 2,980,548 shares at \$0.79 per share raising \$2,354,634 (before costs) during August and September 2021. Further details on this share issue are outlined in note 17.

On 1 December 2021, the Company launched an initial public offering (IPO) seeking to raise a minimum of \$7 million through the issue of 8,235,295 shares at an offer price of \$0.85. The IPO closed on 27 January 2022, raising \$7,484,252 through the issue of 8,805,001 shares (before costs). The net proceeds of the offer were \$6,469,955. Trading commenced on the ASX (S3N) on 11 February 2022.

Pursuant to the completion of the IPO and subsequent listing of the Company on the ASX on 11 February 2022:

- 1,943,410 unquoted options exercisable at \$1.19 expiring on 11 February 2026 were issued to Bell Potter Securities Limited in accordance with the IPO lead manager agreement executed by the Company on 2 July 2021. These options vest immediately, however, are subject to a 24-month escrow period in accordance with ASX listing rules.
- 3,778,699 unquoted performance rights (2,605,180 with an exercise price of \$0.25 expiring in 2025 and 1,173,519 with an exercise price of \$0.79 expiring in 2026) held by SensOre employees vested on 11 February 2022 in accordance with the terms of the Employee PRP. These vested performance rights and any underlying shares issued to an employee upon their exercise will be subject to a three-year disposal restriction (calculated from the date of grant of the performance right). The performance rights held by executive directors Richard Taylor (1,077,216) and Robert Rowe (840,228), and CTO Alfred Eggo (840,228) are also subject to a 24-month escrow period;
- 913,740 performance rights exercisable at \$0.85 expiring 11 February 2027 were issued to the non-executive directors of the Company (being Robert Peck, Nicholas Limb, Adrian Manger and Anthony O'Sullivan). These performance rights vest immediately, however, are subject to a 24-month escrow period in accordance with ASX listing rules; and

## DIRECTORS' REPORT

- 43,880,855 fully paid ordinary shares were classified as restricted securities, representing 67.7% of the total fully paid ordinary shares of the Company at balance date. Each escrowed shareholder entered into an escrow deed in respect of their restricted securities which prevents them from disposing of their restricted securities until 11 February 2024.

On 5 July 2022, SensOre reached an agreement to acquire Intrepid Geophysics, a leading provider of geophysics software and services headquartered in Melbourne, Australia with distributors and resellers globally.

The agreement valued Intrepid Geophysics at \$5 million. Consideration for the acquisition involves:

- \$3 million in SensOre stock at an issue price of \$0.70 (4.3 million fully paid SensOre shares or 6.2% of SensOre on a fully diluted basis) to be issued at completion of the transaction (which occurred on 9 August 2022);
- a safeguards provision such that should the SensOre share price trade below the issue price for 12 months following the transaction a proportional adjustment of shares will be made up to a maximum of 4.3 million;
- \$1 million in cash for a 100% ownership interest in Intrepid Geophysics (including ownership of Intrepid Geophysics' extensive intellectual property and data repository) to be funded from existing cash balances (which occurred on 9 August 2022); and
- a further \$1 million contingent cash payment on the one-year anniversary of the agreement subject to satisfactory completion of performance hurdles in relation to revenue generation and key personnel retention expected to be funded from cash balances, operating cash flows or capital raising in the next 12 months depending on the exploration activities and the revenue performance of SensOre during the 2023 financial year.

Further information on the acquisition is shown in note 31 to the financial statements.

### FINANCIAL RESULTS

SensOre Ltd and its controlled entities recorded a net loss after tax of \$7,912,871 (30 June 2021: net loss after tax of \$4,169,977).

The Group recorded external revenue of \$2,076,119, comprising:

- external exploration services of \$553,500 relating to lithium targeting fees resulting from the joint targeting agreement entered into with Deutsche Rohstoff, prospectivity mapping and data cleaning fees with multiple junior mining companies and completion of the third phase (and associated iterations) of the JTA with BHP;
- research and development tax incentive of \$1,296,163; and
- government grants of \$216,600 relating to Exploration Innovation Scheme funding provided by the Western Australian Government during FY22. This scheme aims to encourage exploration in Western Australia for the long-term sustainability of the state's resources sector and provides co-funding for eligible drilling programs.

This revenue was offset by exploration expenditure of \$3,382,009 (including impairment losses recognised during the year of \$1,179,339), personnel costs of \$3,975,433 (including non-cash equity-settled share-based payments of \$1,080,389), consultants and contractor costs of \$1,222,917, depreciation and amortisation of \$578,079 (predominantly relating to amortisation of acquired technology and intellectual property of \$500,000) and other administration, marketing, investor relations, maintenance and property expenses of \$819,299.

### FINANCIAL POSITION

As at 30 June 2022, the Group held a net asset position of \$16,220,116 (30 June 2021: net assets of \$13,021,735), comprising:

- Cash and cash equivalents of \$4,128,745 (30 June 2021: \$1,603,835);
- Trade and other receivables of \$1,637,405 (30 June 2021: \$1,075,893);
- Exploration and evaluation assets of \$7,604,251 (30 June 2021: \$7,179,155);
- Technology and intellectual property assets of \$3,708,333 (30 June 2021: \$4,208,333);
- Property, plant and equipment of \$223,922 (30 June 2021: \$273,516);
- Trade and other payables of \$894,816 (30 June 2021: \$1,210,415); and
- Other assets and liabilities netting to a net liability of \$182,224 (30 June 2021: net liability of \$109,082).

## DIRECTORS' REPORT

### CASH FLOW

For the year ended 30 June 2022, the Group realised a net cash inflow of \$2,524,910 (30 June 2021: net cash inflow of \$169,343), comprising:

- Net proceeds from the initial public offering and other capital raising activities of \$8,764,585 (30 June 2021: \$1,946,568);
- Proceeds from DGO Gold Limited's investment in YEV of \$1,227,240 (30 June 2021: \$3,500,000);
- Payments for capitalised (\$1,427,191) and non-capitalised (\$3,599,063) exploration expenditure of \$5,026,254 (30 June 2021: \$3,760,563);
- Receipts from external customers (\$288,200), Australian Tax Office (\$951,744) and Government Grants (\$298,602) of \$1,538,546 (30 June 2021: \$1,117,562);
- Payments to suppliers and employees of \$3,853,066 (30 June 2021: \$2,580,687); and
- Other net cash outflows of \$126,234 relating to payments for property, plant and equipment, interest, insurance premium funding and lease liabilities (30 June 2021: outflow of \$53,537).

### SUBSEQUENT EVENTS

Subsequent to balance date, the COVID-19 pandemic continues to impact the operations of the Group and more broadly local and international economies. The longer-term impacts of COVID-19 on the operations of the Group remain uncertain and cannot be quantified at this time.

On 5 July 2022, SensOre reached an agreement to acquire Intrepid Geophysics, a leading provider of geophysics software and services headquartered in Melbourne, Australia with distributors and resellers globally.

The agreement valued Intrepid Geophysics at \$5 million. Consideration for the acquisition involves:

- \$3 million in SensOre stock at an issue price of \$0.70 (4.3 million fully paid SensOre shares or 6.2% of SensOre on a fully diluted basis) to be issued at completion of the transaction (which occurred on 9 August 2022);
- a safeguards provision such that should the SensOre share price trade below the issue price for 12 months following the transaction a proportional adjustment of shares will be made up to a maximum of 4.3 million;
- \$1 million in cash for a 100% ownership interest in Intrepid Geophysics (including ownership of Intrepid Geophysics' extensive intellectual property and data repository) to be funded from existing cash balances (which occurred on 9 August 2022); and
- a further \$1 million contingent cash payment on the one-year anniversary of the agreement subject to satisfactory completion of performance hurdles in relation to revenue generation and key personnel retention expected to be funded from cash balances, operating cash flows or capital raising in the next 12 months depending on the level of exploration activity and the revenue performance of SensOre during the 2023 financial year.

As outlined above, Yilgarn Exploration Ventures Pty Ltd (YEV) received the final tranche of \$222,000 from DGO Gold Limited (DGO) in relation to YEV's acquisition of Balagundi and Central Balagundi in July 2022.

On 18 July 2022, SensOre announced the appointment of Sally McDow to the position of Company Secretary, effective from 18 July 2022. The incumbent Company Secretary, Michaela Evans, resigned effective from 18 July 2022.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

### CHANGE IN STATE OF AFFAIRS

Other than as stated above, there was no significant change in the state of affairs of the Group during the financial year.

## DIRECTORS' REPORT

### HEALTH AND SAFETY

The health and safety of SensOre employees, business partners and the communities in which the Company operates forms an integral part of the way in which SensOre Group activities are undertaken. The Company has policies in place with respect to the management of its health and safety responsibilities.

### ENVIRONMENTAL REGULATIONS

The Company's operations are predominantly in Western Australia and are regulated by the Mining Act 1978 and the Environmental Protection Act 1986 and corresponding Commonwealth legislation which contain the main environmental regulations concerning SensOre's exploration activities.

SensOre's activities in the period involved exploration activities, including geophysical survey work, soil and rock chip sampling, air core, reverse circulation and diamond drilling as well as rehabilitation activities. There were no reportable breaches of environmental conditions.

### RISK

SensOre faces a range of risks in its business activities, including strategic, operational, environmental, compliance, financial reporting, sustainability and other market risks. Where considered appropriate, these risks are insured against and integrated into risk management practices. There are a number of risks, both specific and general in nature, to the SensOre Group which may, either individually or in combination, affect the future operational and financial performance of the Company.

The summary of key risks set out below is not, and should not be considered to be, an exhaustive list. SensOre, however, considers that these risks represent key Company risks, particularly risks to an investment in the Company. Additional risks and uncertainties that the Company is unaware of, or that the Company considers to be immaterial, may also become key risks and material. The risk factors outlined below omit how each is managed and may be mitigated and should be read in connection with the forward-looking statement that accompanies this annual report.

#### Key risks

- Speculative nature of the Company's business
- Limited financial and operating history of SensOre
- Strategy risk
- Contractual and farm-in or joint venture risk
- Technology risk
- Exploration and operating risk
- Reliance on key personnel
- Intellectual property protection risk
- Failure to attract new business
- Tenement, title, tenure and renewal risk
- Exploration costs

Further details on these summarised risks as well as other important risks are available in the Company's Prospectus and Corporate Governance Statement.

### SHORT-TERM OBJECTIVES

The Company's short-term objectives for the next two years are:

- Commercialise SensOre-Intrepid Technologies for geoscience data
- Target for future focussed battery & critical minerals
- Year-on-year increases in sustaining revenue
- Increase value-add services
- Seek support from federal and state governments where possible
- Continually improve safety, environment, data security and HR systems

## DIRECTORS' REPORT

### LONG-TERM OBJECTIVES

The Company's long-term objectives are to:

- Advance into North America with SensOre-Intrepid technologies
- Advance into other global regions with data availability
- Maximise the value of discovery for shareholders

### STRATEGY FOR ACHIEVING SHORT AND LONG-TERM OBJECTIVES

SensOre holds a strategic asset in its Data Cube and DPT technology (and now the software acquired through the acquisition of Intrepid Geophysics) which it will look to comprehensively monetise through both fee revenue and farm-in/farm-out arrangements in 2022.

SensOre will deepen its involvement with CGI Unico and third parties to enhance the revenue potential of the data platform and its ability to scale and expand. In conjunction, SensOre will work on pathways to see more of its AI-targets tested by internal and external clients.

SensOre will also continue to investigate international data expansion opportunities.

### FUTURE DEVELOPMENT, PROSPECTS AND BUSINESS STRATEGIES

SensOre is a high-growth focused company operating in a high-growth sector. Capturing the opportunity presented may result in large changes to the underlying business and financial circumstances.

SensOre is exposed to the financial impact of COVID-19 on world economies through derived exposure to commodity prices, particularly gold and base metals. The pace and nature of the global pandemic may affect SensOre's business plan, prospects and business strategies.

### DIVIDENDS

During the financial year, no dividends were paid. The directors have not recommended the payment of a dividend in relation to the year ended 30 June 2022 (2021: Nil).

### PERFORMANCE RIGHTS AND BROKER OPTIONS

At the date of this report, the following performance rights were outstanding:

| Unlisted performance rights | Grant date  | Vesting date | Expiry date | Exercise price<br>A\$ | No. of performance rights on issue<br>30 Jun 2022 | No. of vested performance rights on issue<br>30 Jun 2022 |
|-----------------------------|-------------|--------------|-------------|-----------------------|---------------------------------------------------|----------------------------------------------------------|
| 2020AA                      | 1 Feb 2020  | 11 Feb 2022  | 1 Feb 2025  | 0.25                  | 873,060                                           | 873,060                                                  |
| 2020AB                      | 20 Feb 2020 | 11 Feb 2022  | 20 Feb 2025 | 0.25                  | 33,000                                            | 33,000                                                   |
| 2020AC                      | 1 Apr 2020  | 11 Feb 2022  | 1 Apr 2025  | 0.25                  | 1,248,000                                         | 1,248,000                                                |
| 2020AD                      | 6 Apr 2020  | 11 Feb 2022  | 6 Apr 2025  | 0.25                  | 160,000                                           | 160,000                                                  |
| 2020AE                      | 13 Apr 2020 | 11 Feb 2022  | 13 Apr 2025 | 0.25                  | 150,000                                           | 150,000                                                  |
| 2020AF                      | 23 Apr 2020 | 11 Feb 2022  | 23 Apr 2025 | 0.25                  | 72,000                                            | 72,000                                                   |
| 2020AG                      | 1 May 2020  | 11 Feb 2022  | 1 May 2025  | 0.25                  | 69,120                                            | 69,120                                                   |
| 2021AA                      | 1 Feb 2021  | 11 Feb 2022  | 1 Feb 2026  | 0.79                  | 418,841                                           | 418,841                                                  |
| 2021AB                      | 20 Feb 2021 | 11 Feb 2022  | 20 Feb 2026 | 0.79                  | 11,436                                            | 11,436                                                   |
| 2021AC                      | 24 Mar 2021 | 11 Feb 2022  | 1 Feb 2026  | 0.79                  | 29,419                                            | 29,419                                                   |
| 2021AD                      | 1 Apr 2021  | 11 Feb 2022  | 1 Apr 2026  | 0.79                  | 432,456                                           | 432,456                                                  |
| 2021AE                      | 6 Apr 2021  | 11 Feb 2022  | 6 Apr 2026  | 0.79                  | 55,444                                            | 55,444                                                   |
| 2021AF                      | 10 Apr 2021 | 11 Feb 2022  | 1 Feb 2026  | 0.79                  | 148,847                                           | 148,847                                                  |
| 2021AG                      | 13 Apr 2021 | 11 Feb 2022  | 13 Apr 2026 | 0.79                  | 38,984                                            | 38,984                                                   |
| 2021AH                      | 23 Apr 2021 | 11 Feb 2022  | 23 Apr 2026 | 0.79                  | 18,713                                            | 18,713                                                   |
| 2021AI                      | 24 May 2021 | 11 Feb 2022  | 1 Feb 2026  | 0.79                  | 19,379                                            | 19,379                                                   |
| 2022AA                      | 11 Feb 2022 | 11 Feb 2022  | 11 Feb 2027 | 0.85                  | 913,740                                           | 913,740                                                  |
| 2022AB                      | 11 Feb 2022 | 11 Feb 2025  | 11 Feb 2027 | Nil                   | 923,986                                           | -                                                        |
|                             |             |              |             |                       | <b>5,616,425</b>                                  | <b>4,692,439</b>                                         |

## DIRECTORS' REPORT

During the period, no performance rights over ordinary shares were exercised. There were no share options over shares in existence.

Pursuant to the completion of the IPO and subsequent listing of the Company on the ASX on 11 February 2022:

- 3,778,699 unquoted performance rights (2,605,180 with an exercise price of \$0.25 expiring in 2025 and 1,173,519 with an exercise price of \$0.79 expiring in 2026) held by SensOre employees vested on 11 February 2022 in accordance with the terms of the Employee PRP. These vested performance rights and any underlying shares issued to an employee upon their exercise will be subject to a three-year disposal restriction (calculated from the date of grant of the performance right). The performance rights held by executive directors Richard Taylor (1,077,216) and Robert Rowe (840,228), and CTO Alfred Eggo (840,228) are also subject to a 24-month escrow period; and
- 913,740 performance rights exercisable at \$0.85 expiring 11 February 2027 were issued to the non-executive directors of the Company (being Robert Peck, Nicholas Limb, Adrian Manger and Anthony O'Sullivan). These performance rights vest immediately, however, are subject to a 24-month escrow period in accordance with ASX listing rules.

Further, subject to shareholder approval, the Company intends to issue performance rights to eligible Executives and employees on terms approved by the Board, with a cycle start date of 11 Feb 2022 and end date of 10 Feb 2025 (Issue 2022AB). These performance rights are expected to be issued within three days of SensOre's annual general meeting (currently anticipated to be held on 20 October 2022). However, under the terms of the long term incentive plan, the effective grant date is 11 February 2022, with vesting conditions measured on the three-year anniversary of the effective grant date (11 February 2025) and expiry date on the five-year anniversary of the effective grant date (11 February 2027). Further details regarding these proposed Performance Rights will be outlined in the Company's notice of annual general meeting.

At the date of this report, the following broker options were outstanding:

| Unlisted options        | Grant date  | Vesting date | Expiry date | Exercise price<br>A\$ | No. of broker<br>options on<br>issue<br>30 Jun 2022 |
|-------------------------|-------------|--------------|-------------|-----------------------|-----------------------------------------------------|
|                         |             |              |             |                       |                                                     |
| Martin Place Securities | 1 Jul 2021  | 1 Jul 2021   | 30 Dec 2023 | 1.00                  | 125,000                                             |
| Bell Potter Securities  | 11 Feb 2022 | 11 Feb 2022  | 11 Feb 2026 | 1.19                  | 1,943,410                                           |
|                         |             |              |             |                       | <b>2,068,410</b>                                    |

During the period, the following broker options were issued:

- On 1 July 2021, the Company issued 125,000 options to Martin Place Securities as partial consideration for capital raising services completed in May 2021. The fair value of these options was recognised as a share issue cost for the year ended 30 June 2021. These options vest immediately, however, are subject to a 24-month escrow period in accordance with ASX listing rules; and
- Pursuant to the completion of the IPO and subsequent listing of the Company on the ASX on 11 February 2022, 1,943,410 unquoted options exercisable at \$1.19 expiring on 11 February 2026 were issued to Bell Potter Securities Limited in accordance with the IPO lead manager agreement executed by the Company on 2 July 2021. These options vest immediately, however, are subject to a 24-month escrow period in accordance with ASX listing rules.

Further details of performance rights are contained in note 24 to the financial statements.

No person entitled to performance rights had or has any rights by virtue of the performance right to participate in any share issue of the Company.

### INDEMNIFICATION OF OFFICERS AND AUDITOR

The Company's constitution requires the Company to indemnify each director and its officers against liabilities (to the extent permitted by law and subject to the Corporations Act 2001) for certain costs and expenses incurred by any of them in defending any legal proceedings arising out of their conduct while acting as an officer of the Company. The Company has paid premiums to insure each of its directors and officers against liabilities and has entered into deeds of indemnity with each of its directors.

## DIRECTORS' REPORT

### DIRECTORS' MEETINGS

Throughout the year ended 30 June 2022, there were 26 directors' meetings. Included in the directors' meetings figures are 15 circular resolutions voted on by eligible directors which are necessary to address company business where the directors are unable to be present for formal board meetings. Eligibility and attendances were as follows:

| Director     | Eligible | Attended |
|--------------|----------|----------|
| R Peck       | 11       | 11       |
| R Taylor     | 11       | 11       |
| R Rowe       | 11       | 11       |
| N Limb       | 11       | 11       |
| A Manger     | 11       | 11       |
| A O'Sullivan | 11       | 10       |

During the year ended 30 June 2022, there were two A&RC meetings and one N&RC meeting. Eligibility and attendances were as follows:

| Director     | A&RC     |          | N&RC     |          |
|--------------|----------|----------|----------|----------|
|              | Eligible | Attended | Eligible | Attended |
| N Limb       | NA       | NA       | 1        | 1        |
| A Manger     | 2        | 2        | 1        | 1        |
| A O'Sullivan | 2        | 2        | NA       | NA       |

### PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

### AUDITOR

Grant Thornton Audit Pty Ltd continues in office in accordance with the Corporations Act 2001.

### NON-AUDIT SERVICES

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 29 to the financial statements.

The directors are satisfied that the provision of non-audit services during the 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 29 to the financial statements do not compromise the external auditor's independence 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 Code of Conduct 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 an advocate for the Company or jointly sharing economic risks and rewards.

### AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence statement is included on page 20 of the financial report.

## DIRECTORS' REPORT

### REMUNERATION REPORT

This remuneration report outlines the remuneration arrangements for the Company's non-executive directors, executive directors and other senior executives who have the authority and responsibility for planning, directing and controlling the activities of SensOre (**key management personnel**, hereafter referred to as **KMP**) for the period ended 30 June 2022.

#### 1. KMP details

The names and positions held by KMP in office at any time during or since the end of the financial year are:

##### Non-executive directors

Robert Peck AM Chairman  
Nicholas Limb  
Adrian Manger  
Anthony O'Sullivan

##### Executive directors

Richard Taylor Chief executive officer (**CEO**)  
Robert Rowe Chief operating officer (**COO**)

##### Other KMP

Alfred Eggo Chief technology officer (**CTO**)  
Gregory Bell Chief financial officer (**CFO**) (tendered resignation effective from 30 September 2022)  
Michaela Evans Company secretary (**CoSec**) (resigned 29 July 2022)

#### 2. Reporting in AUD

In this report, remuneration and benefits have been presented in AUD, unless otherwise stated. This approach is consistent with the consolidated financial statements of the Company. Remuneration is usually paid in Australian dollars (**AUD** or **A\$**).

#### 3. Remuneration synopsis

##### 3.1 FY2022 remuneration summary

The below table provides a high-level summary of FY2022 remuneration practice, with further details available in section 5 of the remuneration report:

| Remuneration element                    | Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Total fixed remuneration ( <b>TFR</b> ) | Further outlined in section 5.1, NED fees were established as part of the Company's ASX listing.<br><br>Other than applicable statutory superannuation guarantee changes, no Executive TFR changes occurred during FY2022.                                                                                                                                                                                                                                                                                                                                                                        |
| Short-term incentive ( <b>STI</b> )     | Executive employment contracts include a cash STI component in accordance with the Company's remuneration policy. Participating Executives satisfied CY21 STI metrics at 'at target' levels. Further details are provided in section 4 of this report.                                                                                                                                                                                                                                                                                                                                            |
| Long-term incentive ( <b>LTI</b> )      | Performance rights were issued to NEDs as part of the Company's ASX listing.<br><br>During the period, as a consequence of ASX listing, 2020 and 2021 Executive performance rights vested.<br><br>Executive employment contracts include an LTI component in accordance with the Company's remuneration policy. Subject to shareholder approval, 2022 cycle performance rights (with a performance cycle start date of 11 Feb 2022 and end date of 10 Feb 2025) will be issued to eligible Executives on the terms approved by the Board and further outlined in sections 5 and 6 of this report. |

SensOre's remuneration framework is based on a calendar year rather than a financial year. As such, remuneration reviews, key performance indicators and any long-term incentive performance hurdles are typically established in January and assessed in December of each year.

### 4. Remuneration governance

#### 4.1 Nomination and Remuneration Committee

The Board is responsible for oversight of the Company's remuneration governance. The Board has implemented a Nomination & Remuneration Committee (**N&RC**) to oversee the ongoing management of KMP remuneration, amongst other matters. The nominated members of the committee are Nic Limb (committee chairman) and Adrian Manger.

Detailed in full in the N&RC's Charter, with respect to Company remuneration, the broad responsibilities of the committee are to:

- determine and review the overall philosophy, strategy, plans, policies and practices for the recruitment, remuneration and retention of KMP;
- review and approve corporate goals and objectives relevant to KMP compensation, evaluate KMP performance in light of those corporate goals and objectives and make recommendations to the Board regarding the proposed remuneration package of KMP based on their evaluation;
- consider the adoption of appropriate incentive plans and review adopted plans regularly to ensure they comply with legislation and regulatory requirements, reflect industry standards, are appropriately linked with value creation opportunities for shareholders and are effective in achieving Company objectives;
- approve the participants and total level of an award under any employee STI and LTI plans; and
- identify circumstances wherein external remuneration advice should be sought and ensure conformance with respect to the appropriate appointment and reporting practices of remuneration consultants.

#### 4.2 Remuneration consultants

During the reporting period, SensOre did not engage remuneration consultants to provide 'remuneration recommendations', as defined in the Corporations Act 2001. The Reward Practice was engaged to provide NED remuneration market analysis and to provide feedback on the Company's LTI framework.

### 5. Remuneration policy and practice

The Board's remuneration policy is to set remuneration for KMP and other employees at a level that is market competitive in order to attract, retain and motivate key individuals and remunerate fairly and responsibly as well as to ensure that remuneration practices are aligned to the Company's strategic and business objectives, risk exposures, and with the creation of shareholder value. Notwithstanding unforeseen circumstances and business developments, to the maximum extent possible remuneration practice aligns with the Company's remuneration policy.

#### 5.1 Non-executive directors (NEDs)

##### Policy

Up until listing on the ASX, NEDs did not receive fees for services as a director. Prior to listing and when determining NED remuneration, the Company considered:

- SensOre's size, structure, activities and areas of operation;
- the responsibilities and commitments of individual members (including committee activities); and
- NED fees paid to comparable companies.

The Company's policy with respect to the remuneration of NEDs during the reporting period was as follows:

- remuneration includes a fixed fee for service, paid in cash, and statutory superannuation (where applicable), the total of which is to be within the aggregate 'non-executive director fee pool' amount of A\$500,000 as last approved by shareholders in October 2021;
- entitlement to reimbursement of reasonable travel, accommodation and other expenses incurred whilst engaged on Company business;
- at the Board's discretion and in accordance with the Company's constitution, additional remuneration may be paid for special duties or extra services performed on behalf of the Company deemed to be outside the scope of NED director duties;
- no provision for retirement benefits other than statutory superannuation entitlements;
- remuneration must not include a commission on, or a percentage of, the profits or income of the Company; and
- no additional fees for participation on any Board committees.

## DIRECTORS' REPORT

### Practice

#### Fixed fees

A summary of the Company's fixed fee remuneration practice in relation to its current NEDs (inclusive of superannuation) is as follows:

| NED          | 2022 fixed annual fee (\$) | Date of last adjustment | Fixed fee at appointment (\$) | Appointment date |
|--------------|----------------------------|-------------------------|-------------------------------|------------------|
| R Peck       | 100,000                    | 11 February 2022        | -                             | 1 November 2019  |
| N Limb       | 60,000                     | 11 February 2022        | -                             | 18 December 2019 |
| A Manger     | 60,000                     | 11 February 2022        | -                             | 18 December 2019 |
| A O'Sullivan | 60,000                     | 11 February 2022        | -                             | 18 December 2019 |

No consulting fees were paid to NEDs or their related parties during the year ended 30 June 2022.

Payment of NED fixed fee remuneration commenced in July 2022. Fees from 11 February 2022 until 30 June 2022 amounting to \$105,000 were accrued and are recognised as a non-current liability in the statement of financial position at 30 June 2022.

#### Long term incentives

SensOre granted 228,435 performance rights under its LTIP to each NED on 11 February 2022, pursuant to offers made under the Company's long term incentive plan following completion of SensOre's IPO and as outlined in the Prospectus. The NED Performance Rights are unlisted, have an exercise price of \$0.85, a five-year expiry period (11 February 2027), and are subject to escrow until 11 February 2024:

| NED          | Performance Rights (No.) | Issue Date  | Exercise Price (\$) | Expiry Date | Escrow Period |
|--------------|--------------------------|-------------|---------------------|-------------|---------------|
| R Peck       | 228,435                  | 11 Feb 2022 | 0.85                | 11 Feb 2027 | 24 months     |
| N Limb       | 228,435                  | 11 Feb 2022 | 0.85                | 11 Feb 2027 | 24 months     |
| A Manger     | 228,435                  | 11 Feb 2022 | 0.85                | 11 Feb 2027 | 24 months     |
| A O'Sullivan | 228,435                  | 11 Feb 2022 | 0.85                | 11 Feb 2027 | 24 months     |

These Performance Rights were issued in recognition of unpaid services from appointment up to IPO completion and reflect the present value of typical remuneration attributed to a company of SensOre's size and complexity as determined using the Black-Scholes option valuation methodology.

## 5.2 Executives

### Policy

The Board oversees the Company's Executive remuneration policy which aims to:

- reward executives fairly and responsibly in accordance with market rates and practices to ensure that the Company provides competitive rewards that attract, retain and motivate executives of a high calibre;
- set high levels of performance which are clearly linked to an executive's remuneration;
- structure remuneration at a level that reflects the executive's duties and accountabilities;
- benchmark remuneration against appropriate comparator groups;
- align executive incentive rewards with the creation of value for shareholders;
- align remuneration with the Company's long-term strategic plans & business objectives and with risk exposures through the resources cycle; and
- comply with applicable legal requirements and appropriate governance standards.

**Pay mix and benchmarking:** Executive remuneration structure is designed to comprise 'fixed' and 'at risk' (performance-based) remuneration, benchmarked against peer companies within the resources sector that are of a similar size, market capitalisation and revenue base. Benchmarking will be conducted by the N&RC with the assistance of an independent remuneration consultant from time to time.

**Eligibility:** Eligibility to participate in the Company's STI and/or LTI plans is typically set out in an employee's service contract; however, the Company's policy is for the Board to determine participation annually based on N&RC recommendations.

## DIRECTORS' REPORT

**Gate:** Where appropriate, the Board will establish a minimum level of expected performance related to, for example, Company earnings, operational cash flow or health, safety and environmental objectives, which must be achieved for any STI award to become payable under the STI plan.

**Board discretion:** The Board has overriding discretion to amend STI and LTI outcomes to: properly reflect performance; adjust for anomalous outcomes; reflect the Company's risk exposures through the resources cycle; and ensure alignment of awards of 'at risk' remuneration with Company strategy and long-term shareholder value creation.

### Fixed remuneration policy structure

|                      |                                                                                                                                                                                                                                   |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Remuneration vehicle | <ul style="list-style-type: none"> <li>TFR includes: <ul style="list-style-type: none"> <li>Cash-based salary</li> <li>Superannuation contributions</li> </ul> </li> </ul>                                                        |
| Purpose and guidance | <ul style="list-style-type: none"> <li>Retain and attract a talented, knowledgeable and experienced workforce</li> <li>Market competitive – guided by P50</li> <li>Reflective of role, responsibilities and experience</li> </ul> |
| Link to performance  | <ul style="list-style-type: none"> <li>Individual performance review having regard for overall Company performance</li> <li>No contractual guarantee of an annual increase</li> </ul>                                             |

### STI policy structure

|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Remuneration vehicle | <ul style="list-style-type: none"> <li>Cash bonus</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Purpose and guidance | <ul style="list-style-type: none"> <li>'At risk' remuneration</li> <li>Incentivise and provide competitive reward for achievement of Company-wide and individual performance targets linked to strategic objectives and management of risk</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Link to performance  | <p><i>Grant structure</i></p> <ul style="list-style-type: none"> <li>STIs based on 'at target' opportunities that will be endorsed annually by the N&amp;RC at the beginning of the calendar year, giving due consideration to the Company's remuneration principles.</li> <li>Opportunity percentages will be reviewed and established (or otherwise) annually relative to TFR. The N&amp;RC, at its discretion, may determine an STI 'cap' relative to TFR.</li> <li>General guidance on opportunity percentages relative to TFR is provided below (percentages are subject to change annually pending N&amp;RC consideration of Company objectives and changed circumstances amongst other factors):</li> </ul> |

| Employee        | 'At target' STI opportunity<br>% of TFR | 'Stretch' STI opportunity<br>% of TFR |
|-----------------|-----------------------------------------|---------------------------------------|
| CEO             | 30                                      | 50                                    |
| COO             | 30                                      | 50                                    |
| CTO             | 30                                      | 50                                    |
| CFO             | 30                                      | 50                                    |
| CoSec           | 12                                      | 20                                    |
| Other employees | ≥12                                     | ≥20                                   |

### Overall performance weighting

STI performance criteria to be weighted between financial performance and individual performance. Key Performance Indicators (KPI) within these two broad performance areas will also normally be weighted.

### Targets

Following the establishment of KPI areas, targets will typically be set to establish target objectives. In general, no payment will be made until an above-threshold level of performance

(60%) is achieved. Thereafter payments will generally be made on a sliding scale between threshold and target as appropriate to the specific KPI.

### *Financial performance criteria*

Annual determination of financial performance criteria will be established by the N&RC at the beginning of each calendar year, with one or more to be considered and implemented for the relevant year. Financial measures will usually emphasise profit and cash flow drivers.

### *Individual performance criteria*

Individual KPIs will be approved annually by the N&RC at the beginning of each calendar year. Targets are intended to set challenging but achievable goals and will be selected by the N&RC, giving due consideration to overall business objectives, SensOre culture and the individual executive's role accountabilities. KPIs will reflect the executive's experience and capacity to determine, control or influence KPI outcomes. General KPI areas will typically include: sustainability (including health, safety and behaviours), operational performance (including technology and business development targets and exploration performance), development/execution of strategic plans, management of JV relationships, risk management, leadership/talent management and governance.

### *Assessment structure*

N&RC to review performance outcomes after calendar year-end performance is known. Individual performance criteria to be reviewed during the year with overall performance assessed at calendar year-end.

### *Payment timing*

Payments will be made in the first quarter following the relevant performance year (i.e. payment for 2022 calendar year performance – if achieved – would be made between January and March 2023).

### *Leaver provisions*

Subject to Board discretion, no STI payment will occur should an eligible participant leave before the testing period.

## LTI policy structure

- |                      |                                                                                                                                                                                                                   |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Remuneration vehicle | <ul style="list-style-type: none"> <li>• Performance rights.</li> <li>• Performance rights granted under the Company's LTI plan will carry no dividend or voting rights.</li> </ul>                               |
| Purpose and guidance | <ul style="list-style-type: none"> <li>• 'At risk' remuneration.</li> <li>• Incentivise and provide competitive reward for continued service and achievement of long-term strategic/growth objectives.</li> </ul> |

### Link to performance *Grant structure*

- LTI established or deferred annually by the Board, at its discretion, having regard to the Company's remuneration principles and N&RC recommendations
- LTI cycle to typically be measured over three years
- General guidance on opportunity percentiles relative to TFR:

| Employee        | Maximum LTI opportunity |
|-----------------|-------------------------|
|                 | % of TFR                |
| CEO             | 50                      |
| COO             | 50                      |
| CTO             | 50                      |
| CFO             | 50                      |
| CoSec           | 20                      |
| Other employees | ≥20                     |

### *Performance conditions*

- Generally applied performance conditions will be those that return value to shareholders and that incentivise executives to focus on the Company's long-term strategy and growth

## DIRECTORS' REPORT

opportunities. Measures proposed and likely to be used in the future include:

- Relative total shareholder return (TSR)
- Absolute TSR
- Shareholder return measures (such as return on equity)
- Delivery of strategic objectives

### *Timing*

Annual testing of vesting criteria and issues of LTI performance rights will typically be undertaken in February.

### *Calculation*

Typically, volume weighted average price (**VWAP**) on the 20 trading days preceding the start of each three-year cycle. No retesting of performance criteria hurdles will be performed after agreement of calculation.

### *Expiry*

There will be no entitlement to incentives for which performance criteria have not been met at the end of the performance period and no Company shares will be provided in respect of those lapsed rights. Vested performance rights will expire as per the conditions set out in each participant's offer letter and/or the SensOre LTI Plan.

### *Share trading*

Shares issued or transferred to executives under the Company's incentive scheme will be subject to compliance with the Company's share trading policy. KMP participating in an equity-based incentive plan of the Company will be prohibited from entering into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested entitlement in SensOre's securities.

### **At risk summary table**

The table below shows the relative targeted mix of remuneration components based on the Company's remuneration policy as a percentage of total remuneration:

| Executive | Fixed remuneration<br>% | At risk remuneration <sup>(i)</sup> |                              | Maximum total 'at risk' remuneration<br>% |
|-----------|-------------------------|-------------------------------------|------------------------------|-------------------------------------------|
|           |                         | Maximum STI opportunity<br>%        | Maximum LTI opportunity<br>% |                                           |
| CEO       | 50.0                    | 25.0                                | 25.0                         | 50.0                                      |
| COO       | 50.0                    | 25.0                                | 25.0                         | 50.0                                      |
| CTO       | 50.0                    | 25.0                                | 25.0                         | 50.0                                      |
| CFO       | 50.0                    | 25.0                                | 25.0                         | 50.0                                      |
| CoSec     | 71.4                    | 14.3                                | 14.3                         | 28.6                                      |

(i) Maximum STI and LTI opportunity is subject to achievement of all STI objectives and LTI vesting hurdles at the testing date.

## DIRECTORS' REPORT

### Practice

#### Fixed remuneration

During the reporting period the Executive comprised Richard Taylor (CEO), Robert Rowe (COO), Alfred Eggo (CTO), Greg Bell (CFO) and Michaela Evans (CoSec). With the exception of the CoSec (whose remuneration was adjusted to reflect Superannuation Guarantee changes), there was no change to fixed Executive remuneration during the period:

| Executive | 2022 TFR<br>(\$) | Date of last<br>adjustment | TFR at appointment<br>(\$) | Appointment date |
|-----------|------------------|----------------------------|----------------------------|------------------|
| CEO       | 438,000          | NA                         | 438,000                    | 1 Feb 2020       |
| COO       | 341,640          | NA                         | 341,640                    | 1 Apr 2020       |
| CTO       | 341,640          | NA                         | 341,640                    | 1 Apr 2020       |
| CFO       | 290,000          | NA                         | 290,000                    | 10 May 2021      |
| CoSec     | 226,027          | 1 July 2021                | 225,000                    | 1 Dec 2020       |

The Executives were eligible to participate in the Company's 2021 STI and LTI plans.

#### Short term incentives

Participating Executives satisfied certain CY21 STI metrics at 'at target' levels in relation to completion of the IPO, corporate governance policy implementation and financial management. The below table outlines STI awards made during the reporting period as follows:

| Executive | CY21 actual STI award<br>relative to TFR<br>% | CY21 actual<br>STI award<br>\$ |
|-----------|-----------------------------------------------|--------------------------------|
| CEO       | 5.7                                           | 25,000                         |
| COO       | 7.3                                           | 25,000                         |
| CTO       | 7.3                                           | 25,000                         |
| CFO       | 15.5                                          | 45,000                         |
| CoSec     | 11.9                                          | 27,000                         |

An amount of \$75,000 (representing STI awards to the CEO, COO and CTO) was accrued but not paid at 30 June 2022 and has therefore been recognised in the statement of financial position at reporting date.

CY22 STI targets have been set for each executive in keeping with the STI policy outlined above.

#### Long term incentives

During the period, and as a consequence of ASX listing, 2020 and 2021 Executive performance rights vested. The vested Performance Rights and any underlying Shares issued upon their exercise are subject to a three-year disposal restriction from the grant date shown in the below table. Certain Performance Rights and any Shares issued upon the exercise of certain vested Performance Rights are also subject to an ASX imposed escrow period of 24 months:

| Executive | Grant Date  | Expiry Date | Exercise Price<br>(\$) | Escrow Period<br>End Date | Performance<br>Rights (No.) |
|-----------|-------------|-------------|------------------------|---------------------------|-----------------------------|
| CEO       | 1 Feb 2020  | 1 Feb 2025  | 0.25                   | 11 Feb 2024               | 800,000                     |
|           | 1 Feb 2021  | 1 Feb 2026  | 0.79                   | 11 Feb 2024               | 277,216                     |
| COO       | 1 Apr 2020  | 1 Apr 2025  | 0.25                   | 11 Feb 2024               | 624,000                     |
|           | 1 Apr 2021  | 1 Apr 2026  | 0.79                   | 11 Feb 2024               | 216,228                     |
| CTO       | 1 Apr 2020  | 1 Apr 2025  | 0.25                   | 11 Feb 2024               | 624,000                     |
|           | 1 Apr 2021  | 1 Apr 2026  | 0.79                   | 11 Feb 2024               | 216,228                     |
| CFO       | 10 Apr 2021 | 1 Feb 2026  | 0.79                   | NA                        | 148,847                     |
| CoSec     | 1 Feb 2021  | 1 Feb 2026  | 0.79                   | NA                        | 64,607                      |

Subject to shareholder approval, 2022 cycle performance rights (with a cycle start date of 11 Feb 2022 and end date of 10 Feb 2025) will be issued to eligible Executives on the terms approved by the Board, a summary of which is provided below. Further details regarding these proposed Performance Rights will be outlined in the Company's notice of annual general meeting.

## DIRECTORS' REPORT

| Employee        | Grant Date <sup>(i)</sup> | Vesting Date <sup>(i)</sup> | Expiry Date <sup>(i)</sup> | Exercise Price (\$) | Performance Rights (No.) |
|-----------------|---------------------------|-----------------------------|----------------------------|---------------------|--------------------------|
| CEO             | 11 Feb 2022               | 11 Feb 2025                 | 11 Feb 2027                | Nil                 | 257,648                  |
| COO             | 11 Feb 2022               | 11 Feb 2025                 | 11 Feb 2027                | Nil                 | 200,965                  |
| CTO             | 11 Feb 2022               | 11 Feb 2025                 | 11 Feb 2027                | Nil                 | 200,965                  |
| Other employees | 11 Feb 2022               | 11 Feb 2025                 | 11 Feb 2027                | Nil                 | 264,408                  |

- (i) The above performance rights are expected to be issued within three days of SensOre's annual general meeting (currently anticipated to be held on 20 October 2022). However, under the terms of the long term incentive plan, the effective grant date is 11 February 2022, with vesting conditions measured on the three-year anniversary of the effective grant date (11 February 2025) and expiry date on the five-year anniversary of the effective grant date (11 February 2027).

Vesting of the proposed Performance Rights will be calculated based on absolute total shareholder return (TSR), as follows:

| Measure      | Performance level to be achieved | Performance vesting outcome    | % of total grant that will vest | Maximum % of total grant |
|--------------|----------------------------------|--------------------------------|---------------------------------|--------------------------|
| Absolute TSR | Above 25% CAGR                   | 100%                           | 100%                            | 100%                     |
|              | Above 15% CAGR & up to 25% CAGR  | Pro rata vesting from 51%-100% | Between 51% & 100%              | 50%                      |
|              | At 15% CAGR                      | 50%                            | 50%                             | 50%                      |
|              | Less than 15% CAGR               | 0%                             | 0%                              | 0%                       |

\*CAGR = Compound Annual Growth Rate

For the purposes of calculating the CAGR throughout the performance period, a SensOre share price of \$0.85 has been set, being the IPO offer price.

Vesting (if any) is subject to continuous employment and will occur on a proportionate straight-line basis from 50% to 100% for performance between 15% CAGR (S3N share price of \$1.29) and 25% CAGR (S3N share price of \$1.66).

### 6. Executive contracts

Non-executive directors are not remunerated under a contract of employment.

The Company has entered into employment contracts with each of its executives. The terms of these contracts for KMP during the reporting period are set out in the following table:

| Executive                              | R Taylor                                                                                           | R Rowe                                                                                             | A Eggo                                                                                             | G Bell                                                                                             | M Evans                                                                                            |
|----------------------------------------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| Position                               | CEO                                                                                                | COO                                                                                                | CTO                                                                                                | CFO                                                                                                | CoSec                                                                                              |
| Appointment date                       | 1 February 2020                                                                                    | 1 April 2020                                                                                       | 1 April 2020                                                                                       | 10 May 2021                                                                                        | 1 December 2020                                                                                    |
| Contract date                          | 1 February 2020                                                                                    | 1 April 2020                                                                                       | 1 April 2020                                                                                       | 10 May 2021                                                                                        | 28 September 2020                                                                                  |
| Contract cease date                    | -                                                                                                  | -                                                                                                  | -                                                                                                  | -                                                                                                  | -                                                                                                  |
| TFR                                    | \$438,000                                                                                          | \$341,640                                                                                          | \$341,640                                                                                          | \$290,000                                                                                          | \$226,027                                                                                          |
| STI/LTI eligibility                    | Eligible, subject to ongoing N&RC approval                                                         | Eligible, subject to ongoing N&RC approval                                                         | Eligible, subject to ongoing N&RC approval                                                         | Eligible, subject to ongoing N&RC approval                                                         | Eligible, subject to ongoing N&RC approval                                                         |
| Contract length                        | Ongoing, no fixed term                                                                             | Ongoing, no fixed term                                                                             | Ongoing, no fixed term                                                                             | Ongoing, no fixed term                                                                             | Ongoing, no fixed term                                                                             |
| Notice for termination by the Company  | 13 weeks                                                                                           | 13 weeks                                                                                           | 13 weeks                                                                                           | 13 weeks                                                                                           | 8 weeks                                                                                            |
| Termination for serious misconduct     | No notice required. No STI/LTI payment                                                             | No notice required. No STI/LTI payment                                                             | No notice required. No STI/LTI payment                                                             | No notice required. No STI/LTI payment                                                             | No notice required. No STI/LTI payment                                                             |
| Notice for resignation by the employee | 13 weeks                                                                                           | 13 weeks                                                                                           | 13 weeks                                                                                           | 13 weeks                                                                                           | 8 weeks                                                                                            |
| Statutory entitlements                 | All leave and benefits (annual leave, LSL, superannuation entitlements) in accordance with the law | All leave and benefits (annual leave, LSL, superannuation entitlements) in accordance with the law | All leave and benefits (annual leave, LSL, superannuation entitlements) in accordance with the law | All leave and benefits (annual leave, LSL, superannuation entitlements) in accordance with the law | All leave and benefits (annual leave, LSL, superannuation entitlements) in accordance with the law |
| Post-employment restraints             | Six months                                                                                         | Six months                                                                                         | Six months                                                                                         | Six months                                                                                         | Three months                                                                                       |

## DIRECTORS' REPORT

### 7. KMP remuneration summary

The remuneration of KMP during the period ended 30 June 2022 was as follows:

|                                                | Short term benefits     |                   | Post-employment benefits | Long-term employee benefits <sup>(i)</sup> | Equity-settled share-based payments <sup>(ii)</sup> |                                       | Total                                   |
|------------------------------------------------|-------------------------|-------------------|--------------------------|--------------------------------------------|-----------------------------------------------------|---------------------------------------|-----------------------------------------|
|                                                | Salary <sup>(iii)</sup> | Non-cash benefits | Cash bonus               | Super contribution                         | LSL <sup>(iv)</sup>                                 | IPO performance rights <sup>(v)</sup> | 2022 Performance rights <sup>(vi)</sup> |
| <b>30 June 2022</b>                            |                         |                   |                          |                                            |                                                     |                                       |                                         |
| <b>Executive directors</b>                     |                         |                   |                          |                                            |                                                     |                                       |                                         |
| R Taylor                                       | 428,659                 | -                 | 25,000                   | 23,568                                     | 3,553                                               | 148,307                               | 5,260                                   |
| R Rowe                                         | 330,125                 | -                 | 25,000                   | 23,568                                     | 2,593                                               | 115,679                               | 4,103                                   |
| <b>Non-executive directors<sup>(vii)</sup></b> |                         |                   |                          |                                            |                                                     |                                       |                                         |
| R Peck                                         | 34,091                  | -                 | -                        | 3,409                                      | -                                                   | 120,000                               | -                                       |
| N Limb                                         | 20,455                  | -                 | -                        | 2,045                                      | -                                                   | 120,000                               | -                                       |
| A Manger                                       | 20,455                  | -                 | -                        | 2,045                                      | -                                                   | 120,000                               | -                                       |
| A O'Sullivan                                   | 20,455                  | -                 | -                        | 2,045                                      | -                                                   | 120,000                               | -                                       |
| <b>Key executives</b>                          |                         |                   |                          |                                            |                                                     |                                       |                                         |
| A Eggo                                         | 331,420                 | -                 | 25,000                   | 23,568                                     | 2,593                                               | 115,679                               | 4,103                                   |
| G Bell                                         | 276,689                 | -                 | 45,000                   | 23,568                                     | 726                                                 | 53,833                                | -                                       |
| M Evans                                        | 221,285                 | -                 | 26,244                   | 21,304                                     | 818                                                 | 23,366                                | -                                       |
|                                                | <b>1,683,634</b>        | <b>-</b>          | <b>146,244</b>           | <b>125,120</b>                             | <b>10,283</b>                                       | <b>936,864</b>                        | <b>13,466</b>                           |
| <b>30 June 2021</b>                            |                         |                   |                          |                                            |                                                     |                                       |                                         |
| <b>Executive directors</b>                     |                         |                   |                          |                                            |                                                     |                                       |                                         |
| R Taylor                                       | 429,637                 | -                 | 134,216                  | 21,694                                     | (1,310)                                             | 36,570                                | -                                       |
| R Rowe                                         | 344,709                 | -                 | 86,862                   | 21,694                                     | (302)                                               | 28,524                                | -                                       |
| <b>Key executives</b>                          |                         |                   |                          |                                            |                                                     |                                       |                                         |
| A Eggo                                         | 332,404                 | -                 | 62,548                   | 21,694                                     | (302)                                               | 28,524                                | -                                       |
| G Bell <sup>(viii)</sup>                       | 38,651                  | -                 | -                        | 3,511                                      | -                                                   | 4,894                                 | -                                       |
| M Evans                                        | 129,083                 | -                 | -                        | 11,387                                     | -                                                   | 2,124                                 | -                                       |
|                                                | <b>1,274,484</b>        | <b>-</b>          | <b>283,626</b>           | <b>79,980</b>                              | <b>(1,914)</b>                                      | <b>100,636</b>                        | <b>-</b>                                |

- (i) Long-term employee benefits represent long service leave (LSL) entitlements, measured on an accrual basis. The amount included above relates to movement in each executive's entitlements over the year.
- (ii) The figures provided in 'Equity-settled share-based payments' were not provided in cash to the KMP during the financial period. These amounts are calculated in accordance with accounting standards and represent the current year amortisation of accounting fair values of performance rights that have been granted to KMP in this or prior financial years. The fair value of performance rights has been valued as at their date of grant and in accordance with the requirements of AASB 2 Share-Based Payments. The fair value of performance rights is measured using a generally accepted valuation model. The fair values are then amortised over the entire vesting period of the equity instruments. Total remuneration shown in 'Total' therefore includes a portion of the fair value of unvested equity compensation during the year. The amount included as remuneration is not related to or indicative of the benefit (if any) that individuals may ultimately realise should these equity instruments vest and be exercised.
- (iii) Salary includes all fixed remuneration provided to KMP as part of their remuneration (excluding superannuation contributions) and any movement in annual leave entitlements accrued during the year.
- (iv) Long service leave (LSL) includes movements in an employee's entitlement to long service leave. During the year, the Company implemented a probability scale to estimate its present obligation to LSL entitlements, resulting in a reduction in the value of the liability owed at balance date. In previous years, the liability had been measured at the full entitlement.
- (v) As outlined in section 5.2, performance rights issued in 2020 and 2021 vested as a consequence of the ASX listing completed on 11 February 2022. As a result, amounts totalling \$936,864 have been included within equity-settled share-based payments for the year ended 30 June 2022 following the recognition in the statement of financial performance and other comprehensive income of the unamortised portion of the fair value of performance rights at grant date.
- (vi) The equity-settled share-based payments relate to the grant of performance rights to KMP in 2022 (subject to shareholder approval) which remain unvested at balance date. These unvested performance rights have vesting conditions as outlined in section 5.2 of this remuneration report.
- (vii) No payments were made or accrued for non-executive director remuneration for the year ended 30 June 2021.
- (viii) Mr Bell was appointed as CFO of the Company on 10 May 2021. Mr Bell did not receive any payments as part of his consideration for agreeing to hold the position.

## DIRECTORS' REPORT

The relative proportions of those elements of remuneration of key management personnel that are linked to performance:

|                                | Fixed remuneration |       | At-risk remuneration |       |
|--------------------------------|--------------------|-------|----------------------|-------|
| <b>Executive directors</b>     |                    |       |                      |       |
| R Taylor                       | 71.9%              | 72.5% | 28.1%                | 27.5% |
| R Rowe                         | 71.1%              | 76.0% | 28.9%                | 24.0% |
| <b>Non-executive directors</b> |                    |       |                      |       |
| R Peck                         | 23.8%              | -     | 76.2%                | -     |
| N Limb                         | 15.8%              | -     | 84.2%                | -     |
| A Manger                       | 15.8%              | -     | 84.2%                | -     |
| A O'Sullivan                   | 15.8%              | -     | 84.2%                | -     |
| <b>Key executives</b>          |                    |       |                      |       |
| A Eggo                         | 71.2%              | 79.5% | 28.8%                | 20.5% |
| G Bell                         | 75.3%              | 89.6% | 24.7%                | 10.4% |
| M Evans                        | 83.1%              | 98.5% | 16.9%                | 1.5%  |

### 8. Director and executive equity holdings

The number of shares and performance rights held, directly, indirectly or beneficially, by directors and KMP are outlined below. The Company has no formal policy with respect to minimum shareholding requirements, however, share ownership is encouraged.

#### 8.1 Shareholdings

Number of fully paid ordinary shares held directly, indirectly or beneficially by:

| 30 June 2022                | Balance as at<br>1 July 2021 | Performance rights<br>exercised | Shares purchased<br>during the year | Balance as at<br>30 June 2022 |
|-----------------------------|------------------------------|---------------------------------|-------------------------------------|-------------------------------|
| <b>Directors</b>            |                              |                                 |                                     |                               |
| R Peck                      | 6,037,505                    | -                               | 412,400                             | 6,449,905                     |
| N Limb                      | 850,222                      | -                               | 202,000                             | 1,052,222                     |
| A Manger <sup>(i)</sup>     | 2,120,000                    | -                               | 53,200                              | 2,173,200                     |
| A O'Sullivan <sup>(i)</sup> | 2,025,316                    | -                               | -                                   | 2,025,316                     |
| R Taylor                    | 440,000                      | -                               | 183,737                             | 623,737                       |
| R Rowe                      | 324,596                      | -                               | 34,965                              | 359,561                       |
| <b>Key executives</b>       |                              |                                 |                                     |                               |
| A Eggo <sup>(i)</sup>       | 2,160,000                    | -                               | 65,590                              | 2,225,590                     |
| G Bell                      | -                            | -                               | 12,000                              | 12,000                        |
| M Evans                     | -                            | -                               | 12,000                              | 12,000                        |
| <b>Total</b>                | <b>13,957,639</b>            | <b>-</b>                        | <b>975,892</b>                      | <b>14,933,531</b>             |

| 30 June 2021                | Balance as at<br>1 July 2020 | Performance rights<br>exercised | Shares purchased<br>during the year | Balance as at<br>30 June 2021 |
|-----------------------------|------------------------------|---------------------------------|-------------------------------------|-------------------------------|
| <b>Directors</b>            |                              |                                 |                                     |                               |
| R Peck                      | 5,910,922                    | -                               | 126,583                             | 6,037,505                     |
| N Limb                      | 850,222                      | -                               | -                                   | 850,222                       |
| A Manger <sup>(i)</sup>     | 2,120,000                    | -                               | -                                   | 2,120,000                     |
| A O'Sullivan <sup>(i)</sup> | 2,000,000                    | -                               | 25,316                              | 2,025,316                     |
| R Taylor                    | 440,000                      | -                               | -                                   | 440,000                       |
| R Rowe                      | 324,596                      | -                               | -                                   | 324,596                       |
| <b>Key executives</b>       |                              |                                 |                                     |                               |
| A Eggo <sup>(i)</sup>       | 2,160,000                    | -                               | -                                   | 2,160,000                     |
| G Bell                      | -                            | -                               | -                                   | -                             |
| M Evans                     | -                            | -                               | -                                   | -                             |
| <b>Total</b>                | <b>13,805,740</b>            | <b>-</b>                        | <b>151,899</b>                      | <b>13,957,639</b>             |

## DIRECTORS' REPORT

- (i) Mr Manger, Mr O'Sullivan and Mr Eggo each individually own 20% of the issued capital of Sasak Minerals Pty Ltd, which in turn owns 10 million shares in SensOre Ltd. However, the interest of Sasak Minerals Pty Ltd is not included (on a proportionate basis or otherwise) in the holdings of Mr Manger, Mr O'Sullivan and Mr Eggo, stated above, as Mr Manger, Mr O'Sullivan and Mr Eggo do not control or jointly control Sasak Minerals Pty Ltd.

### 8.2 Performance rights and option holdings

There were no outstanding share options held by directors or executives of the Company or their director-related entities at period-end.

NEDs did not participate in issues arising from Company incentive plans during the year.

The Company has granted unlisted performance rights as long-term incentives to nominated members of its KMP under the SensOre LTIP in the years ended 30 June 2020 and 2021 and proposed for 2022. Each performance right entitles the holder to one share upon vesting and exercise. The performance rights carry no voting or dividend rights.

At the date of the remuneration report, the unlisted performance rights granted by the Company are as follows:

| Unlisted performance rights | Grant date  | Vesting date | Expiry date | Exercise price<br>A\$ | No. of performance rights on issue<br>30 Jun 2022 | No. of vested performance rights on issue<br>30 Jun 2022 <sup>(i)</sup> |
|-----------------------------|-------------|--------------|-------------|-----------------------|---------------------------------------------------|-------------------------------------------------------------------------|
| 2020AA                      | 1 Feb 2020  | 11 Feb 2022  | 1 Feb 2025  | 0.25                  | 873,060                                           | 873,060                                                                 |
| 2020AB                      | 20 Feb 2020 | 11 Feb 2022  | 20 Feb 2025 | 0.25                  | 33,000                                            | 33,000                                                                  |
| 2020AC                      | 1 Apr 2020  | 11 Feb 2022  | 1 Apr 2025  | 0.25                  | 1,248,000                                         | 1,248,000                                                               |
| 2020AD                      | 6 Apr 2020  | 11 Feb 2022  | 6 Apr 2025  | 0.25                  | 160,000                                           | 160,000                                                                 |
| 2020AE                      | 13 Apr 2020 | 11 Feb 2022  | 13 Apr 2025 | 0.25                  | 150,000                                           | 150,000                                                                 |
| 2020AF                      | 23 Apr 2020 | 11 Feb 2022  | 23 Apr 2025 | 0.25                  | 72,000                                            | 72,000                                                                  |
| 2020AG                      | 1 May 2020  | 11 Feb 2022  | 1 May 2025  | 0.25                  | 69,120                                            | 69,120                                                                  |
| 2021AA                      | 1 Feb 2021  | 11 Feb 2022  | 1 Feb 2026  | 0.79                  | 418,841                                           | 418,841                                                                 |
| 2021AB                      | 20 Feb 2021 | 11 Feb 2022  | 20 Feb 2026 | 0.79                  | 11,436                                            | 11,436                                                                  |
| 2021AC                      | 24 Mar 2021 | 11 Feb 2022  | 1 Feb 2026  | 0.79                  | 29,419                                            | 29,419                                                                  |
| 2021AD                      | 1 Apr 2021  | 11 Feb 2022  | 1 Apr 2026  | 0.79                  | 432,456                                           | 432,456                                                                 |
| 2021AE                      | 6 Apr 2021  | 11 Feb 2022  | 6 Apr 2026  | 0.79                  | 55,444                                            | 55,444                                                                  |
| 2021AF                      | 10 Apr 2021 | 11 Feb 2022  | 1 Feb 2026  | 0.79                  | 148,847                                           | 148,847                                                                 |
| 2021AG                      | 13 Apr 2021 | 11 Feb 2022  | 13 Apr 2026 | 0.79                  | 38,984                                            | 38,984                                                                  |
| 2021AH                      | 23 Apr 2021 | 11 Feb 2022  | 23 Apr 2026 | 0.79                  | 18,713                                            | 18,713                                                                  |
| 2021AI                      | 24 May 2021 | 11 Feb 2022  | 1 Feb 2026  | 0.79                  | 19,379                                            | 19,379                                                                  |
| 2022AA                      | 11 Feb 2022 | 11 Feb 2022  | 11 Feb 2027 | 0.85                  | 913,740                                           | 913,740                                                                 |
| 2022AB <sup>(ii)</sup>      | 11 Feb 2022 | 11 Feb 2025  | 11 Feb 2027 | Nil                   | 923,986                                           | -                                                                       |
|                             |             |              |             |                       | <b>5,616,425</b>                                  | <b>4,692,439</b>                                                        |

- (i) During the period, and as a consequence of ASX listing, 2020 and 2021 Executive performance rights vested. The vested Performance Rights and any underlying Shares issued upon their exercise are subject to a three-year disposal restriction from the grant date shown in the table above. Certain Performance Rights and any Shares issued upon the exercise of certain vested Performance Rights are also subject to an ASX imposed escrow period of 24 months
- (ii) Subject to shareholder approval, the Company intends to issue performance rights to eligible Executives and employees on terms approved by the Board, with a cycle start date of 11 Feb 2022 and end date of 10 Feb 2025. These performance rights are expected to be issued within three days of SensOre's annual general meeting (currently anticipated to be held on 20 October 2022). However, under the terms of the long term incentive plan, the effective grant date is 11 February 2022, with vesting conditions measured on the three-year anniversary of the effective grant date (11 February 2025) and expiry date on the five-year anniversary of the effective grant date (11 February 2027). Further details regarding these proposed Performance Rights will be outlined in the Company's notice of annual general meeting.

## DIRECTORS' REPORT

These rights are held by the Company's executive members as follows:

|                |                             | Movement during the year |                                 |                              |                                 |
|----------------|-----------------------------|--------------------------|---------------------------------|------------------------------|---------------------------------|
|                | Balance as at<br>1 Jul 2021 | Granted                  | Exercised,<br>lapsed, forfeited | Balance as at<br>30 Jun 2022 | Unvested balance<br>30 Jun 2022 |
| Directors      |                             |                          |                                 |                              |                                 |
| R Peck         | -                           | 228,435                  | -                               | 228,435                      |                                 |
| N Limb         | -                           | 228,435                  | -                               | 228,435                      | -                               |
| A Manger       | -                           | 228,435                  | -                               | 228,435                      | -                               |
| A O’Sullivan   | -                           | 228,435                  | -                               | 228,435                      | -                               |
| R Taylor       | 1,077,216                   | 257,648 <sup>(i)</sup>   | -                               | 1,334,864                    | 257,648                         |
| R Rowe         | 840,228                     | 200,965 <sup>(i)</sup>   | -                               | 1,041,193                    | 200,965                         |
| Key executives |                             |                          |                                 |                              |                                 |
| A Eggo         | 840,228                     | 200,965 <sup>(i)</sup>   | -                               | 840,228                      | 200,965                         |
| G Bell         | 148,847                     | - <sup>(ii)</sup>        | -                               | 148,847                      | -                               |
| M Evans        | 64,607                      | - <sup>(ii)</sup>        | -                               | 64,607                       | -                               |
|                | 2,971,126                   | 1,573,318                | -                               | 4,544,444                    | 659,578                         |

|           |                          | Movement during the year |                                 |                              |                                 |
|-----------|--------------------------|--------------------------|---------------------------------|------------------------------|---------------------------------|
|           | Balance at 1 Jul<br>2020 | Granted                  | Exercised,<br>lapsed, forfeited | Balance as at<br>30 Jun 2021 | Unvested balance<br>30 Jun 2021 |
| Executive |                          |                          |                                 |                              |                                 |
| R Taylor  | 800,000                  | 277,216                  | -                               | 1,077,216                    | 1,077,216                       |
| R Rowe    | 624,000                  | 216,228                  | -                               | 840,228                      | 840,228                         |
| A Eggo    | 624,000                  | 216,228                  | -                               | 840,228                      | 840,228                         |
| G Bell    | -                        | 148,847                  | -                               | 148,847                      | 148,847                         |
| M Evans   | -                        | 64,607                   | -                               | 64,607                       | 64,607                          |
|           | 2,048,000                | 923,126                  | -                               | 2,971,126                    | 2,971,126                       |

- (i) As outlined above, and subject to shareholder approval, the Company intends to issue performance rights to eligible Executives and employees on terms approved by the Board, with a cycle start date of 11 Feb 2022 and end date of 10 Feb 2025 (Issue 2022AB). These performance rights are expected to be issued within three days of SensOre's annual general meeting (currently anticipated to be held on 20 October 2022). However, under the terms of the long term incentive plan, the effective grant date is 11 February 2022, with vesting conditions measured on the three-year anniversary of the effective grant date (11 February 2025) and expiry date on the five year anniversary of the effective grant date (11 February 2027). Further details regarding these proposed Performance Rights will be outlined in the Company's notice of annual general meeting.
- (ii) The Chief Financial Officer and Company Secretary of the Company resigned on 30 September 2022 and 29 July 2022 respectively and as such were not eligible to be issued any performance rights in the 2022 cycle.

No performance rights or share options were exercised by or forfeited by KMP during the period ended 30 June 2022.

### 9. Loans to KMP

No loans were made to KMP during the period, nor are any loans to KMP outstanding.

## DIRECTORS' REPORT

### 10. Director-related transactions

#### 10.1 Loans to related parties

No loans were made to director-related parties during the year.

#### 10.2 Transactions with director-related entities

The terms and conditions of transactions with KMP were no more favourable to KMP and their related entities than those available, or which might reasonably be expected to be available, on similar transactions to KMP related entities on an arm's length basis.

This is the end of the Remuneration Report which has been audited.

On behalf of the directors



**Robert Peck AM**  
**Director**



**Richard Taylor**  
**Director**

Melbourne, 30 August 2022

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**Grant Thornton Audit Pty Ltd**

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## Auditor's Independence Declaration

### To the Directors of SensOre Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of SensOre Ltd for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



B A Mackenzie  
Partner – Audit & Assurance

Melbourne, 30 August 2022

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## CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2022

|                                                               |      | Consolidated              |                             |
|---------------------------------------------------------------|------|---------------------------|-----------------------------|
|                                                               |      | Year ended<br>30 Jun 2022 | Period ended<br>30 Jun 2021 |
|                                                               | Note | A\$                       | A\$                         |
| Revenue                                                       | 6    | 558,500                   | 450,000                     |
| Other income                                                  | 6    | 1,517,619                 | 1,232,920                   |
| Employee benefit expenses                                     | 7    | (3,975,433)               | (2,217,688)                 |
| Administration expenses                                       | 7    | (636,177)                 | (433,505)                   |
| Depreciation and amortisation expenses                        | 7    | (578,079)                 | (553,702)                   |
| Exploration preparation expenses                              | 7    | (3,382,009)               | (1,797,400)                 |
| Consultants and contractor expenses                           | 7    | (1,222,917)               | (672,273)                   |
| Interest expense                                              |      | (11,253)                  | -                           |
| Other expenses                                                |      | (183,122)                 | (178,362)                   |
| <b>Loss before tax</b>                                        |      | <b>(7,912,871)</b>        | <b>(4,170,010)</b>          |
| Income tax benefit                                            | 8    | -                         | 33                          |
| <b>Loss for the year</b>                                      |      | <b>(7,912,871)</b>        | <b>(4,169,977)</b>          |
| Other comprehensive income                                    |      | -                         | -                           |
| <b>Total comprehensive loss for the year</b>                  |      | <b>(7,912,871)</b>        | <b>(4,169,977)</b>          |
| <b>Loss for the year attributable to:</b>                     |      |                           |                             |
| - owners of the parent entity                                 |      | (6,834,103)               | (3,435,113)                 |
| - non-controlling interests                                   | 18   | (1,078,768)               | (734,864)                   |
|                                                               |      | <b>(7,912,871)</b>        | <b>(4,169,977)</b>          |
| <b>Total comprehensive loss for the year attributable to:</b> |      |                           |                             |
| - owners of the parent entity                                 |      | (6,834,103)               | (3,435,113)                 |
| - non-controlling interests                                   | 18   | (1,078,768)               | (734,864)                   |
| <b>Total comprehensive loss for the year</b>                  |      | <b>(7,912,871)</b>        | <b>(4,169,977)</b>          |
| <b>Loss per share:</b>                                        |      | <b>Cents</b>              | <b>Cents</b>                |
| Basic and diluted loss per share (cents)                      | 19   | (11.60)                   | (6.74)                      |

Notes to the financial statements are included on pages 36 to 72

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

|                                                                 |      | Consolidated      |                   |
|-----------------------------------------------------------------|------|-------------------|-------------------|
|                                                                 |      | 30 Jun 2022       | 30 Jun 2021       |
|                                                                 | Note | A\$               | A\$               |
| <b>Current assets</b>                                           |      |                   |                   |
| Cash and cash equivalents                                       | 22   | 4,128,745         | 1,603,835         |
| Trade and other receivables                                     | 9    | 1,637,405         | 1,075,893         |
| Other current assets                                            | 10   | 170,814           | 147,710           |
| <b>Total current assets</b>                                     |      | <b>5,936,964</b>  | <b>2,827,438</b>  |
| <b>Non-current assets</b>                                       |      |                   |                   |
| Property, plant and equipment                                   | 11   | 223,922           | 273,516           |
| Exploration and evaluation assets                               | 12   | 7,604,251         | 7,179,155         |
| Technology and intellectual property assets                     | 13   | 3,708,833         | 4,208,833         |
| Other non-current assets                                        | 10   | 9,423             | 9,423             |
| <b>Total non-current assets</b>                                 |      | <b>11,546,429</b> | <b>11,670,927</b> |
| <b>Total assets</b>                                             |      | <b>17,483,393</b> | <b>14,498,365</b> |
| <b>Current liabilities</b>                                      |      |                   |                   |
| Trade and other payables                                        | 14   | 894,816           | 1,210,415         |
| Provisions – current                                            | 15   | 232,292           | 142,264           |
| Lease liability – current                                       | 16   | 30,315            | 25,805            |
| Borrowings – current                                            |      | 50,610            | 28,364            |
| <b>Total current liabilities</b>                                |      | <b>1,208,033</b>  | <b>1,406,848</b>  |
| <b>Non-current liabilities</b>                                  |      |                   |                   |
| Lease liability – non-current                                   | 16   | 33,877            | 64,218            |
| Provisions – current                                            | 15   | 21,367            | 5,564             |
| <b>Total non-current liabilities</b>                            |      | <b>55,244</b>     | <b>69,782</b>     |
| <b>Total liabilities</b>                                        |      | <b>1,263,277</b>  | <b>1,476,630</b>  |
| <b>Net assets</b>                                               |      | <b>16,220,116</b> | <b>13,021,735</b> |
| <b>Equity</b>                                                   |      |                   |                   |
| Issued capital                                                  | 17   | 23,132,708        | 15,174,080        |
| Performance rights and share options reserve                    | 24   | 2,075,090         | 149,706           |
| Accumulated losses                                              |      | (11,901,290)      | (5,067,187)       |
| <b>Equity relating to the shareholders of the parent entity</b> |      | <b>13,306,508</b> | <b>10,256,599</b> |
| Non-controlling interest                                        | 18   | 2,913,608         | 2,765,136         |
| <b>Total equity</b>                                             |      | <b>16,220,116</b> | <b>13,021,735</b> |

Notes to the financial statements are included on pages 36 to 72

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2022

|                                                    | Share capital<br>A\$ | Performance<br>rights and share<br>options reserve<br>A\$ | Accumulated<br>losses<br>A\$ | Attributable to<br>equity holders of<br>the parent<br>A\$ | Attributable to<br>non-controlling<br>interest<br>A\$ | Total equity<br>A\$ |
|----------------------------------------------------|----------------------|-----------------------------------------------------------|------------------------------|-----------------------------------------------------------|-------------------------------------------------------|---------------------|
| <b>Balance at 1 July 2020</b>                      | <b>13,266,550</b>    | <b>22,352</b>                                             | <b>(1,632,074)</b>           | <b>11,656,828</b>                                         | <b>-</b>                                              | <b>11,656,828</b>   |
| Issue of ordinary shares                           | 1,965,751            | -                                                         | -                            | 1,965,751                                                 | -                                                     | 1,965,751           |
| Share issue costs                                  | (58,221)             | -                                                         | -                            | (58,221)                                                  | -                                                     | (58,221)            |
| Recognition of non-controlling interest investment | -                    | -                                                         | -                            | -                                                         | 3,500,000                                             | 3,500,000           |
| Loss for the period ended 30 June 2022             | -                    | -                                                         | (3,435,113)                  | (3,435,113)                                               | (734,864)                                             | (4,169,977)         |
| <b>Total comprehensive loss</b>                    | <b>-</b>             | <b>-</b>                                                  | <b>(3,435,113)</b>           | <b>(3,425,113)</b>                                        | <b>(734,864)</b>                                      | <b>(4,169,977)</b>  |
| Recognition of equity-settled employee benefits    | -                    | 127,354                                                   | -                            | 127,354                                                   | -                                                     | 127,354             |
| <b>Balance at 30 June 2021</b>                     | <b>15,174,080</b>    | <b>149,706</b>                                            | <b>(5,067,187)</b>           | <b>10,256,599</b>                                         | <b>2,765,136</b>                                      | <b>13,021,735</b>   |
| Issue of ordinary shares                           | 9,838,889            | -                                                         | -                            | 9,838,889                                                 | -                                                     | 9,838,889           |
| Share issue costs - cash                           | (1,074,304)          | -                                                         | -                            | (1,074,304)                                               | -                                                     | (1,074,304)         |
| Share issue costs – non-cash                       | (805,957)            | 805,957                                                   | -                            | -                                                         | -                                                     | -                   |
| Recognition of non-controlling interest investment | -                    | -                                                         | -                            | -                                                         | 1,227,240                                             | 1,227,240           |
| Loss for the period ended 30 June 2022             | -                    | -                                                         | (6,834,103)                  | (6,834,103)                                               | (1,078,768)                                           | (7,912,871)         |
| <b>Total comprehensive loss</b>                    | <b>-</b>             | <b>-</b>                                                  | <b>(6,834,103)</b>           | <b>(6,834,103)</b>                                        | <b>(1,078,768)</b>                                    | <b>(7,912,871)</b>  |
| Recognition of equity-settled employee benefits    | -                    | 1,119,427                                                 | -                            | 1,119,427                                                 | -                                                     | 1,119,427           |
| <b>Balance at 30 June 2022</b>                     | <b>23,132,708</b>    | <b>2,075,090</b>                                          | <b>(11,901,290)</b>          | <b>13,306,508</b>                                         | <b>2,913,608</b>                                      | <b>16,220,116</b>   |

Notes to the financial statements are included on pages 36 to 72

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2022

|                                                               |           | Consolidated       |                    |
|---------------------------------------------------------------|-----------|--------------------|--------------------|
|                                                               |           | 30 Jun 2022        | 30 Jun 2021        |
|                                                               | Note      | A\$                | A\$                |
| <b>Cash flows related to operating activities</b>             |           |                    |                    |
| Receipts from customers                                       |           | 288,200            | 450,000            |
| Receipts from Australian Tax Office – R&D Tax incentive       |           | 951,744            | 489,552            |
| Receipts from government grants                               |           | 299,102            | 178,010            |
| Payments to suppliers and employees                           |           | (3,853,566)        | (2,580,687)        |
| Payments for non-capitalised exploration expenditure          |           | (3,599,063)        | (1,622,519)        |
| Interest paid                                                 |           | (7,416)            | (1,291)            |
| Income tax refund received                                    |           | -                  | 33                 |
| <b>Net cash used in operating activities</b>                  | <b>22</b> | <b>(5,920,999)</b> | <b>(3,086,902)</b> |
| <b>Cash flows related to investing activities</b>             |           |                    |                    |
| Purchase of exploration and evaluation assets                 |           | (1,427,191)        | (2,138,044)        |
| Purchase of property, plant and equipment                     |           | (28,484)           | (40,145)           |
| Interest received                                             |           | 93                 | -                  |
| <b>Net cash used in investing activities</b>                  |           | <b>(1,455,582)</b> | <b>(2,178,189)</b> |
| <b>Cash flows related to financing activities</b>             |           |                    |                    |
| Proceeds from capital raisings                                | 17        | 9,838,889          | 1,965,751          |
| Payment of share issue costs                                  | 17        | (1,074,304)        | (19,183)           |
| Payment of lease liabilities                                  |           | (25,831)           | (1,095)            |
| Repayment of borrowings                                       |           | (64,503)           | (11,039)           |
| Proceeds from investment in YEV by DGO Gold Limited           |           | 1,227,240          | 3,500,000          |
| <b>Net cash provided by financing activities</b>              |           | <b>9,901,491</b>   | <b>5,434,434</b>   |
| Net increase/(decrease) in cash and cash equivalents held     |           | 2,524,910          | 169,343            |
| Cash and cash equivalents at beginning of the financial year  |           | 1,603,835          | 1,434,492          |
| <b>Cash and cash equivalents at end of the financial year</b> | <b>22</b> | <b>4,128,745</b>   | <b>1,603,835</b>   |

Notes to the financial statements are included on pages 36 to 72

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

## 1. GENERAL INFORMATION

SensOre Ltd (the **Company**) is an Australian listed public company, incorporated and operating in Australia. The principal activities of the Company and its subsidiaries (the **Group**) are disclosed in the Directors' Report.

The Company's registered office and principal place of business at the date of this report is Level 3, 10 Queen Street, Melbourne, Victoria 3000, Australia.

## 2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the **AASB**) that are relevant to its operations and effective for reporting periods beginning on 1 July 2021.

The Group has not elected to early adopt any new standards or amendments. The directors note that the impact of the initial application of the Standards and Interpretations which have been issued but which are not yet effective is not yet known or is not reasonably estimable and is currently being assessed.

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below:

| Standard/Interpretation                                                                                                                      | Effective      |
|----------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| AASB 2020-3 Amendments to AASs – Annual Improvements 2018-2020 and Other Amendments                                                          | 1 January 2022 |
| AASB 17 Insurance Contracts                                                                                                                  | 1 January 2023 |
| AASB 2014-10 Amendments to AASs – Sale or Contribution of Assets between an Investor and its Associates or Joint Venture                     | 1 January 2025 |
| AASB 2020-6 Amendments to AASs – Classification of Liabilities as Current or Non-current                                                     | 1 January 2023 |
| AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates         | 1 January 2023 |
| AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 1 January 2023 |
| AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information              | 1 January 2023 |

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

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

The financial statements were authorised for issue by the directors on 30 August 2022.

### Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost except, where applicable, for the revaluation of certain non-current assets and financial instruments.

Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries (referred to as 'the Group' in these financial statements). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect the returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

### Going concern

This annual financial report has been prepared on a going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. The Group incurred a net loss after tax of \$7,912,871 (30 June 2021: Loss of \$4,169,977) and had a net cash outflow from operating activities of \$5,920,999 (30 June 2021: cash outflow of \$3,086,902) during the year ended 30 June 2022. As at 30 June 2022, the Group's current assets exceeded current liabilities by \$4,728,931 (30 June 2021: \$1,420,590) and the Group had cash and cash equivalents of \$4,128,745 (30 June 2021: \$1,603,835).

Throughout the year ended 30 June 2022, COVID-19 adversely affected the Group's business and its ability to deliver work programs in the areas in which the Group operates, including Western Australia. COVID restrictions and delays impacted staff and contractor mobilisation and the availability of materials and equipment.

The Group will continue to manage its activities and intends to put in place all such arrangements to ensure that it has sufficient cash reserves to meet its existing budgeted expenditures for the next twelve months from the date of this report. For further details of future commitments refer to notes 20 and 25. In the opinion of the directors, the Group will be in a position to continue to meet its liabilities and obligations for a period of at least twelve months from the date of signing this report, because the Group has the support of its shareholders and other financiers and hence will be able to secure and execute its remaining planned activities over the same period.

The opinion of the directors has been determined after consideration of the Group's cash position and forecast expenditures and the ability to scale its operations to any funding constraints. The group has a history of successful recent capital raising activities including the Initial Public Offering (IPO) which raised \$7.5 million before costs, pre-IPO capital raising of \$4.3 million before costs along with the strategic investment by DGO Gold Limited in Group subsidiary Yilgarn Exploration Ventures Pty Ltd in July 2020 and believes the technology solution and mining portfolio are attractive assets for capital providers.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern. Should the Group be unable to obtain the funding outlined above, there is material uncertainty as to whether the Group will be able to continue as a going concern, and therefore whether it will be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts from those stated in the annual financial report.

### Significant accounting policies

The following is a summary of the material accounting policies adopted by the Group in the preparation of the consolidated financial statements. The accounting policies have been consistently applied unless otherwise stated.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### (a) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent of other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### Other significant accounting policies

Significant accounting policies are disclosed in the respective notes to the financial statements.

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3 above and within each associated note to the financial statements, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### Critical judgements in applying the Group's accounting policies

Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are found in the following notes:

Note 13 – Technology and intellectual property assets

Note 12 – Exploration and evaluation assets

Note 24 – Share-based payments

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 5. SEGMENT INFORMATION

The Group's operating segments are identified on the basis of internal reports about components of the entity that are regularly reviewed by the CEO (chief operating decision maker) in order to allocate resources to the segments and to assess their performance. The Group undertook technology research and development and mineral exploration of gold, nickel and other base metals in Australia during the year.

#### Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable operating segment:

|              | Consolidated      |                   |                  |                  |
|--------------|-------------------|-------------------|------------------|------------------|
|              | Assets            |                   | Liabilities      |                  |
|              | 30 Jun 2022       | 30 Jun 2021       | 30 Jun 2022      | 30 Jun 2021      |
|              | A\$               | A\$               | A\$              | A\$              |
| Technology   | 5,502,722         | 5,375,832         | 331,151          | 204,352          |
| Exploration  | 8,021,401         | 7,642,667         | 465,834          | 784,469          |
| Corporate    | 3,959,270         | 1,479,866         | 466,292          | 487,809          |
| <b>Total</b> | <b>17,483,393</b> | <b>14,498,365</b> | <b>1,263,277</b> | <b>1,476,630</b> |

#### Segment revenue and results

The following is an analysis of the Group's revenue and results from operations:

|                       | Consolidated             |                  |                    |                    |
|-----------------------|--------------------------|------------------|--------------------|--------------------|
|                       | Revenue and other income |                  | Segment loss       |                    |
|                       | Year ended               | Year ended       | Year ended         | Year ended         |
|                       | 30 Jun 2022              | 30 Jun 2021      | 30 Jun 2022        | 30 Jun 2021        |
|                       | A\$                      | A\$              | A\$                | A\$                |
| Technology            | 1,849,663                | 1,427,171        | (1,449,985)        | (749,005)          |
| Exploration           | 192,631                  | 227,045          | (4,236,173)        | (1,899,099)        |
| Corporate             | 33,825                   | 28,704           | (2,226,713)        | (1,521,906)        |
| <b>Total</b>          | <b>2,076,119</b>         | <b>1,682,920</b> | <b>7,912,871</b>   | <b>(4,170,010)</b> |
| Income tax benefit    |                          |                  | -                  | 33                 |
| <b>Loss after tax</b> |                          |                  | <b>(7,912,871)</b> | <b>(4,169,977)</b> |

The revenue reported above represents revenue generated from external sources. There were no intersegment sales during the year.

#### Other segment information

|              | Consolidated                  |                |                                 |                |
|--------------|-------------------------------|----------------|---------------------------------|----------------|
|              | Depreciation and amortisation |                | Additions to non-current assets |                |
|              | Year ended                    | Year ended     | Year ended                      | Year ended     |
|              | 30 Jun 2022                   | 30 Jun 2021    | 30 Jun 2022                     | 30 Jun 2021    |
|              | A\$                           | A\$            | A\$                             | A\$            |
| Technology   | 533,442                       | 538,949        | 6,441                           | 22,772         |
| Exploration  | 4,395                         | 1,859          | 20,054                          | 11,661         |
| Corporate    | 40,242                        | 12,894         | 1,990                           | 96,830         |
| <b>Total</b> | <b>578,079</b>                | <b>553,702</b> | <b>28,485</b>                   | <b>131,263</b> |

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 6. REVENUE AND OTHER INCOME

|                                        | Consolidated<br>Year ended |                  |
|----------------------------------------|----------------------------|------------------|
|                                        | 30 Jun 2022                | 30 Jun 2021      |
|                                        | A\$                        | A\$              |
| <b>Revenue</b>                         |                            |                  |
| Exploration services <sup>(i)</sup>    | 558,500                    | 450,000          |
| <b>Other income</b>                    |                            |                  |
| Research and development tax incentive | 1,296,163                  | 977,171          |
| Government grants <sup>(ii)(iii)</sup> | 211,600                    | 231,811          |
| Other                                  | 9,856                      | 23,938           |
| <b>Other income</b>                    | <b>1,517,619</b>           | <b>1,232,920</b> |

- (i) Exploration services is based on revenue earned at a point in time in accordance with contractual performance obligations.
- (ii) During the year ended 30 June 2022, government grants of \$177,868 (30 June 2021: \$203,107) were received as part of the Exploration Incentive Scheme (EIS) that aims to encourage mineral exploration in Western Australia for the long-term sustainability of the State's mineral resources sector. EIS grants were received for drilling programs conducted at Tea Well, Desdemona North and Moonera. The grants are made on a co-funding basis with 80% of the grant amount released on completion of the drilling program and the remaining 20% released following submission of final drilling results. There are no future related costs in respect of these grants which were received solely as compensation for costs incurred in the current financial year.
- (iii) During the year ended 30 June 2022, government grants of \$33,732 (30 June 2021: \$28,704) were received as part of the Export Market Development Grant (EMDG) program that helps Australian businesses grow their exports in international markets. The grants were made on the basis of a 50% reimbursement for eligible export promotion expenses. There are no future related costs in respect of these grants which were received solely as compensation for costs incurred in the current financial year.

#### Revenue recognition

The Group recognises revenue as follows:

##### *Revenue from contracts with customers – Exploration services*

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.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

##### *Rendering of services – Exploration revenue*

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

### Research and Development Tax Incentive

The federal government's Research and Development Tax Incentive program (R&DTI) offers a tax offset for companies conducting eligible R&D activities. Companies in a tax loss position are able to obtain a refund of the tax offset. When management is able to calculate a reasonable estimate of the R&DTI refund likely to be received for a financial year, that amount is recognised in the financial year to which the refund relates. When a reasonable estimate cannot be determined, income from the R&DTI refund is recognised when it is received.

## 7. LOSS FOR THE YEAR

Loss for the year from continuing operations includes the following expenses:

|                                                                 | Consolidated<br>Year ended |                    |
|-----------------------------------------------------------------|----------------------------|--------------------|
|                                                                 | 30 Jun 2022<br>A\$         | 30 Jun 2021<br>A\$ |
| <b>Employee benefits expense</b>                                |                            |                    |
| Non-executive director remuneration                             | 105,000                    | -                  |
| Remuneration expense                                            | 3,271,301                  | 2,514,939          |
| Recharge of remuneration expense to exploration expense         | (994,159)                  | (732,724)          |
| Other employment costs                                          | 204,711                    | 75,201             |
| <i>Post-employment benefits</i>                                 |                            |                    |
| Superannuation contributions                                    | 274,394                    | 176,719            |
| Recharge of superannuation contributions to exploration expense | (72,034)                   | (43,851)           |
| Amortisation of equity-settled share-based payment              | 1,080,389                  | 127,354            |
| Provision for leave entitlements                                | 105,831                    | 100,050            |
|                                                                 | <b>3,975,433</b>           | <b>2,217,688</b>   |
| <b>Depreciation and amortisation</b>                            |                            |                    |
| Technology and intellectual property                            | 500,000                    | 500,000            |
| Computer equipment                                              | 45,320                     | 51,422             |
| Furniture and equipment                                         | 2,386                      | 1,032              |
| Right-of-use asset                                              | 30,373                     | 1,248              |
|                                                                 | <b>578,079</b>             | <b>553,702</b>     |
| <b>Impairment of exploration and evaluation assets</b>          | <b>1,179,339</b>           | <b>-</b>           |

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 8. INCOME TAX

#### (a) Income tax recognised in profit or loss

|                                                                                                                                                            | Consolidated<br>Year ended |                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------------|
|                                                                                                                                                            | 30 Jun 2022<br>A\$         | 30 Jun 2021<br>A\$ |
| <b>Tax (income) comprises:</b>                                                                                                                             |                            |                    |
| Current tax income                                                                                                                                         | (1,284,882)                | (719,864)          |
| Benefit arising from previously unrecognised tax losses, tax credits or temporary differences of a prior period that is used to reduce current tax expense | (56,393)                   | 4,843              |
|                                                                                                                                                            | <b>(1,341,275)</b>         | <b>(715,021)</b>   |
| Deferred tax expense relating to the origination and reversal of temporary differences                                                                     | 255,315                    | 147,044            |
| Benefit arising from previously recognised temporary differences of prior periods used to reduce deferred tax expense                                      | 56,393                     | (4,810)            |
| Effect of unused tax losses not recognised as deferred tax assets                                                                                          | 1,029,567                  | 572,820            |
| <b>Total tax expense/(income)</b>                                                                                                                          | <b>-</b>                   | <b>33</b>          |

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

|                                                                         | Consolidated<br>Year ended |                    |
|-------------------------------------------------------------------------|----------------------------|--------------------|
|                                                                         | 30 Jun 2022<br>A\$         | 30 Jun 2021<br>A\$ |
| Loss from operations                                                    | (7,912,871)                | (4,169,977)        |
| Income tax (income) calculated at 25.0% (2021 – 26.0%)                  | (1,978,218)                | (1,084,194)        |
| Non-deductible expenses                                                 | 1,017,458                  | 618,394            |
| Non-assessable gains                                                    | (324,122)                  | (254,064)          |
| Recognition of previously unrecognised deductible temporary differences | 255,315                    | 147,044            |
| Recognition of prior year R&D tax incentive                             | -                          | 33                 |
| Unused tax losses and tax offsets not recognised as deferred tax assets | 1,029,567                  | 572,820            |
| <b>Income tax expense recognised in loss</b>                            | <b>-</b>                   | <b>33</b>          |

The tax rate used in the above reconciliation is the corporate tax rate of 25.0% (30 June 2021: 26.0%) payable by Australian Base Rate corporate entities on taxable profits under Australian tax law.

#### (b) Income tax recognised directly in equity

There were no current and deferred amounts charged directly to equity during the period.

#### (c) Deferred tax balances

There were no deferred tax balances recognised in the statement of financial position during the period.

The company has the following unrecognised deferred tax balances:

|                                                                               | Consolidated       |                    |
|-------------------------------------------------------------------------------|--------------------|--------------------|
|                                                                               | 30 Jun 2022<br>A\$ | 30 Jun 2021<br>A\$ |
| The following deferred tax assets have not been brought to account as assets: |                    |                    |
| Tax losses                                                                    | 2,228,599          | 981,482            |
| Temporary differences                                                         | (290,098)          | (160,132)          |
|                                                                               | <b>1,938,501</b>   | <b>821,350</b>     |

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### (d) Accounting policy

#### Tax consolidation

##### *Relevance of tax consolidation to the Group*

The Company and its wholly-owned Australian resident entities have formed a tax consolidated group with effect from 7 December 2019 and are therefore taxed as a single entity from this date. The Head Entity within the tax consolidated group is SensOre Ltd. The members of the tax consolidated group are identified in note 21.

#### Income tax

##### *Current tax*

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

##### *Deferred tax*

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company/Group intends to settle its current tax assets and liabilities on a net basis.

##### *Tax consolidation*

The Company and all its wholly-owned Australian resident Entities are part of a tax consolidated group under Australian taxation law. SensOre Ltd is the Head Entity in the tax consolidated group. A tax funding arrangement has not been finalised between entities within the tax consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the 'stand-alone taxpayer' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax consolidated group are recognised by the Company (as Head Entity in the tax consolidated group).

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 9. TRADE AND OTHER RECEIVABLES

|                                          | Consolidated     |                  |
|------------------------------------------|------------------|------------------|
|                                          | 30 Jun 2022      | 30 Jun 2021      |
|                                          | A\$              | A\$              |
| <b>Trade receivables</b>                 |                  |                  |
| Exploration services receivable          | 326,150          | -                |
| <b>Other receivables</b>                 |                  |                  |
| Research and development tax incentive   | 1,296,486        | 952,068          |
| Government grants receivable             | -                | 77,739           |
| GST receivable                           | 14,769           | 46,086           |
| <b>Total trade and other receivables</b> | <b>1,637,405</b> | <b>1,075,893</b> |

#### Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest method.

### 10. OTHER ASSETS

|                              | Consolidated   |                |
|------------------------------|----------------|----------------|
|                              | 30 Jun 2022    | 30 Jun 2021    |
|                              | A\$            | A\$            |
| <b>Current</b>               |                |                |
| Prepayments                  | 170,814        | 147,710        |
|                              | <b>170,814</b> | <b>147,710</b> |
| <b>Non-current</b>           |                |                |
| Bond – office <sup>(i)</sup> | 9,423          | 9,423          |
|                              | <b>9,423</b>   | <b>9,423</b>   |

(i) Security bond held over the Company's Perth office refundable on the termination of the lease contract.

### 11. PROPERTY, PLANT AND EQUIPMENT

|                                            | Consolidated   |                |
|--------------------------------------------|----------------|----------------|
|                                            | 30 Jun 2022    | 30 Jun 2021    |
|                                            | A\$            | A\$            |
| <b>Computer equipment</b>                  |                |                |
| At cost                                    | 256,623        | 245,721        |
| Less accumulated depreciation              | (115,803)      | (70,483)       |
| <b>Total computer equipment</b>            | <b>140,820</b> | <b>175,238</b> |
| <b>Furniture and equipment</b>             |                |                |
| At cost                                    | 27,113         | 9,530          |
| Less accumulated depreciation              | (3,508)        | (1,122)        |
| <b>Total furniture and equipment</b>       | <b>23,605</b>  | <b>8,408</b>   |
| <b>Right-of-use assets</b>                 |                |                |
| At cost                                    | 91,118         | 91,118         |
| Less accumulated depreciation              | (31,621)       | (1,248)        |
| <b>Total right-of-use assets</b>           | <b>59,497</b>  | <b>89,870</b>  |
| <b>Total property, plant and equipment</b> | <b>223,922</b> | <b>273,516</b> |

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period.

|                                        | Computer<br>equipment<br>A\$ | Furniture &<br>equipment<br>A\$ | Right-of-use<br>assets<br>A\$ | Total<br>A\$   |
|----------------------------------------|------------------------------|---------------------------------|-------------------------------|----------------|
| <b>Opening balance at 1 July 2020</b>  | <b>188,911</b>               | <b>7,044</b>                    | <b>-</b>                      | <b>195,955</b> |
| Additions                              | 37,749                       | 2,396                           | 91,118                        | 131,263        |
| Depreciation                           | (51,422)                     | (1,032)                         | (1,248)                       | (53,702)       |
| <b>Closing balance at 30 June 2021</b> | <b>175,238</b>               | <b>8,408</b>                    | <b>89,870</b>                 | <b>273,516</b> |
| Additions                              | 10,902                       | 17,583                          | -                             | 28,485         |
| Depreciation                           | (45,320)                     | (2,386)                         | (30,373)                      | (78,079)       |
| <b>Closing balance at 30 June 2022</b> | <b>140,820</b>               | <b>23,605</b>                   | <b>59,497</b>                 | <b>223,922</b> |

### Recognition and measurement

Plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

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

### Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value or straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use. The following table indicates the expected useful lives of non-current assets on which the depreciation charges are based.

| Class of fixed asset    | Depreciation basis | Effective life<br>(years) | Depreciation<br>rate (%) |
|-------------------------|--------------------|---------------------------|--------------------------|
| Computer equipment      | Diminishing value  | 2-5                       | 20-50                    |
| Furniture and equipment | Diminishing value  | 10-20                     | 5-10                     |
| Right-of-use assets     | Straight-line      | 3                         | 33.3                     |

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 12. EXPLORATION AND EVALUATION ASSETS

|                                                       | Consolidated     |                  |
|-------------------------------------------------------|------------------|------------------|
|                                                       | 30 Jun 2022      | 30 Jun 2021      |
|                                                       | A\$              | A\$              |
| Exploration and evaluation assets – at cost           | 8,783,590        | 7,179,155        |
| Accumulated impairment                                | (1,179,339)      | -                |
|                                                       | <b>7,604,251</b> | <b>7,179,155</b> |
|                                                       |                  | <b>Total</b>     |
|                                                       |                  | <b>A\$</b>       |
| <b>Opening balance at 1 July 2020</b>                 |                  | <b>4,966,111</b> |
| Exploration expenditure capitalised during the period |                  | 2,213,044        |
| <b>Closing balance at 30 June 2021</b>                |                  | <b>7,179,155</b> |
| Exploration expenditure capitalised during the year   |                  | 1,604,435        |
| Impairment of exploration and evaluation expenditure  |                  | (1,179,339)      |
| <b>Closing balance at 30 June 2022</b>                |                  | <b>7,604,251</b> |

#### Exploration and evaluation costs

Expenditure on exploration and evaluation is accounted for in accordance with the area of interest method. The Group's application of the accounting policy for the cost of exploring and of evaluating discoveries are accounted for under the successful efforts method.

Areas of interest are based on a geographical area. All exploration and evaluation expenditure, including general permit activity, geological and geophysical costs and new venture activity costs are expensed as incurred except for the following:

- direct drilling expenditure related to an area of interest where an assessment of the existence or otherwise of economically recoverable reserves is not yet complete at reporting date; or
- the costs of acquiring an interest in new exploration and evaluation areas of interest and tenement licences.

In the statement of cash flows, those cash flows associated with capitalised exploration and evaluation expenditure are classified as cash flows used in investing activities.

#### Exploration commitments

The Group has exploration expenditure obligations which are contracted for, but not provided for in the financial statements. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Group. For further information, see note 25.

#### Impairment of exploration and evaluation assets

During the year ended 30 June 2022, SensOre recognised an impairment loss of \$1,179,339 across a number of exploration projects as a result of relinquishment of tenements and exploration results obtained through relevant drilling programs.

During the year ended 30 June 2022:

- YEV relinquished three tenements (P58/1821, P58/1822 and P58/1823) in relation to the Mt Magnet (South) project (100% owned by YEV). As such, an impairment of \$63,340 (comprising \$55,000 of exploration expenditure allocated on formation of SensOre and \$7,840 of expenditure incurred since formation) was recognised against exploration and evaluation assets at the date these tenements were relinquished;

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

- SYV elected not to exercise its option in the Auckland project and paid the option cancellation fee of \$25,000 to the tenement holder (consistent with contingent liabilities reported at 30 June 2021). As such, an impairment of \$35,000 (relating to the option acquisition costs incurred during the year ended 30 June 2021) was recognised against exploration and evaluation assets at 30 June 2022;
- YEV resolved to divest the Christmas Well and 8 Mile Well tenement packages during the year due to lower than expected prospectivity indicated by results of drilling programs completed during the year ended 30 June 2021. As such, an impairment of \$426,086 (comprising \$290,000 of exploration expenditure allocated on formation of SensOre and \$136,086 of expenditure incurred since formation) was recognised against exploration and evaluation assets at 30 June 2022;
- YEV agreed to divest the Providence Bore tenement (E29/1072) in exchange for a 1% Net Smelter Return royalty on all mineral production and sold all drilling data for this tenement to Aurenne MIT Pty Ltd. As such, an impairment of \$383,805 (comprising \$290,000 of exploration expenditure allocated on formation of SensOre and \$93,805 of expenditure incurred since formation) was recognised against exploration and evaluation assets at 30 June 2022; and
- YEV relinquished 14 of the 20 tenements in relation to the Tea Well project (100% owned by YEV). As such, an impairment of \$271,108 (comprising \$200,000 of exploration expenditure allocated on formation of SensOre and \$71,108 of expenditure incurred since formation) was recognised against exploration and evaluation assets as at 30 June 2022.

Any drilling costs incurred on the above tenements during the year ended 30 June 2022 that would normally be capitalised under the Group's accounting policy were recognised in the statement of profit or loss and other comprehensive income.

### **Critical judgements in applying the Company's accounting policies:**

#### *Area of interest*

An area of interest is defined by the Group as an individual geographical area whereby the presence of gold, nickel or other base metals is considered favourable or proved to exist.

#### *Impairment of exploration and evaluation assets*

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation or alternatively, sale of the respective area of interest. To successfully develop the exploration and evaluation assets, the Group is also required to meet its joint venture minimum expenditure obligations and other future funding obligations. Should the Group not succeed in securing appropriate funding to meet these obligations, the recoverability of capitalised exploration and evaluation assets could be impacted and may be required to be impaired.

Each potential or recognised area of interest is reviewed half-yearly to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support continued carry forward of capitalised costs. Where a potential impairment is indicated, assessment is performed using a fair value less costs to dispose method to determine the recoverable amount for each area of interest to which the exploration and evaluation expenditure is attributed.

This assessment requires management to make certain estimates and apply judgment in determining assumptions as to future events and circumstances, the assessment includes estimates in relation to forecast commodity price curves, future production and transportation costs, the volume of economically recoverable reserves, foreign exchange rates and discount rates. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, the Group concludes that it is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the income statement.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 13. TECHNOLOGY AND INTELLECTUAL PROPERTY ASSETS

|                                                                        | Consolidated     |                  |
|------------------------------------------------------------------------|------------------|------------------|
|                                                                        | 30 Jun 2022      | 30 Jun 2021      |
|                                                                        | A\$              | A\$              |
| Patents and trademarks                                                 | 500              | 500              |
| Technology and intellectual property assets – cost                     | 5,000,000        | 5,000,000        |
| Accumulated amortisation – technology and intellectual property assets | (1,291,667)      | (791,667)        |
| <b>Total technology and intellectual property</b>                      | <b>3,708,833</b> | <b>4,208,833</b> |

|                                        | Patents & Trademarks | Technology & Intellectual Property | Total A\$        |
|----------------------------------------|----------------------|------------------------------------|------------------|
| <b>Opening balance at 1 July 2020</b>  | <b>500</b>           | <b>4,708,333</b>                   | <b>4,708,833</b> |
| Amortisation expense                   | -                    | (500,000)                          | (500,000)        |
| <b>Closing balance at 30 June 2021</b> | <b>500</b>           | <b>4,208,333</b>                   | <b>4,208,833</b> |
| Amortisation expense                   | -                    | (500,000)                          | (500,000)        |
| <b>Closing balance at 30 June 2022</b> | <b>500</b>           | <b>3,708,333</b>                   | <b>3,708,833</b> |

#### Critical judgements in applying the Company's accounting policies:

##### Amortisation period

The Group amortises technology and intellectual property assets acquired from Sasak Minerals Pty Ltd over a period of 10 years. In assessing the useful life of these assets, the Group has taken into account:

- the stage of development of the technology and intellectual property; and
- the current usage and the anticipated future usage of the technology and intellectual property in its operations.

Based on the above, management has assumed that the technology and intellectual property will underpin the Group's growth objective in terms of establishing a commercial product and discovering economic mineral reserves and resources. Further, the technology will continue to be an integral building block for extension of the Group's current database through the rest of continental Australia and other parts of the world.

The useful life assessment requires management to make certain estimates and apply judgment in determining assumptions as to future events and circumstances. This assessment includes estimates in relation the usage of the technology, its ability to scale and the potential for new technology to impact on the acquired technology's usefulness to the Group. These estimates and assumptions may change as new information becomes available. If the Group concludes that this new information impacts on the underlying usefulness or its useful life, management will amend the useful life or write off any capitalised amounts to the profit and loss.

### 14. TRADE AND OTHER PAYABLES

|                                       | Consolidated   |                  |
|---------------------------------------|----------------|------------------|
|                                       | 30 Jun 2022    | 30 Jun 2021      |
|                                       | A\$            | A\$              |
| Trade payables <sup>(i)</sup>         | 377,812        | 347,472          |
| Sundry payables                       | 212,160        | 496,777          |
| Employee benefits payable             | 304,844        | 366,166          |
| <b>Total trade and other payables</b> | <b>894,816</b> | <b>1,210,415</b> |

- (i) The average credit period on purchases is approximately 30 days. No interest is charged on the trade payables for the first 30 days from the date of the invoice. Thereafter, interest may be levied on the outstanding balance at varying rates. The Group has financial risk management practices in place to ensure payables are paid within the credit timeframe.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost. Amortised cost is the initial amount payable less any repayments.

### 15. PROVISIONS

|                                                               | Consolidated   |                |
|---------------------------------------------------------------|----------------|----------------|
|                                                               | 30 Jun 2022    | 30 Jun 2021    |
|                                                               | A\$            | A\$            |
| <b>Movement in employee benefits provision:<sup>(i)</sup></b> |                |                |
| Carrying amount at beginning of the period                    | 147,828        | 47,778         |
| Employee benefits expense                                     | 105,831        | 100,050        |
| <b>Balance at 30 June</b>                                     | <b>253,659</b> | <b>147,828</b> |
| <b>Net carrying value – represented by:</b>                   |                |                |
| Current                                                       | 232,292        | 142,264        |
| Non-current                                                   | 21,367         | 5,564          |
| <b>Balance at 30 June</b>                                     | <b>253,659</b> | <b>147,828</b> |

(i) The above provisions for employee benefits represent annual leave and long service leave entitlements accrued by employees.

### Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, the future outflow of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received, and the amount of the receivable can be measured reliably.

### Employee benefits

#### Short and long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Amounts expected to settle within twelve months are recognised in current provisions in respect of employees' services up to the reporting date. Costs incurred in relation to sick leave are recognised when leave is taken and are measured at the rates paid or payable.

Liabilities recognised in respect of long-term employee benefits are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

### Termination benefits

Where contractual arrangements provide for a payment to a director or employee on termination of their employment, a provision for the payment of such amounts is recognised as the obligation arises.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has leases which predominately relate to the Company's head office premises and minor office equipment. Amounts recognised in the statement of financial position and the carrying amounts of the Group's right-of-use assets and lease liabilities and the movement during the year are as follows:

|                                                  | Consolidated           |               |                   |
|--------------------------------------------------|------------------------|---------------|-------------------|
|                                                  | Right-of-use assets    |               | Lease liabilities |
|                                                  | Leased premises<br>A\$ | Total<br>A\$  |                   |
| <b>As at 1 July 2020</b>                         |                        |               |                   |
| Additions during the year                        | 91,118                 | 91,118        | 91,118            |
| Depreciation expense                             | (1,248)                | (1,248)       | -                 |
| Interest expense                                 | -                      | -             | -                 |
| Lease payments                                   | -                      | -             | (1,095)           |
| <b>As at 30 June 2021</b>                        | <b>89,870</b>          | <b>89,870</b> | <b>90,023</b>     |
| Depreciation expense                             | (30,373)               | (30,373)      | -                 |
| Interest expense                                 | -                      | -             | 7,847             |
| Lease payments                                   | -                      | -             | (33,678)          |
| <b>As at 30 June 2022</b>                        | <b>59,497</b>          | <b>59,497</b> | <b>64,192</b>     |
| <b>Net carrying value of right-of-use assets</b> |                        | <b>A\$</b>    |                   |
| As at 30 June 2021                               |                        | 89,870        |                   |
| As at 30 June 2022                               |                        | 59,497        |                   |

Lease liabilities are presented in the statement of financial position as:

|                           | Consolidated       |                    |
|---------------------------|--------------------|--------------------|
|                           | 30 Jun 2022<br>A\$ | 30 Jun 2021<br>A\$ |
| Current                   | 30,315             | 25,805             |
| Non-current               | 33,877             | 64,218             |
| <b>Balance at 30 June</b> | <b>64,192</b>      | <b>90,023</b>      |

#### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities are increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities are remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

## 17. ISSUED CAPITAL

### Share capital

|                                                            | Consolidated      |                   |                   |                   |
|------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                            | 30 Jun 2022       | 30 Jun 2021       | 30 Jun 2022       | 30 Jun 2021       |
|                                                            | A\$               | A\$               | No.               | No.               |
| Fully paid ordinary shares                                 |                   |                   |                   |                   |
| At beginning of the period                                 | 15,174,080        | 13,266,550        | 52,994,773        | 50,506,480        |
| - shares issued 14 April 2021                              | -                 | 1,216,588         | -                 | 1,539,985         |
| - shares issued 22 April 2021                              | -                 | 344,160           | -                 | 435,646           |
| - shares issued 17 June 2021                               | -                 | 405,003           | -                 | 512,662           |
| - shares issued 31 August 2021                             | 354,630           | -                 | 448,899           | -                 |
| - shares issued 18 September 2021                          | 500,000           | -                 | 632,912           | -                 |
| - shares issued 20 September 2021                          | 1,500,004         | -                 | 1,898,737         | -                 |
| - shares issued 28 January 2022                            | 1,895,386         | -                 | 2,229,866         | -                 |
| - shares issued 2 February 2022                            | 5,588,869         | -                 | 6,575,136         | -                 |
| Cash costs associated with share issues                    | (1,074,304)       | (19,183)          | -                 | -                 |
| Non-cash costs associated with share issues                | (805,957)         | (39,038)          | -                 | -                 |
| <b>Ordinary fully paid shares at the end of the period</b> | <b>23,132,708</b> | <b>15,174,080</b> | <b>64,780,323</b> | <b>52,994,773</b> |

Fully paid ordinary shares carry one vote per share and a right to dividends. Each ordinary shareholder present at a general meeting, whether in person, by proxy or by representative is entitled to one vote on a show of hands or, on a poll, one vote for each fully paid ordinary share held.

Issued capital is classified as equity and is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

### Performance rights and broker options

Refer to note 24 share-based payments for details of share performance rights and broker options outstanding at 30 June 2022.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 18. NON-CONTROLLING INTEREST

|                                                                        | % of non-controlling interests | 30 Jun 2022<br>Profit/(loss)<br>A\$ | 30 Jun 2022<br>Net value<br>A\$ | 30 Jun 2021<br>Net value<br>A\$ |
|------------------------------------------------------------------------|--------------------------------|-------------------------------------|---------------------------------|---------------------------------|
| Yilgarn Exploration Ventures Pty Ltd                                   | 40.0                           | (1,078,768)                         | 2,913,608                       | 2,765,136                       |
| <b>Changes over the period</b>                                         |                                |                                     |                                 |                                 |
| At beginning of the period                                             |                                |                                     | 2,765,136                       | -                               |
| Investment in Yilgarn Exploration Ventures Pty Ltd by DGO Gold Limited |                                |                                     | 1,227,240                       | 3,500,000                       |
| Loss for the year                                                      |                                |                                     | (1,078,768)                     | (734,864)                       |
| <b>At end of the period</b>                                            |                                |                                     | <b>2,913,608</b>                | <b>2,765,136</b>                |

During the year ended 30 June 2021, the Group entered into an equity funding agreement with DGO Gold Limited (DGO) whereby DGO would contribute \$4.0 million in funding for the testing and exploration of targets identified by the Group and held by Yilgarn Exploration Ventures Pty Ltd (YEV) in exchange for new equity issued which would ultimately result in DGO earning a 40% interest in YEV.

For the year ending 30 June 2021, DGO contributed \$3.5 million of funding to YEV and received 300 fully paid shares and 100 partly paid shares. On 16 July 2021, YEV received the final contribution of \$500,000 and converted the 100 partly paid shares to fully paid shares.

For the period ended 30 June 2022, DGO contributed further funding to YEV as outlined below:

- SensOre acquired the Balagundi & Central Balagundi project for YEV's portfolio in return for an investment by DGO of \$444,000 (of which \$222,000 was received in July 2021 – the balance of \$222,000 was received in July 2022); and
- DGO contributed \$505,240 to YEV (representing 40% of YEV's cash funding needs during the period) to finance exploration of YEV's tenements.

Following the above contributions, and as outlined in note 21, DGO maintained a 40% ownership interest in YEV.

### 19. EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares for the dilutive effect, if any, of the outstanding share rights which have been issued to employees.

|                                                                                                                                             | <b>Consolidated</b> |                    |
|---------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|
|                                                                                                                                             | <b>30 Jun 2022</b>  | <b>30 Jun 2021</b> |
|                                                                                                                                             | <b>A\$ cents</b>    | <b>A\$ cents</b>   |
| Basic and diluted loss per share                                                                                                            | (11.60)             | (6.74)             |
| The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows: |                     |                    |
| Loss for the year attributable to members of SensOre Ltd                                                                                    | (6,834,103)         | (3,435,113)        |
|                                                                                                                                             |                     |                    |
|                                                                                                                                             | <b>Number</b>       | <b>Number</b>      |
| Weighted average number of ordinary shares for the purposes of basic and diluted loss per share                                             | 58,934,577          | 50,931,968         |

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

The following potential ordinary shares are not considered dilutive as the Company recognised a loss for the year ended, and are therefore excluded from the weighted average number of ordinary shares used in the calculation of diluted EPS:

| Unlisted performance rights | 30 Jun 2022<br>Number | 30 Jun 2021<br>Number |
|-----------------------------|-----------------------|-----------------------|
| 2020AA                      | 873,060               | 873,060               |
| 2020AB                      | 33,000                | 33,000                |
| 2020AC                      | 1,248,000             | 1,248,000             |
| 2020AD                      | 160,000               | 160,000               |
| 2020AE                      | 150,000               | 150,000               |
| 2020AF                      | 72,000                | 72,000                |
| 2020AG                      | 69,120                | 69,120                |
| 2021AA                      | 418,841               | 418,841               |
| 2021AB                      | 11,436                | 11,436                |
| 2021AC                      | 29,419                | 29,419                |
| 2021AD                      | 432,456               | 432,456               |
| 2021AE                      | 55,444                | 55,444                |
| 2021AF                      | 148,847               | 148,847               |
| 2021AG                      | 38,984                | 38,984                |
| 2021AH                      | 18,713                | 18,713                |
| 2021AI                      | 19,379                | -                     |
| 2022AA                      | 913,740               | -                     |
| 2022AB <sup>(i)</sup>       | 923,986               | -                     |
|                             | <b>5,616,425</b>      | <b>3,759,320</b>      |

- (i) Subject to shareholder approval, the Company intends to issue performance rights to eligible Executives and employees on terms approved by the Board, with a cycle start date of 11 Feb 2022 and end date of 10 Feb 2025. These performance rights are expected to be issued within three days of SensOre's annual general meeting (currently anticipated to be held on 20 October 2022). However, under the terms of the long term incentive plan, the effective grant date is 11 February 2022, with vesting conditions measured on the three-year anniversary of the effective grant date (11 February 2025) and expiry date on the five year anniversary of the effective grant date (11 February 2027). Further details regarding these proposed Performance Rights will be outlined in the Company's notice of annual general meeting.

### 20. CONTINGENT LIABILITIES

The Group is party to a number of farm-in and option agreements which result in the following contingent liabilities at 30 June 2022:

- YEV, a subsidiary of SensOre Ltd, has the potential to earn up to an 80% interest in the Balagundi JV through meeting minimum expenditure commitments over four years. As part of the farm-in agreement, the Group has annual payment obligations on the anniversary of project entry unless the agreement is terminated.
- YEV has the potential to earn up to an 80% interest in the Central Balagundi JV through meeting minimum expenditure commitments over four years. As part of the farm-in agreement, the Group has annual payment obligations on the anniversary of project entry unless the agreement is terminated.
- SBM, a subsidiary of SensOre Ltd. entered into a farm-in agreement with CGM (WA) Pty Ltd (CGM) in relation to the Auralia project. As part of a variation of the original farm-in agreement, a minimum of \$500,000 must be expended within the period to 18 October 2023.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 21. SUBSIDIARIES

|                                              | Country of<br>incorporation | Percentage owned |             |
|----------------------------------------------|-----------------------------|------------------|-------------|
|                                              |                             | 30 Jun 2022      | 30 Jun 2021 |
| <b>Subsidiary entities consolidated</b>      |                             |                  |             |
| Company and head of tax consolidation group: |                             |                  |             |
| - SensOre*                                   | Australia                   |                  |             |
| Subsidiaries of SensOre:                     |                             |                  |             |
| - Pilbara Exploration Ventures Pty Ltd*      | Australia                   | 100              | 100         |
| - RVF Investco Pty Ltd*                      | Australia                   | 100              | 100         |
| - SensOre Exploration Holdings Pty Ltd*      | Australia                   | 100              | 100         |
| - SensOre Yilgarn Ventures Pty Ltd*          | Australia                   | 100              | 100         |
| - SensOre_A Pty Ltd*                         | Australia                   | 100              | 100         |
| - SensOre_X Pty Ltd*                         | Australia                   | 100              | 100         |
| - SensOre_Y Pty Ltd*                         | Australia                   | 100              | 100         |
| - SensOre Battery Minerals Pty Ltd*          | Australia                   | 100              | -           |
| - SensOre Exploration Holdings Pty Ltd*      | Australia                   | 100              | -           |
| - SensOre Technologies Corporation           | United States               | 100              | -           |
| - Yilgarn Exploration Ventures Pty Ltd       | Australia                   | 60               | 60          |

\* Members of the tax consolidation group

### 22. CASH FLOW INFORMATION

#### (a) Reconciliation of cash and cash equivalents

|                                        | Consolidated     |                  |
|----------------------------------------|------------------|------------------|
|                                        | 30 Jun 2022      | 30 Jun 2021      |
|                                        | A\$              | A\$              |
| Cash at bank                           | 4,076,212        | 1,573,044        |
| Term deposits                          | 52,533           | 30,791           |
| <b>Total cash and cash equivalents</b> | <b>4,128,745</b> | <b>1,603,835</b> |

#### (b) Financing facilities

The Group had no external financing facilities at 30 June 2022 (30 June 2021: Nil). The Group has a small amount of borrowings resulting from an insurance premium funding agreement entered into during the year to fund various insurance policies held by the Company, including directors' and officers' insurance.

#### (c) Restricted cash

The Company has \$52,533 (30 June 2021: \$30,791) in term deposits included in cash and cash equivalents that are not readily available for use by the Group. The term deposit is held as security over the Company's corporate head office lease in the form of a bank guarantee.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### (d) Reconciliation of loss for the period to net cash flows from operating activities

|                                                                           | Consolidated       |                    |
|---------------------------------------------------------------------------|--------------------|--------------------|
|                                                                           | 30 Jun 2022        | 30 Jun 2021        |
|                                                                           | A\$                | A\$                |
| Reconciliation of cash flow from operations with profit after income tax: |                    |                    |
| Profit/(loss) for the period                                              | (7,912,871)        | (4,169,977)        |
| <i>Non-cash flow items in profit/(loss):</i>                              |                    |                    |
| Amortisation of technology and intellectual property assets               | 500,000            | 500,000            |
| Depreciation of property, plant and equipment                             | 78,079             | 53,702             |
| Equity settled share-based payments expense                               | 1,080,389          | 127,354            |
| Interest received                                                         | (93)               | -                  |
| Impairment of exploration and evaluation assets                           | 1,179,339          | -                  |
| <i>Changes in assets and liabilities:</i>                                 |                    |                    |
| Increase in trade and other receivables                                   | (561,512)          | (571,483)          |
| Increase in prepayments and other assets                                  | 63,645             | (16,608)           |
| Increase in trade and other payables                                      | (453,807)          | 890,060            |
| Increase in employee entitlements                                         | 105,832            | 100,050            |
| <b>Net cash used in operating activities</b>                              | <b>(5,920,999)</b> | <b>(3,086,902)</b> |

### Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and 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 on value, net of outstanding bank overdrafts.

## 23. FINANCIAL AND RISK MANAGEMENT

The Board has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Group's principal financial instruments are cash and short-term deposits. The Group also has other non-derivative financial instruments such as trade receivables, trade payables and lease liabilities.

The Group had no finance facilities in place at 30 June 2022.

### Financial instruments

#### (i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### (ii) *Classification and subsequent measurement*

#### **Financial assets**

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) - debt instrument;
- FVOCI - equity instrument; or
- FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### **Financial assets - Business model assessment**

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

### Financial assets - Subsequent measurement and gains and losses

|                                           |                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Financial assets at FVTPL</b>          | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.                                                                                                                                                                                             |
| <b>Financial assets at amortised cost</b> | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.                             |
| <b>Debt instruments at FVOCI</b>          | These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. |
| <b>Equity instruments at FVOCI</b>        | These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.                                                   |

### Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### (iii) Derecognition

##### Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

### Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

### (iv) Expected credit losses

#### Financial assets

##### *Financial instruments and contract assets*

The Group recognises loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortised cost;
- debt instruments measured at FVOCI; and
- contract assets.

The Group also recognises loss allowances for ECLs on lease receivables, which are disclosed as part of trade and other receivables.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables (including lease receivables) and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

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

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Twelve-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

### *Presentation of allowance for ECL in the statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

### *(v) Write-off*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

### *(vi) Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### Financial assets and financial liabilities

The following table discloses the carrying value amounts of each category of financial assets and financial liabilities at year end:

|                                             | Amortised<br>cost<br>A\$ | Fair value<br>through profit<br>or loss<br>A\$ | Fair value<br>through OCI<br>A\$ | Total<br>A\$     |
|---------------------------------------------|--------------------------|------------------------------------------------|----------------------------------|------------------|
| <b>Year ended 30 June 2022</b>              |                          |                                                |                                  |                  |
| <b>Financial assets</b>                     |                          |                                                |                                  |                  |
| Cash and cash equivalents                   | 4,128,745                | -                                              | -                                | 4,128,745        |
| Trade and other receivables                 | 326,150                  |                                                |                                  | 326,150          |
| <b>Total financial assets</b>               | <b>4,454,895</b>         | <b>-</b>                                       | <b>-</b>                         | <b>4,454,895</b> |
| <b>Other financial liabilities</b>          |                          |                                                |                                  |                  |
| Trade and other payables – current          | 894,817                  | -                                              | -                                | 894,817          |
| Lease liabilities – current and non-current | 64,192                   | -                                              | -                                | 64,192           |
| Borrowings – current                        | 50,610                   | -                                              | -                                | 50,610           |
| <b>Total financial liabilities</b>          | <b>1,009,619</b>         | <b>-</b>                                       | <b>-</b>                         | <b>1,009,619</b> |
| <b>Year ended 30 June 2021</b>              |                          |                                                |                                  |                  |
| <b>Financial assets</b>                     |                          |                                                |                                  |                  |
| Cash and cash equivalents                   | 1,603,835                | -                                              | -                                | 1,603,835        |
| <b>Total financial assets</b>               | <b>1,603,835</b>         | <b>-</b>                                       | <b>-</b>                         | <b>1,603,835</b> |
| <b>Other financial liabilities</b>          |                          |                                                |                                  |                  |
| Trade and other payables – current          | 1,210,415                | -                                              | -                                | 1,210,415        |
| Lease liabilities – current and non-current | 90,023                   | -                                              | -                                | 90,023           |
| Borrowings – current                        | 28,364                   | -                                              | -                                | 28,364           |
| <b>Total financial liabilities</b>          | <b>1,328,802</b>         | <b>-</b>                                       | <b>-</b>                         | <b>1,328,802</b> |

### Fair values

In estimating fair value of an asset or liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is in accordance with accounting standard

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The directors consider that the carrying amounts of the financial assets and liabilities recorded at amortised cost in the financial statements approximate their fair value and are categorised as Level 1 measurements.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern and as at 30 June 2022 has minimal debt relating to insurance premium funding and no finance facilities in place. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent comprising issued capital, reserves and accumulated losses.

### Financial risk management objectives

The Group's management provides services to the business, co-ordinates access to domestic and international financial markets, and manages the financial risks relating to the operations of the Group.

The Group does not trade or enter into financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the Group's policies approved by the Board of directors.

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates, liquidity risk and commodity price risk. The Group does not presently enter into derivative financial instruments to manage its exposure to interest rate and foreign currency risk.

### Foreign currency risk

The Group does not hold any financial instruments which expose the Group to fluctuations in foreign exchange rates.

### Commodity price risk management

The Group does not currently have any projects in production and has no exposure to commodity price fluctuations.

### Interest rate risk management

The Group is exposed to interest rate risk as it earns interest at floating rates from a portion of its cash and cash equivalents. The Group places a portion of its funds into short-term fixed interest deposits which provide short-term certainty over the interest rate earned.

As at 30 June 2022, the Group had not entered any interest rate hedges or other financial instruments with the intention of mitigating any interest rate risk (30 June 2021: Nil)

### *Interest rate sensitivity analysis*

If the average interest rate during the year had increased/(decreased) by 100 basis points the Group's net profit after tax would increase/(decrease) by \$39,578 (30 June 2021: \$16,038).

### Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables have been prepared based on the undiscounted cash flows expected to be received/paid by the Group.

|                               | Maturity                    |                   |                              |                  |                  |
|-------------------------------|-----------------------------|-------------------|------------------------------|------------------|------------------|
|                               | Less than<br>1 month<br>A\$ | 1-3 months<br>A\$ | 3 months<br>to 1 year<br>A\$ | 1-5 years<br>A\$ | Total<br>A\$     |
| <b>30 June 2022</b>           |                             |                   |                              |                  |                  |
| <b>Financial assets:</b>      |                             |                   |                              |                  |                  |
| Non-interest bearing          | 326,150                     | -                 | -                            | -                | 326,150          |
| Variable interest rate        | 4,076,212                   | -                 | -                            | -                | 4,076,212        |
| Fixed interest rate           | -                           | -                 | 52,533                       | -                | 52,533           |
|                               | <b>4,402,362</b>            | <b>-</b>          | <b>52,533</b>                | <b>-</b>         | <b>4,454,895</b> |
| <b>Financial liabilities:</b> |                             |                   |                              |                  |                  |
| Non-interest bearing          | 502,656                     | 392,161           | -                            | -                | 894,817          |
| Fixed interest rate           | 9,631                       | 19,462            | 51,832                       | 33,877           | 114,802          |
|                               | <b>512,287</b>              | <b>411,623</b>    | <b>51,832</b>                | <b>33,877</b>    | <b>1,009,619</b> |
| <b>30 June 2021</b>           |                             |                   |                              |                  |                  |
| <b>Financial assets:</b>      |                             |                   |                              |                  |                  |
| Variable interest rate        | 1,573,044                   | -                 | -                            | -                | 1,573,044        |
| Fixed interest rate           | -                           | -                 | 30,791                       | -                | 30,791           |
|                               | <b>1,573,044</b>            | <b>-</b>          | <b>30,791</b>                | <b>-</b>         | <b>1,603,835</b> |
| <b>Financial liabilities:</b> |                             |                   |                              |                  |                  |
| Non-interest bearing          | 430,012                     | 780,403           | -                            | -                | 1,210,415        |
| Fixed interest rate           | 6,094                       | 12,240            | 35,835                       | 64,218           | 118,387          |
|                               | <b>436,106</b>              | <b>792,643</b>    | <b>35,835</b>                | <b>64,218</b>    | <b>1,328,802</b> |

There are no financial liabilities that are longer than five years.

## 24. SHARE-BASED PAYMENTS

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted and measured at the date the entity obtains the goods or the counterparty renders the service.

### Estimation uncertainty in applying the Company's accounting policies:

#### Fair value of equity-settled share-based payments

In estimating the fair value of equity-settled share-based payments, the Group uses a number of unobservable variables including non-market share price (prior to the IPO), future share price volatility, risk-free interest rates and future total shareholder return which may be sensitive to change. Any changes to these unobservable variables would have no impact on assets and liabilities of the Group but may have an impact on profit or loss and equity.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### Employee performance rights plan

The directors of the Company approved the Performance Rights Plan (PRP) at the board meeting held on 26 May 2020. In accordance with the provisions of the approved plan, the Board at its discretion may grant performance rights to any full-time or permanent part-time employee or officer, or director of the Company. All performance rights issued to directors are granted in accordance with a resolution of shareholders. Each performance right converts to one ordinary share on exercise.

The following share-based payment arrangements were in existence during the current and prior reporting periods:

| Unlisted performance rights | Grant date  | Vesting date | Expiry date | Exercise price A\$ | No. of performance rights on issue 30 Jun 2022 | No. of performance rights on issue 30 Jun 2021 |
|-----------------------------|-------------|--------------|-------------|--------------------|------------------------------------------------|------------------------------------------------|
| 2020AA                      | 1 Feb 2020  | 11 Feb 2022  | 1 Feb 2025  | 0.25               | 873,060                                        | 873,060                                        |
| 2020AB                      | 20 Feb 2020 | 11 Feb 2022  | 20 Feb 2025 | 0.25               | 33,000                                         | 33,000                                         |
| 2020AC                      | 1 Apr 2020  | 11 Feb 2022  | 1 Apr 2025  | 0.25               | 1,248,000                                      | 1,248,000                                      |
| 2020AD                      | 6 Apr 2020  | 11 Feb 2022  | 6 Apr 2025  | 0.25               | 160,000                                        | 160,000                                        |
| 2020AE                      | 13 Apr 2020 | 11 Feb 2022  | 13 Apr 2025 | 0.25               | 150,000                                        | 150,000                                        |
| 2020AF                      | 23 Apr 2020 | 11 Feb 2022  | 23 Apr 2025 | 0.25               | 72,000                                         | 72,000                                         |
| 2020AG                      | 1 May 2020  | 11 Feb 2022  | 1 May 2025  | 0.25               | 69,120                                         | 69,120                                         |
| 2021AA                      | 1 Feb 2021  | 11 Feb 2022  | 1 Feb 2026  | 0.79               | 418,841                                        | 418,841                                        |
| 2021AB                      | 20 Feb 2021 | 11 Feb 2022  | 20 Feb 2026 | 0.79               | 11,436                                         | 11,436                                         |
| 2021AC                      | 24 Mar 2021 | 11 Feb 2022  | 1 Feb 2026  | 0.79               | 29,419                                         | 29,419                                         |
| 2021AD                      | 1 Apr 2021  | 11 Feb 2022  | 1 Apr 2026  | 0.79               | 432,456                                        | 432,456                                        |
| 2021AE                      | 6 Apr 2021  | 11 Feb 2022  | 6 Apr 2026  | 0.79               | 55,444                                         | 55,444                                         |
| 2021AF                      | 10 Apr 2021 | 11 Feb 2022  | 1 Feb 2026  | 0.79               | 148,847                                        | 148,847                                        |
| 2021AG                      | 13 Apr 2021 | 11 Feb 2022  | 13 Apr 2026 | 0.79               | 38,984                                         | 38,984                                         |
| 2021AH                      | 23 Apr 2021 | 11 Feb 2022  | 23 Apr 2026 | 0.79               | 18,713                                         | 18,713                                         |
| 2021AI                      | 24 May 2021 | 11 Feb 2022  | 1 Feb 2026  | 0.79               | 19,379                                         | -                                              |
| 2022AA                      | 11 Feb 2022 | 11 Feb 2022  | 11 Feb 2027 | 0.85               | 913,740                                        | -                                              |
| 2022AB                      | 11 Feb 2022 | 11 Feb 2025  | 11 Feb 2027 | Nil                | 923,986                                        | -                                              |
|                             |             |              |             |                    | <b>5,616,425</b>                               | <b>3,759,320</b>                               |

During the year ended 30 June 2022:

- 3,778,699 unquoted performance rights (Issue numbers 2020AA to 2020 AG representing 2,605,180 performance rights with an exercise price of \$0.25 expiring in 2025 and issue numbers 2021AA to 2021AI representing 1,173,519 performance rights with an exercise price of \$0.79 expiring in 2026) held by SensOre employees vested on 11 February 2022 in accordance with the terms of the Employee PRP. These vested performance rights and any underlying shares issued to an employee upon their exercise will be subject to a three-year disposal restriction (calculated from the date of grant of the performance right). The performance rights held by executive directors Richard Taylor (1,077,216) and Robert Rowe (840,228), and CTO Alfred Eggo (840,228) are also subject to a 24-month escrow period; and
- 913,740 performance rights exercisable at \$0.85 expiring 11 February 2027 were issued (2022AA) to the non-executive directors of the Company (being Robert Peck, Nicholas Limb, Adrian Manger and Anthony O'Sullivan). These performance rights vest immediately, however, are subject to a 24-month escrow period in accordance with ASX listing rules.

Further, subject to shareholder approval, the Company intends to issue performance rights to eligible Executives and employees on terms approved by the Board, with a cycle start date of 11 Feb 2022 and end date of 10 Feb 2025 (Issue 2022AB). These performance rights are expected to be issued within three days of SensOre's annual general meeting (currently anticipated to be held 20 October 2022). However, under the terms of the long term incentive plan, the effective grant date is 11 February 2022, with conditions measured on the three-year anniversary of the effective grant date (11 February 2025) and expiry date on the five year anniversary of the effective grant date (11 February 2027).

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

The performance rights to be issued in 2022 as outlined above are subject to the following vesting conditions:

- Absolute Total Shareholder Return (TSR): a measure of the TSR (share value plus dividends) achieved over the three-year vesting period; and
- Continuous service until the performance expiry date

### Absolute TSR

The performance rights will be subject to an absolute TSR hurdle over the three-year vesting period and will be tested on 11 February (Test Date), 3 years after the start date. A TSR equal to a Compounded Annual Growth Rate (CAGR) of at least 15% per annum over the three-year vesting period is required in order for any of the performance rights to vest. The TSR is calculated by comparing the Base Price against the share price on the Test Date plus any dividends paid throughout the three-year vesting period, which is then computed into an equivalent per annum return.

The Base Price of SensOre shares for the purposes of the Absolute TSR test is the IPO offer price of \$0.85 per share.

The table below outlines the vesting schedule based on Absolute TSR performance:

| Measure      | Performance level to be achieved | Performance vesting outcome    | % of total grant that will vest | Maximum % of total grant |
|--------------|----------------------------------|--------------------------------|---------------------------------|--------------------------|
| Absolute TSR | Above 25% CAGR                   | 100%                           | 100%                            | 100%                     |
|              | Above 15% CAGR & up to 25% CAGR  | Pro rata vesting from 51%-100% | Between 51% & 100%              | 50%                      |
|              | At 15% CAGR                      | 50%                            | 50%                             | 50%                      |
|              | Less than 15% CAGR               | 0%                             | 0%                              | 0%                       |

\*CAGR = Compound Annual Growth Rate

Vesting (if any) is subject to continuous employment and will occur on a proportionate straight-line basis from 50% to 100% for performance between 15% CAGR (S3N share price of \$1.29) and 25% CAGR (S3N share price of \$1.66).

### Valuation of performance rights

Performance rights issued are measured at fair value at the date of grant and are expensed where there are no vesting conditions and in cases where a vesting restriction exists, recognised over the vesting period. In accordance with Australian Accounting Standards, fair value is determined using a generally accepted valuation model.

### Fair value of performance rights granted under the Performance Rights Plan

The performance rights issued in 2020 and 2021 to executives and employees and in 2022 to non-executive directors were priced using the Black Scholes pricing model with the following inputs:

|                                  | 2020 <sup>(i)</sup> | 2021 <sup>(ii)</sup> | 2022 <sup>(iii)</sup> |
|----------------------------------|---------------------|----------------------|-----------------------|
| Grant date                       | Various             | Various              | 11 Feb 2022           |
| Share price at grant date        | 25 cents            | 79 cents             | 85 cents              |
| Fair value                       | 10.3 cents          | 39.5 cents           | 52.5 cents            |
| Performance period start date    | Various             | Various              | N/A                   |
| Performance period end date      | Various             | Various              | N/A                   |
| Expiry date                      | Various             | Various              | 11 Feb 2027           |
| Exercise price                   | 25 cents            | 79 cents             | 85 cents              |
| Volatility                       | 60%                 | 75%                  | 75%                   |
| Dividend yield                   | -                   | -                    | -                     |
| Risk free interest rate          | 1.98%               | 1.98%                | 1.98%                 |
| Total life of performance rights | 3 years             | 3 years              | 5 years               |

(i) The calculation of the fair value of performance rights issued in 2020 includes issues 2020AA to 2020AG listed in the previous table. Issue dates, vesting dates and expiry dates of these rights are included therein.

(ii) The calculation of the fair value of performance rights issued in 2021 includes issues 2021AA to 2021AH listed in the previous table. Issue dates, vesting dates and expiry dates of these rights are included therein.

(iii) The calculation of the fair value of performance rights issued in 2022 includes issue 2022AA listed in the previous table. Issue dates, vesting dates and expiry dates of these rights are included therein.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

The performance rights issued in 2022 to eligible executives and employees were priced using a Monte Carlo pricing model with the following inputs:

|                                  | 2022 <sup>(i)</sup> |
|----------------------------------|---------------------|
| Grant date                       | 30 Jun 2022         |
| Share price at grant date        | 37 cents            |
| Base Price                       | 85 cents            |
| Fair value                       | 14.7 cents          |
| Performance period start date    | 11 Feb 2022         |
| Performance period end date      | 11 Feb 2025         |
| Expiry date                      | 11 Feb 2027         |
| Exercise price                   | Nil                 |
| Volatility                       | 75%                 |
| Dividend yield                   | -                   |
| Risk free interest rate          | 3.36%               |
| Total life of performance rights | 2.6 years           |

(i) The calculation of the fair value of performance rights issued in 2022 includes issue 2022AB listed in the previous table. Issue dates, vesting dates and expiry dates of these rights are included therein.

The fair value of the performance rights as at the date of grant are summarised as follows:

| Performance rights              | 2020             | 2021             | 2022AA           | 2022AB           |
|---------------------------------|------------------|------------------|------------------|------------------|
| No. of performance rights       | 2,605,180        | 1,173,519        | 913,740          | 923,986          |
| Price per performance right     | A\$0.103         | A\$0.395         | A\$0.525         | A\$0.147         |
| <b>Fair value at grant date</b> | <b>\$268,222</b> | <b>\$463,008</b> | <b>\$480,000</b> | <b>\$135,826</b> |

### Movement in the number of performance rights issued under the Performance Rights Plan

The following reconciles the outstanding performance rights on issue at the end of the financial year:

|                                                                | Total Number     |
|----------------------------------------------------------------|------------------|
| Balance at 1 July 2020                                         | 2,605,180        |
| Performance rights issued during the period ended 30 June 2021 | 1,154,140        |
| <b>Balance at 30 June 2021</b>                                 | <b>3,759,320</b> |
| Performance rights issued during the year ended 30 June 2022   | 1,857,105        |
| <b>Balance at 30 June 2022</b>                                 | <b>5,616,425</b> |

### Share-based payment expense – performance rights issued under the Performance Rights Plan

Share-based payments expenses relating to performance rights issued under the Performance Rights Plan are included under employee benefits expense in the statement of profit or loss and other comprehensive income and relate to the performance rights component of equity-settled share-based payments transactions issued to a director, executive and other participants over the vesting period.

|                                                          | 30 Jun 2022<br>A\$ | 30 Jun 2021<br>A\$ |
|----------------------------------------------------------|--------------------|--------------------|
| <b>Unlisted performance rights</b>                       |                    |                    |
| 2020                                                     | 156,463            | 89,407             |
| 2021                                                     | 425,061            | 37,947             |
| 2022                                                     | 498,865            | -                  |
| <b>Employee benefits – expense of performance rights</b> | <b>1,080,389</b>   | <b>127,354</b>     |

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### Broker options

During the year ended 30 June 2022, the following broker options were issued:

- On 1 July 2021, the Company issued 125,000 options to Martin Place Securities as partial consideration for capital raising services completed in May 2021. The fair value of these options was recognised as a share issue cost for the year ended 30 June 2021. These options vest immediately, however, are subject to a 24-month escrow period in accordance with ASX listing rules; and
- Pursuant to the completion of the IPO and subsequent listing of the Company on the ASX on 11 February 2022, 1,943,410 unquoted options exercisable at \$1.19 expiring on 11 February 2026 were issued to Bell Potter Securities Limited in accordance with the IPO lead manager agreement executed by the Company on 2 July 2021. These options vest immediately, however, are subject to a 24-month escrow period in accordance with ASX listing rules.

The details of these options are outlined below:

| Unlisted options              | Grant date  | Vesting date | Expiry date | Exercise price | No. of broker options on issue |
|-------------------------------|-------------|--------------|-------------|----------------|--------------------------------|
|                               |             |              |             | A\$            | 30 Jun 2022                    |
| Martin Place Securities (MPS) | 1 Jul 2021  | 1 Jul 2021   | 30 Dec 2023 | 1.00           | 125,000                        |
| Bell Potter Securities (BPS)  | 11 Feb 2022 | 11 Feb 2022  | 11 Feb 2026 | 1.19           | 1,943,410                      |
|                               |             |              |             |                | <b>2,068,410</b>               |

### Fair value of broker options

The broker options issued during the year ended 30 June 2022 were priced using the Black Scholes pricing model with the following inputs:

|                                  | MPS         | BPS         |
|----------------------------------|-------------|-------------|
| Grant date                       | 1 Jul 2021  | 11 Feb 2022 |
| Share price at grant date        | 79 cents    | 85 cents    |
| Fair value                       | 31.2 cents  | 41.5 cents  |
| Expiry date                      | 30 Dec 2023 | 11 Feb 2026 |
| Exercise price                   | \$1.00      | \$1.19      |
| Volatility                       | 75%         | 75%         |
| Dividend yield                   | -           | -           |
| Risk free interest rate          | 1.98%       | 1.98%       |
| Total life of performance rights | 2.5 years   | 4 years     |

The fair value of the broker options as at the date of grant are summarised as follows:

| Broker options                  | MPS             | BPS              |
|---------------------------------|-----------------|------------------|
| No. of broker options           | 125,000         | 1,943,410        |
| Price per broker options        | A\$0.312        | A\$0.415         |
| <b>Fair value at grant date</b> | <b>\$39,038</b> | <b>\$805,957</b> |

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### Movement in the number of broker options

The following reconciles the outstanding broker options issue at the end of the financial year:

|                                                            | Total<br>Number  |
|------------------------------------------------------------|------------------|
| Balance at 1 July 2020                                     | -                |
| Broker options issued during the period ended 30 June 2021 | -                |
| <b>Balance at 30 June 2021</b>                             | <b>-</b>         |
| Broker options issued during the year ended 30 June 2022   | 2,068,410        |
| <b>Balance at 30 June 2022</b>                             | <b>2,068,410</b> |

### Share-based payment expense – broker options

Share-based payments expenses relating to broker options are recognised directly in equity as a reduction in the value of issued capital at the date relevant shares are issued (or over the vesting period in the event vesting conditions are applicable). Total amounts recognised directly in equity are outlined below:

|                                                    | 30 Jun 2022<br>A\$ | 30 Jun 2021<br>A\$ |
|----------------------------------------------------|--------------------|--------------------|
| <b>Broker options</b>                              |                    |                    |
| Martin Place Securities (MPS)                      | -                  | 39,038             |
| Bell Potter Securities (BPS)                       | 805,957            | -                  |
| <b>Non-cash costs associated with share issues</b> | <b>805,957</b>     | <b>39,038</b>      |

## 25. COMMITMENTS

|                                                    | 30 Jun 2022<br>A\$ | 30 Jun 2021<br>A\$ |
|----------------------------------------------------|--------------------|--------------------|
| Farm-in agreements contracted for but not complete |                    |                    |
| - not later than 12 months                         | 589,190            | 908,300            |
| - between 12 months and five years                 | 26,166,082         | 15,330,425         |
|                                                    | <b>26,755,272</b>  | <b>16,238,725</b>  |

The Company has entered into the following farm-in and option agreements which have resulted in potential commitments for expenditure:

- executed 28 January 2020, YEV has the potential to earn up to an 85% interest in Mt Magnet North through expenditure of \$2.5 million over four years;
- executed 18 December 2019, YEV has the potential to earn up to a 75% interest in Desdemona North through expenditure of \$3.5 million over four years;
- executed 11 May 2020, YEV has the potential to earn up to an 85% interest in North Darlot through expenditure of \$4 million over four years;
- executed 28 January 2020, YEV has the potential to earn up to an 85% interest in the Tea Well JV through expenditure of \$2.5 million over four years;
- executed 10 May 2021, YEV has the potential to earn up to an 80% interest in the Balagundi project through expenditure of \$4 million over four years. An annual payment of \$60,000 is required on the anniversary of project entry (up to an aggregate amount of \$180,000) which has been included in contingent liabilities;
- executed 17 May 2021, YEV has the potential to earn up to an 80% interest in the Central Balagundi project through expenditure of \$1.5 million over four years. An annual payment of \$10,000 is required on the anniversary of project entry (up to an aggregate amount of \$30,000) which has been included in contingent liabilities;

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

- executed 8 December 2021, YEV has the potential to earn up to a 75% interest in the Grace project by expending \$3 million over four years (50/50 joint venture establishment once \$1.5 million is expended);
- executed 24 November 2020, SYV has the potential to earn up to a 70% interest (51% by expending \$3 million within three years (exclusive of permitting and land access) and meeting annual minimum expenditure requirements, and 19% by delivering a pre-feasibility study on the Maynards Dam project. Further, Torque has a one-time option, open for 60 days from completion of the pre-feasibility study, to reduce the transfer of interest from 19% to 9% by paying SYV \$0.5 million;
- executed 1 January 2021, SYV has the potential to earn up to an 80% interest in the Moonera project through expenditure of \$3 million over three years from 31 December 2021; and
- executed 20 September 2021, SBM has the potential to earn up to a 70% interest in the Auralia project by expending \$5 million over two earn-in phases (51% by expending \$1.5 million in three years and a further 19% by expending \$3.5 million over an additional two years). CGM can elect to contribute after the first phase.

The minimum expenditure commitments outlined above relating to the Group's potential joint venture interests are at the discretion of the Group and are dependent on exploration results that may or may not indicate an economic reserve or resource. Should exploration results not indicate satisfactory potential for further investment, the Group is not obliged to meet the minimum farm-in expenditure requirements for any project (other than for the Auralia project where minimum expenditure of \$500,000 is required to be expended on the project or any shortfall paid to CGM within the period to 18 October 2023 following a variation of the original farm-in agreement) and will only be liable for termination or other fees outlined above.

### 26. KEY MANAGEMENT PERSONNEL

|                                                            | 30 Jun 2022<br>A\$ | 30 Jun 2021<br>A\$ |
|------------------------------------------------------------|--------------------|--------------------|
| Salary                                                     | 1,764,188          | 1,496,640          |
| Superannuation contributions                               | 125,120            | 79,980             |
| Leave entitlements                                         | 75,973             | 59,556             |
| Long-term incentive plan rights                            | 950,331            | 100,637            |
| <b>Total remuneration paid to key management personnel</b> | <b>2,915,612</b>   | <b>1,736,813</b>   |

As previously outlined, as a consequence of ASX listing performance rights issued in 2020 and 2021 to key management personnel vested. As a result of these performance rights vesting, the unexpensed portion of these performance rights was recognised in the statement of financial performance, thereby bringing forward \$265,174 of share-based payment expenses from future periods into the year ended 30 June 2022.

Further, performance rights issued to non-executive directors on 11 February 2022 vested immediately and therefore an amount of \$480,000 has been recognised in the statement of financial performance for the year ended 30 June 2022.

### 27. RELATED PARTY TRANSACTIONS

#### Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 21 to the financial statements.

#### Other related party transactions

During the year ended 30 June 2022, there were no transactions between the Group and its related parties.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 28. PARENT ENTITY DISCLOSURES

#### (a) Financial position

|                          | 30 Jun 2022<br>A\$ | 30 Jun 2021<br>A\$ |
|--------------------------|--------------------|--------------------|
| <b>Assets</b>            |                    |                    |
| Current assets           | 5,685,813          | 2,540,358          |
| Non-current assets       | 11,475,911         | 11,227,509         |
| <b>Total assets</b>      | <b>17,161,724</b>  | <b>13,767,867</b>  |
| <b>Liabilities</b>       |                    |                    |
| Current liabilities      | 886,364            | 676,351            |
| Non-current liabilities  | 55,244             | 69,781             |
| <b>Total liabilities</b> | <b>941,608</b>     | <b>746,132</b>     |
| <b>Equity</b>            |                    |                    |
| Issued capital           | 23,132,708         | 15,174,080         |
| Reserves                 | 2,075,090          | 149,706            |
| Accumulated losses       | (8,987,682)        | (2,302,051)        |
| <b>Total equity</b>      | <b>16,220,116</b>  | <b>13,021,735</b>  |

#### (b) Financial performance

|                                          | Period ended       |                    |
|------------------------------------------|--------------------|--------------------|
|                                          | 30 Jun 2022<br>A\$ | 30 Jun 2021<br>A\$ |
| Loss for the year                        | (6,685,631)        | (962,879)          |
| Other comprehensive loss                 | -                  | -                  |
| <b>Total comprehensive income/(loss)</b> | <b>(6,685,631)</b> | <b>(962,879)</b>   |

#### (c) Commitments for capital expenditure and contingent liabilities of the parent entity

The parent entity does not have any commitments for capital expenditure or contingent liabilities at 30 June 2022.

### 29. REMUNERATION OF AUDITORS

|                                                                  | Period ended       |                    |
|------------------------------------------------------------------|--------------------|--------------------|
|                                                                  | 30 Jun 2022<br>A\$ | 30 Jun 2021<br>A\$ |
| <b>Audit services – Grant Thornton</b>                           |                    |                    |
| Audit or review of the financial statements                      | 51,000             | 23,000             |
| <b>Other services – Grant Thornton</b>                           |                    |                    |
| Income tax and research and development tax incentive compliance | 44,800             | 25,000             |
| Other services                                                   | 71,948             | 1,500              |
| <b>Total auditors' remuneration</b>                              | <b>167,748</b>     | <b>49,500</b>      |

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 30. EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD

Subsequent to balance date, the COVID-19 pandemic continues to have an impact on the operations of the Group and more broadly in local and international economies. The longer-term impacts of COVID-19 on the operations of the Group remain uncertain and cannot be quantified at this time.

On 5 July 2022, SensOre reached agreement to acquire Intrepid Geophysics, a leading provider of geophysics software and services headquartered in Melbourne, Australia with distributors and resellers globally.

The agreement valued Intrepid Geophysics at \$5 million. Consideration for the acquisition involves:

- \$3 million in SensOre stock at an issue price of \$0.70 (4.3 million fully paid SensOre shares or 6.2% of SensOre on a fully diluted basis) to be issued at completion of the transaction (which occurred on 9 August 2022);
- a safeguards provision such that should the SensOre share price trade below the issue price for 12 months following the transaction a proportional adjustment of shares will be made up to a maximum of 4.3 million;
- \$1 million in cash for a 100% ownership interest in Intrepid Geophysics (including ownership of Intrepid Geophysics' extensive intellectual property and data repository) to be funded from existing cash balances (which occurred on 9 August 2022); and
- a further \$1 million contingent cash payment on the one-year anniversary of the agreement subject to satisfactory completion of performance hurdles in relation to revenue generation and key personnel retention expected to be funded from cash balances, operating cash flows or capital raising in the next 12 months depending on the level of exploration activity and the revenue performance of SensOre during the 2023 financial year.

As outlined above, Yilgarn Exploration Ventures Pty Ltd (YEV) received the final tranche of \$222,000 from DGO Gold Limited (DGO) in relation to YEV's acquisition of Balagundi and Central Balagundi in July 2022.

On 18 July 2022, SensOre announced the appointment of Sally McDow to the position of Company Secretary, effective from 18 July 2022. The incumbent Company Secretary, Michaela Evans, resigned effective from 18 July 2022.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

### 31. ACQUISITION OF SUBSIDIARIES

As outlined in note 30, on 5 July 2022, SensOre reached agreement to acquire Intrepid Geophysics, a leading provider of geophysics software and services headquartered in Melbourne, Australia with distributors and resellers globally.

Following satisfactory of conditions precedent on 8 August 2022, the Company acquired 100% of the issued share capital of Desmond Fitzgerald & Associates Pty Ltd, Louides Enterprises Pty Ltd and Geophysical Processing and Interpretation Services Namibia Close Corporation (together 'Intrepid Geophysics'), obtaining control of Intrepid Geophysics on this date. Intrepid Geophysics qualifies as a business as defined in AASB 3.

Intrepid Geophysics' advanced automated geophysical software and geoscience expertise complement SensOre's existing suite of machine learning and AI mineral exploration software products and technology offerings. Intrepid Geophysics' large client base and strong cashflows were integral to SensOre's strategic assessment of the transaction.

The acquisition of Intrepid Geophysics provides the following combination benefits:

- *Accelerates growth strategy:* SensOre's strategy has been to organise all of Australia's geoscience data within its proprietary Data Cube technology. The acquisition of Intrepid Geophysics' 35 years of integrated geology and geophysics technology development and machine learning capability significantly advances that capability. The Victorian pilot project has established the complementarity of the skillsets of human resources acquired.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

- *Expands mineral exploration technology sector (METS) presence and exposure:* SensOre acquires a second team of dedicated geoscience professionals based on Australia's east coast and with established relationships in Asia, Africa and North/South America, as well as cross-over expertise in the oil and gas, groundwater, geothermal and the emerging hydrogen storage sectors.
- *Strengthens technology and product portfolio:* In acquiring Intrepid Geophysics, SensOre gains access to multiple new targeting and decision based proprietary technologies and strategic decision-based services using 2.5 dimension Airborne Electro-Magnetic (AEM) inversion technology, tensor gradient technology, geology from geophysics feature extraction, and service automated workflows. These technologies fill a gap in SensOre's product suite by incorporating geophysics products that take exploration targeting from the macro focused Prospectivity Modelling and Discriminant Predictive Targeting® approach into drill target delineation in three dimensions.

Intrepid Geophysics deploys its products for business benefits in a range of sectors and industries including government, academia, minerals exploration, petroleum (oil and gas), hydrogeology, geothermal energy and geotechnical engineering. Intrepid Geophysics has long-term contractual agreements with over 20 geological surveys and a collection of mining and oil and gas companies, covering wide-ranging activities.

The provisional amounts to be recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below:

|                                                                          | A\$              |
|--------------------------------------------------------------------------|------------------|
| Financial assets                                                         | 1,350,552        |
| Prepayments                                                              | 110,000          |
| Income tax receivables                                                   | 357,054          |
| Property, plant & equipment                                              | 78,425           |
| Identifiable intangible assets                                           | 3,553,096        |
| Financial liabilities                                                    | (131,187)        |
| Deferred revenue                                                         | (127,023)        |
| Provisions for employee entitlements                                     | (148,535)        |
| <b>Total consideration</b>                                               | <b>5,042,382</b> |
| Satisfied by:                                                            |                  |
| Cash                                                                     | 2,291,582        |
| Equity instruments (4,285,715 fully paid ordinary shares of the Company) | 2,271,429        |
| Contingent consideration                                                 | 479,371          |
| <b>Total consideration transferred</b>                                   | <b>5,042,382</b> |
| Net cash outflow arising on acquisition:                                 |                  |
| Cash consideration                                                       | 2,291,582        |
| Less: Cash and cash equivalents acquired                                 | (1,295,865)      |
|                                                                          | <b>995,717</b>   |

The fair value of the financial assets includes receivables from customers with a fair and gross contractual value of \$54,867 and cash balances with a fair value of \$1,295,865.

The identifiable intangible assets of Intrepid Geophysics include trademarks/patents and technology and intellectual property assets. The fair value components of these identifiable intangible assets, including necessary valuation calculations, had not been finalised at the date of these consolidated financial statement and they have therefore only been provisionally determined based on the directors' best estimate of their likely values.

The fair value of the 4,285,715 fully paid ordinary shares issued as part of the consideration paid for Intrepid Geophysics was determined on the basis of closing share price on 8 August 2022, the day prior to the issue of these shares to the vendors.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

The contingent consideration arrangement requires a further issue of fully paid ordinary shares (to a maximum of 4,285,715 fully paid ordinary shares or 5% of SensOre's total outstanding fully paid ordinary shares, whichever is lower at the twelve month anniversary of acquisition date) in the event that SensOre's volume weighted average price (VWAP) for the twelve month period following the acquisition date (measured on the twelve month anniversary of the acquisition date) is below \$0.70 (being the share price used as the basis for calculating the number of fully paid ordinary shares to be issued as part of the acquisition agreement). The fair value of the contingent consideration arrangement of \$479,371 was estimated by applying a Monte Carlo pricing simulation model (using 10,000 iterations) to estimate the VWAP for the 12 month period following acquisition date and applying this estimate to assess the number of shares that would be issued under the contingent consideration arrangement and, consequently, the present value of number of shares to be issued. Given the purchase price allocation and estimation of the consideration is provisional at the date of this report, it is expected that the fair value of the contingent consideration arrangement will be subject to change until such time as the fair value can be confirmed.

There will be no contingent liabilities or acquisition related costs recognised as part of the business combination.

As the acquisition was executed and completed after the conclusion of the year ended 30 June 2022, no revenue or expenditure of Intrepid Geophysics has been included in the Group results included in these consolidated financial statements.

### 32. DIVIDENDS

The directors recommend that no dividend be paid for the year ended 30 June 2022 nor have any been paid or declared during the year (30 June 2021: Nil).

### 33. GROUP DETAILS

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

Level 3  
10 Queen Street  
Melbourne VIC 3000  
Australia

### 34. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board and authorised for issue on 30 August 2022.

## DIRECTORS' DECLARATION

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (b) the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 3 to the financial statements; and
- (c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group.

This declaration is made in accordance with a resolution of the Board of directors.

On behalf of the directors



**Robert Peck AM**  
Director



**Richard Taylor**  
Director

Melbourne, 30 August 2022

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**Grant Thornton Audit Pty Ltd**

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727 Collins Street  
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T +61 3 8320 2222

## Independent Auditor's Report

### To the Members of SensOre Ltd

#### Report on the audit of the financial report

##### Opinion

We have audited the financial report of SensOre Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated 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 2022 and of its performance for the year ended on that date; 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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## Material uncertainty related to going concern

We draw attention to Note 3 in the financial statements, which indicates that the Group incurred a net loss of \$7,912,871 and had a net cash outflow from operating activities of \$5,920,999 during the year ended 30 June 2022, and as of that date, the Group's current assets exceeded its current liabilities by \$4,728,931. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast 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.

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Exploration and evaluation assets – Note 12</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p>At 30 June 2022, the carrying value of exploration and evaluation assets was \$7,604,251.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Group is required to assess, at each reporting date, if facts or circumstances exist that suggest the carrying amount of the assets exceeds the recoverable amount.</p> <p>The process undertaken by management to assess whether there are any impairment indicators in each area of interest involves significant management judgement.</p> <p>This area is a key audit matter due to the significant judgement in assessing these facts and circumstances.</p> | <p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"><li>• obtaining management's reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger;</li><li>• reviewing management's area of interest considerations against AASB 6;</li><li>• conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including:<ul style="list-style-type: none"><li>– tracing projects to statutory registers and exploration licenses to determine whether a right of tenure exists;</li><li>– enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure;</li><li>– understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale;</li></ul></li><li>• assessing the accuracy of impairment recorded for the year as it pertained to exploration interests;</li><li>• evaluating the competence, capabilities and objectivity of management's experts in the evaluation of potential impairment triggers; and</li><li>• assessing the appropriateness of the related financial statement disclosures.</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 2022, 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 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 Company's/Group's ability 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 Company/Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1\\_2020.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf). This description forms part of our auditor's report.

### **Report on the remuneration report**

#### **Opinion on the remuneration report**

We have audited the Remuneration Report included in pages 18 to 30 within the Directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of SensOre Ltd, for the year ended 30 June 2022 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.



Grant Thornton Audit Pty  
Ltd Chartered Accountants



B A Mackenzie  
Partner – Audit &  
Assurance

Melbourne, 30 August 2022

## ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following information is required by the ASX in respect of listed public companies only. The information set out below was applicable as at 29 August 2022:

### 1. SHAREHOLDING INFORMATION

#### (a) Distribution of Shareholders

| Size of holding  | Number of shareholders | Number of shares held | %             |
|------------------|------------------------|-----------------------|---------------|
| 1 – 1,000        | 34                     | 21,478                | 0.03          |
| 1,001 – 5,000    | 194                    | 556,062               | 0.81          |
| 5,001 – 10,000   | 93                     | 726,283               | 1.05          |
| 10,001 – 100,000 | 161                    | 4,700,340             | 6.81          |
| 100,001 and over | 59                     | 63,061,875            | 91.30         |
|                  | <b>541</b>             | <b>69,066,038</b>     | <b>100.00</b> |

#### (b) Less than marketable parcels

There were 34 holders of less than a marketable parcel of 1,031 shares (\$500 worth) based on the closing market price of S3N shares on 29 August 2022.

#### (c) Twenty largest shareholders – ordinary shares

| Name                                                                            | Number of shares held | %            |
|---------------------------------------------------------------------------------|-----------------------|--------------|
| Sasak Minerals Pty Ltd                                                          | 10,118,000            | 14.65        |
| Wanganui Pty Ltd <Peck Von Hartel S/F A/C>                                      | 6,249,905             | 9.05         |
| Oppenheimer Superannuation Fund Pty Ltd <Oppenheimer Super Fund A/C>            | 5,645,754             | 8.17         |
| Techbase Australasia Pty Ltd <DJ Fitzgerald Family A/C>                         | 4,285,715             | 6.21         |
| Stone Axe Pty Ltd <Carmody Baird S/F A/C>                                       | 4,112,667             | 5.95         |
| Parcan Pty Ltd <MSL Family A/C>                                                 | 2,667,558             | 3.86         |
| Silver Whiting Pty Ltd <T Whiting Super Fund A/C>                               | 2,264,346             | 3.28         |
| Mr Christopher Jordan Gregory + Mrs Maria Gregory <CJ&M Gregory Super Fund A/C> | 2,253,200             | 3.26         |
| Lograr Investments Pty Ltd <Bolte Investment A/C>                               | 2,053,200             | 2.97         |
| Jozem Pty Ltd <O'Sullivan Family No.1 A/C>                                      | 2,025,316             | 2.93         |
| El Gaia Holdings Pty Ltd <Alfred Eggo Super Fund A/C>                           | 2,000,000             | 2.90         |
| Perpetual Trustee Company Limited <Julian Bavin Super Fund A/C>                 | 2,000,000             | 2.90         |
| John P Nettleton                                                                | 1,500,000             | 2.17         |
| Aurelius Resources Pty Ltd <Nelson Super Fund A/C>                              | 1,000,000             | 1.45         |
| Gerard Barron                                                                   | 986,112               | 1.43         |
| BNP Paribas Noms Pty Ltd <DRP>                                                  | 781,977               | 1.13         |
| BHP Manganese Australia Pty Ltd                                                 | 632,912               | 0.92         |
| Mr Cameron Robert Kirkby                                                        | 630,000               | 0.91         |
| Giffords Pty Ltd <Giffords Close A/C>                                           | 623,737               | 0.90         |
| Mishkan Pty Ltd <Knees Road A/C>                                                | 590,682               | 0.86         |
|                                                                                 | <b>52,421,081</b>     | <b>75.90</b> |

#### (d) Substantial shareholders

| Name                                                                 | Number of shares held | %            |
|----------------------------------------------------------------------|-----------------------|--------------|
| Sasak Minerals Pty Ltd                                               | 10,118,000            | 14.65        |
| Wanganui Pty Ltd <Peck Von Hartel S/F A/C>                           | 6,249,905             | 9.05         |
| Oppenheimer Superannuation Fund Pty Ltd <Oppenheimer Super Fund A/C> | 5,645,754             | 8.17         |
| Techbase Australasia Pty Ltd <DJ Fitzgerald Family A/C>              | 4,285,715             | 6.21         |
| Stone Axe Pty Ltd <Carmody Baird S/F A/C>                            | 4,112,667             | 5.95         |
|                                                                      | <b>30,412,041</b>     | <b>44.03</b> |

#### (e) Voting rights

The voting rights attaching to each class of equity securities are set out below:

- Ordinary Shares: every member present at a meeting of the Company in person or by proxy shall have one vote and upon a poll each share shall have one vote.
- Performance Rights: no voting rights.
- Broker Options: no voting rights.

#### (f) Unquoted securities

| Class                                                          | Number of holders | Number of securities |
|----------------------------------------------------------------|-------------------|----------------------|
| Fully paid ordinary shares subject to escrow as outlined below | 22                | 43,880,885           |
| Broker options subject to escrow as outlined below             | 2                 | 2,068,410            |
| Performance Rights <sup>(i)</sup>                              | 18                | 4,692,439            |

- (i) The number of unquoted performance rights excludes the issue of 923,986 performance rights to eligible employees and executives which is subject to shareholder approval. The Company intends to issue these performance rights within three days of its annual general meeting (currently anticipated to be held on 20 October 2022). Further information on the terms of these performance rights are outlined in note 24 to the financial statements.

The following performance rights holder holds more than 20% of unquoted performance rights:

| Name           | Number of securities | %     |
|----------------|----------------------|-------|
| Richard Taylor | 1,077,216            | 22.96 |

The following broker options holder holds more than 20% of unquoted broker options:

| Name                         | Number of securities | %     |
|------------------------------|----------------------|-------|
| Bell Potter Securities (BPS) | 1,943,410            | 93.96 |

#### (g) Securities subject to escrow

Securities of the Company that are subject to escrow arrangements are outline below:

| Class                      | Number of securities | ASX or voluntary | End of escrow period |
|----------------------------|----------------------|------------------|----------------------|
| Fully paid ordinary shares | 43,880,885           | ASX              | 11 Feb 2024          |
| Broker options             | 2,068,410            | ASX              | 11 Feb 2024          |
| Performance Rights         | 3,740,532            | ASX              | 11 Feb 2024          |

## 2. COMPLIANCE STATEMENT UNDER ASX LR 4.10.19

SensOre confirms that it used cash and assets in a form readily convertible to cash, at the time it was admitted to the ASX (being 11 February 2022) to 30 June 2022, in a way that was consistent with its business objectives as stated in its Prospectus dated 1 December 2021.

## ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

### 3. TENEMENT SCHEDULE

#### SensOre Group Tenements

| Project                | Holder                                 | Tenement | Status                   | Location (Shire)           | Interest at Year end | Change during year/ Farm-in Interest                                                                                                                                                                                                                                                                                                |
|------------------------|----------------------------------------|----------|--------------------------|----------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8 Mile Well            | SensOre Yilgarn Ventures Pty Ltd (SYV) | E37/1420 | Granted                  | Leonora                    | 100                  | Granted 10 March 2022                                                                                                                                                                                                                                                                                                               |
|                        |                                        | P37/9436 | Granted                  | Leonora                    | 100                  |                                                                                                                                                                                                                                                                                                                                     |
|                        |                                        | P37/9437 | Granted                  | Leonora                    | 100                  |                                                                                                                                                                                                                                                                                                                                     |
|                        |                                        | P37/9438 | Granted                  | Leonora                    | 100                  |                                                                                                                                                                                                                                                                                                                                     |
|                        |                                        | P37/9439 | Granted                  | Leonora                    | 100                  |                                                                                                                                                                                                                                                                                                                                     |
|                        |                                        | P37/9442 | Granted                  | Leonora                    | 100                  |                                                                                                                                                                                                                                                                                                                                     |
|                        |                                        | P37/9443 | Granted                  | Leonora                    | 100                  |                                                                                                                                                                                                                                                                                                                                     |
|                        |                                        | P37/9444 | Granted                  | Leonora                    | 100                  |                                                                                                                                                                                                                                                                                                                                     |
|                        |                                        | P37/9445 | Granted                  | Leonora                    | 100                  |                                                                                                                                                                                                                                                                                                                                     |
|                        |                                        | P37/9446 | Granted                  | Leonora                    | 100                  |                                                                                                                                                                                                                                                                                                                                     |
|                        |                                        | P37/9597 | Granted                  | Leonora                    | 100                  | Granted 22 August 2022                                                                                                                                                                                                                                                                                                              |
| Auralia                | CGM (WA) Pty Ltd                       | E69/3636 | Granted                  | Kalgoorlie-Boulder         | 0                    | Earn-in Executed: 20 September 2021                                                                                                                                                                                                                                                                                                 |
|                        |                                        | E69/3637 | Granted                  | Kalgoorlie-Boulder Menzies | 0                    | Earn-in Details: 70% interest by expending \$5 million over two earn-in phases (51% by expending \$1.5 million in three years and a further 19% by expending \$3.5 million over an additional two years). CGM can elect to contribute after the first phase. Minimum expenditure of \$500,000 is required prior to 18 October 2023. |
|                        |                                        | E69/3700 | Granted                  | Kalgoorlie-Boulder         | 0                    |                                                                                                                                                                                                                                                                                                                                     |
| Balagundi <sup>1</sup> | Third Party Individual <sup>2</sup>    | M25/173  | Granted                  | Kalgoorlie-Boulder         | 0                    | Farm-in first year minimum expenditure commitment requirement achieved                                                                                                                                                                                                                                                              |
|                        |                                        | P25/2356 | Granted                  | Kalgoorlie-Boulder         | 0                    |                                                                                                                                                                                                                                                                                                                                     |
|                        |                                        | P25/2392 | Granted                  | Kalgoorlie-Boulder         | 0                    |                                                                                                                                                                                                                                                                                                                                     |
|                        |                                        | P25/2397 | Granted                  | Kalgoorlie-Boulder         | 0                    |                                                                                                                                                                                                                                                                                                                                     |
|                        |                                        | P25/2398 | Granted                  | Kalgoorlie-Boulder         | 0                    |                                                                                                                                                                                                                                                                                                                                     |
|                        |                                        | P25/2448 | Granted                  | Kalgoorlie-Boulder         | 0                    |                                                                                                                                                                                                                                                                                                                                     |
|                        |                                        | P25/2617 | Granted                  | Kalgoorlie-Boulder         | 0                    |                                                                                                                                                                                                                                                                                                                                     |
|                        |                                        | P25/2692 | Granted                  | Kalgoorlie-Boulder         | 0                    |                                                                                                                                                                                                                                                                                                                                     |
|                        |                                        | M25/375  | Application <sup>3</sup> | Kalgoorlie-Boulder         | 0                    |                                                                                                                                                                                                                                                                                                                                     |

| Project                        | Holder                                                               | Tenement              | Status      | Location (Shire)   | Interest at Year end | Change during year/ Farm-in Interest                                                                                                                                  |
|--------------------------------|----------------------------------------------------------------------|-----------------------|-------------|--------------------|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Boodanoo                       | YEV <sup>1</sup>                                                     | E59/2368              | Granted     | Murchison Yalgoo   | 100                  |                                                                                                                                                                       |
| Central Balagundi <sup>1</sup> | GoldEarth Enterprises Pty Ltd<br>Third Party Individual <sup>2</sup> | M25/359               | Granted     | Kalgoorlie-Boulder | 0                    | Farm-in first year minimum expenditure commitment requirement achieved                                                                                                |
| Christmas Well                 | Yilgarn Exploration Ventures Pty Ltd (YEV) <sup>1</sup>              | E37/1371              | Granted     | Leonora            | 100                  |                                                                                                                                                                       |
|                                |                                                                      | P37/9211              | Granted     | Leonora            | 100                  |                                                                                                                                                                       |
|                                |                                                                      | P37/9212              | Granted     | Leonora            | 100                  |                                                                                                                                                                       |
|                                |                                                                      | P37/9213              | Granted     | Leonora            | 100                  |                                                                                                                                                                       |
|                                |                                                                      | P37/9214              | Granted     | Leonora            | 100                  |                                                                                                                                                                       |
|                                |                                                                      | P37/9215              | Granted     | Leonora            | 100                  |                                                                                                                                                                       |
|                                |                                                                      | P37/9216              | Granted     | Leonora            | 100                  |                                                                                                                                                                       |
|                                |                                                                      | P37/9217              | Granted     | Leonora            | 100                  |                                                                                                                                                                       |
|                                |                                                                      | P37/9218              | Granted     | Leonora            | 100                  |                                                                                                                                                                       |
|                                |                                                                      | P37/9219              | Granted     | Leonora            | 100                  |                                                                                                                                                                       |
|                                |                                                                      | E37/1411              | Application | Leonora            | 100                  |                                                                                                                                                                       |
| Desdemona North <sup>1</sup>   | Kin West WA Pty Ltd                                                  | E37/1152              | Granted     | Leonora            | 0                    | Two additional tenements added to farm-in agreement (E37/1203, E37/1315) 31 May 2022.<br>Farm-in period extended from 3 years to 4.5 years.<br>Interest: 75%          |
|                                |                                                                      | E37/1156              | Granted     | Leonora            | 0                    |                                                                                                                                                                       |
|                                |                                                                      | E37/1201              | Granted     | Leonora            | 0                    |                                                                                                                                                                       |
|                                |                                                                      | E37/1326 <sup>4</sup> | Granted     | Leonora            | 0                    |                                                                                                                                                                       |
|                                |                                                                      | E40/283 <sup>5</sup>  | Granted     | Leonora Menzies    | 0                    |                                                                                                                                                                       |
|                                |                                                                      | E37/1203              | Granted     | Leonora            | 0                    |                                                                                                                                                                       |
|                                |                                                                      | E37/1315              | Granted     | Leonora            | 0                    |                                                                                                                                                                       |
| Grace JV <sup>1</sup>          | Great Southern Gypsum Limited                                        | E70/5253              | Granted     | Lake Grace         | 0                    | Farm-in Executed: 8 December 2021<br>Farm-in Period: 4 years<br>Farm-in Interest: 75% (50/50 JV established once \$1.5m expended)<br>Farm-in Expenditure: \$3 million |
|                                |                                                                      | M70/1384              | Granted     | Lake Grace         | 0                    |                                                                                                                                                                       |
|                                |                                                                      | P70/1750              | Granted     | Lake Grace         | 0                    |                                                                                                                                                                       |
| Grace                          | SensOre Exploration Holdings Pty Ltd                                 | E70/5824              | Application | Lake Grace         | 100                  |                                                                                                                                                                       |
| Jenkins                        | SensOre Battery Minerals Pty Ltd (SBM)                               | E69/3986              | Granted     | Dundas             | 100                  | Granted 26 July 2022                                                                                                                                                  |

| Project                      | Holder                              | Tenement              | Status  | Location (Shire)   | Interest at Year end | Change during year/ Farm-in Interest                                                                                                                                                  |
|------------------------------|-------------------------------------|-----------------------|---------|--------------------|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Marloo                       | Monger Exploration Pty Ltd          | E15/1498              | Granted | Coolgardie         | 0                    | Farm-in Executed: 7 February 2022<br>Farm-in Period: 4 years<br>Farm-in Interest: 70%<br>Farm-in Expenditure: \$800,000<br>Five-year extension of tenement term granted 28 April 2022 |
| Maynards Dam                 | Jindalee Resources Limited          | E15/1752              | Granted | Coolgardie         | 0                    | First year minimum expenditure commitment requirement achieved                                                                                                                        |
| Mogul Well                   | SYV                                 | E51/2019              | Granted | Cue<br>Meekatharra | 100                  |                                                                                                                                                                                       |
| Moonera                      | Nullabor Resources Pty. Ltd.        | E69/3724              | Granted | Dundas             | 0                    | Farm-in first year minimum expenditure commitment requirement achieved                                                                                                                |
| Mt Magnet North <sup>1</sup> | Third Party Individual <sup>2</sup> | E58/525               | Granted | Mt Magnet          | 0                    | Farm-in period extended to four years (previously three years). Revised end-date 30 January 2024.                                                                                     |
| North Darlot <sup>1</sup>    | Third Party Individual <sup>2</sup> | E37/1220 <sup>6</sup> | Granted | Leonora            | 0                    |                                                                                                                                                                                       |
| Providence Bore              | YEV <sup>1</sup>                    | E29/1072              | Granted | Menzies            | 0                    | Divested during the year. Transfer proceedings commenced                                                                                                                              |
| Tea Well                     | YEV <sup>1</sup>                    | P51/3115              | Granted | Meekatharra        | 100                  |                                                                                                                                                                                       |
|                              |                                     | P51/3116              | Granted | Meekatharra        | 100                  |                                                                                                                                                                                       |
|                              |                                     | P51/3117              | Granted | Meekatharra        | 100                  |                                                                                                                                                                                       |
|                              |                                     | P51/3118              | Granted | Meekatharra        | 100                  |                                                                                                                                                                                       |
|                              |                                     | P51/3119              | Granted | Meekatharra        | 100                  |                                                                                                                                                                                       |
|                              |                                     | P51/3120              | Granted | Meekatharra        | 100                  |                                                                                                                                                                                       |
|                              |                                     | P51/3121              | Granted | Meekatharra        | 0                    | Surrendered 26 April 2022                                                                                                                                                             |
|                              |                                     | P51/3122              | Granted | Meekatharra        | 0                    | Surrendered 26 April 2022                                                                                                                                                             |
|                              |                                     | P51/3123              | Granted | Meekatharra        | 0                    | Surrendered 26 April 2022                                                                                                                                                             |
|                              |                                     | P51/3124              | Granted | Meekatharra        | 0                    | Surrendered 26 April 2022                                                                                                                                                             |
|                              |                                     | P51/3125              | Granted | Meekatharra        | 0                    | Surrendered 26 April 2022                                                                                                                                                             |
|                              |                                     | P51/3126              | Granted | Meekatharra        | 0                    | Surrendered 26 April 2022                                                                                                                                                             |
|                              |                                     | P51/3127              | Granted | Meekatharra        | 0                    | Surrendered 26 April 2022                                                                                                                                                             |
|                              |                                     | P51/3128              | Granted | Meekatharra        | 0                    | Surrendered 26 April 2022                                                                                                                                                             |
|                              |                                     | P51/3129              | Granted | Meekatharra        | 0                    | Surrendered 26 April 2022                                                                                                                                                             |
|                              |                                     | P51/3130              | Granted | Meekatharra        | 0                    | Surrendered 26 April 2022                                                                                                                                                             |
|                              |                                     | P51/3131              | Granted | Meekatharra        | 0                    | Surrendered 26 April 2022                                                                                                                                                             |

| Project                  | Holder                              | Tenement | Status      | Location (Shire) | Interest at Year end | Change during year/ Farm-in Interest                                                              |
|--------------------------|-------------------------------------|----------|-------------|------------------|----------------------|---------------------------------------------------------------------------------------------------|
|                          |                                     | P51/3132 | Granted     | Meekatharra      | 0                    | Surrendered 26 April 2022                                                                         |
|                          |                                     | P51/3133 | Granted     | Meekatharra      | 0                    | Surrendered 26 April 2022                                                                         |
|                          |                                     | P51/3134 | Granted     | Meekatharra      | 0                    | Surrendered 26 April 2022                                                                         |
|                          |                                     | P51/3135 | Granted     | Meekatharra      | 0                    | Surrendered 26 April 2022                                                                         |
| Tea Well East            | SYV                                 | P51/3242 | Granted     | Meekatharra      | 100                  | Tenements granted 18 May 2022                                                                     |
|                          |                                     | P51/3243 | Granted     | Meekatharra      | 100                  |                                                                                                   |
|                          |                                     | P51/3247 | Granted     | Meekatharra      | 100                  |                                                                                                   |
| Tea Well JV <sup>1</sup> | Third Party Individual <sup>2</sup> | E51/1679 | Granted     | Meekatharra      | 0                    | Farm-in period extended to four years (previously three years). Revised end-date 30 January 2024. |
|                          |                                     | P51/2917 | Granted     | Meekatharra      | 0                    |                                                                                                   |
|                          |                                     | P51/2918 | Granted     | Meekatharra      | 0                    |                                                                                                   |
|                          |                                     | P51/2934 | Granted     | Meekatharra      | 0                    |                                                                                                   |
|                          |                                     | P51/3050 | Granted     | Meekatharra      | 0                    |                                                                                                   |
|                          |                                     | P51/3144 | Granted     | Meekatharra      | 0                    |                                                                                                   |
| Sandstone Road           | Third Party Individual <sup>2</sup> | P51/3051 | Granted     | Meekatharra      | 0                    |                                                                                                   |
|                          |                                     | P51/3052 | Granted     | Meekatharra      | 0                    |                                                                                                   |
|                          |                                     | P51/3053 | Granted     | Meekatharra      | 0                    |                                                                                                   |
|                          |                                     | P51/3054 | Granted     | Meekatharra      | 0                    |                                                                                                   |
| Scorpion                 | SBM                                 | E69/3985 | Application | Dundas           | 100                  |                                                                                                   |

Notes:

1. SensOre Group interest via Yilgarn Exploration Ventures Pty Ltd (YEV) (SensOre 60%, DGO Gold Limited 40%)
2. Third Party Individual is not related to the Company
3. Application to convert existing prospecting licences: P25/2356, P25/2397, P25/2398, P25/2448, P25/2617 and P25/2692
4. Farm-in area: 6 of 33 graticular blocks
5. Farm-in area: 3 of 20 graticular blocks
6. Earn-in area: 21 of 34 graticular blocks

## GLOSSARY OF ABBREVIATIONS & DEFINED TERMS

| TERM             |                                                         |
|------------------|---------------------------------------------------------|
| \$ or A\$ or AUD | Australian dollars                                      |
| AASB             | Australian Accounting Standards Board                   |
| ABN              | Australian Business Number                              |
| ASX              | Australian Securities Exchange                          |
| Board            | The board of directors of the Company                   |
| CEO              | Chief executive officer                                 |
| CFO              | Chief financial officer                                 |
| Company          | SensOre Ltd ABN 16 637 198 531                          |
| COO              | Chief operating officer                                 |
| CoSec            | Company secretary & general manager – corporate affairs |
| director         | A member of the Board                                   |
| DGO              | DGO Gold Limited                                        |
| DPT              | Discriminant Predictive Targeting                       |
| EPS              | Earnings per share                                      |
| FVOCI            | Fair Value through Other Comprehensive Income           |
| FVTPL            | Fair Value through Profit or Loss                       |
| Group            | The Company and its controlled entities                 |
| GST              | Goods and services tax                                  |
| IFRS             | International Financial Reporting Standards             |
| KMP              | Key management personnel                                |
| KPI              | Key performance indicator(s)                            |
| LSL              | Long service leave                                      |
| LTI              | Long-term incentive                                     |
| SensOre          | SensOre Ltd ABN 16 637 198 531                          |
| N&RC             | Nomination & remuneration committee of the Company      |
| NED              | Non-executive director                                  |
| OCI              | Other Comprehensive Income                              |
| P50              | Market fiftieth percentile                              |
| PRP              | The performance rights plan of the Company              |
| STI              | Short-term incentive                                    |
| SYV              | SensOre Yilgarn Ventures Pty Ltd ABN 77 643 262 800     |
| TFR              | Total fixed remuneration                                |
| YEV              | Yilgarn Exploration Ventures Pty Ltd ABN 86 631 309 281 |

## CORPORATE DIRECTORY

### DIRECTORS

Robert Peck AM (non-executive chairman)  
Richard Taylor (executive director and CEO)  
Robbie Rowe (executive director and COO)  
Nic Limb (non-executive)  
Adrian Manger (non-executive)  
Anthony O'Sullivan (non-executive)

### EXECUTIVE

Alf Eggo (chief technology officer)  
Greg Bell (chief financial officer)  
Sally McDow (company secretary)

### REGISTERED OFFICE

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W: [sensore.com.au](http://sensore.com.au)

### ASX CODE

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### AUDITOR

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727 Collins Street  
Melbourne VIC 3008  
Australia

### TAX AGENTS AND ADVISERS

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Collins Square, Tower 5  
727 Collins Street  
Melbourne VIC 3008  
Australia

### SOLICITORS

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Melbourne VIC 3000  
Australia

### BANKERS

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