

# ASX Announcement

28 SEPTEMBER 2023

ASX:  
S3N

## APPENDIX 4E (RULE 4.3A)

### FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

#### RESULTS FOR ANNOUNCEMENT TO THE MARKET

All comparisons to the year ended 30 June 2022

This information should be read in conjunction with the attached Consolidated Annual Report of SensOre Ltd. for the year ended 30 June 2023.

		Change %		Amount \$
Revenue and other income from ordinary activities	Up	218.4	to	6,610,200
Loss from ordinary activities after tax attributable to equity holders of the parent	Up	5.9	to	8,380,050
Loss for the year attributable to equity holders of the parent	Up	22.6	to	8,380,050

#### COMMENTARY ON THE RESULTS FOR THE YEAR ENDED 30 JUNE 2023

For commentary on the results for the year ended 30 June 2023, please refer to the Review of Operations & Principal Activities section of the Directors' Report.

#### NET TANGIBLE ASSETS PER ORDINARY SHARE

	30 June 2023	30 June 2022
Net tangible asset backing per ordinary share (cents)	8.5	19.3

Additional Appendix 4E disclosure requirements and commentary can be found in the accompanying Consolidated Annual Report for the year ended 30 June 2023.

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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**SENSORE**

ASX: S3N

# Annual Report

**For the year ended 30 June 2023**



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

## 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 is my pleasure again to present the SensOre (ASX: S3N) Annual Report for 2023. The 2023 year has been a year of strong growth in SensOre's software and services business. SensOre's income rose to \$7 million with \$5 million in commercial revenue and \$2 million in R&D tax incentive refunds and government grants. SensOre is aiming to continue this rapid growth with more of its technology being automated and increasingly cloud deployed for clients with interactive reporting and real-time data access integrating client and public data sets through SensOre's platform.

SensOre's growth continues to benefit from three great trends in the world economy. The first is the pervasiveness and growing acceptance of Artificial Intelligence (AI) in all aspects of the economy; second the need for battery and energy transition minerals to address the challenge of climate change; and third the disruption of global trading systems requiring greater security for critical mineral supply chains. SensOre's solutions to finding more of in-demand commodities provide part of the answer for many of these global challenges.

Our business model is evolving with increased focus on commercialising and automating our client engagement and delivery mechanism. While we have a rapidly expanding software sales business, which we acquired as part of the acquisition of Intrepid Geophysics more than a year ago, we have been able to leverage these capabilities to turn more of our AI enabled products into software or automated solutions for clients. Services provided to clients continue to be integral to uptake of our software and we are seeing more recurring and repeat business as we grow our market share in the mining technology sector.

The most rapidly growing market segments have been our high-science and new products where we have little or no competition. Our Simclust and Cauchy Downward Continuation products are two of the most highly sought after solutions for companies with specific requirements to better site high-value exploration programs and develop assets. These technologies make use of more of the data than has ever been possible before, making for better decision making for our clients. With the pressure for exploration results only growing more intense, we expect our clients to be among the leaders in making new discoveries in the future. Innovative companies are embracing technology in all areas. Here I would like to mention our strong relationships with Deutsche Rohstoff AG, Gold Road Resources and BHP Ventures, which continue to demonstrate their commitment to deploying the best science in the search for tomorrow's mines.

With our focus on developing SensOre's mining technology against a backdrop of somewhat challenging capital markets, SensOre has been constrained in pursuing its exploration activities. However, SensOre has been selective in the projects it has retained as its test lab for its technologies. There has been no better environment for evaluating and feeding learning back into the system than undertaking exploration on the targets generated. Many of these targets such as North Darlot, Boodanoo, Moonera and Auralia are high-potential projects and we will continue to work with partners to liberate this value.

I would like to thank our shareholders for their continued support in the capital raising undertaken in 2023. I was encouraged by the strength of the support we received.

The year ahead looks to be another busy and productive period for our Company, especially as we grow and expand into new markets and territories. I am proud of our achievements in the four years since SensOre was created and I am excited about where we will be this time next year.

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 2023 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 Quantum Pacific Exploration as Vice President 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.

### **Company secretary**

#### **Sally McDow LLB MBA GAICD AGIA**

Through Boardroom Pty Limited, the Company has engaged the services of Sally McDow, who has extensive experience working as a Company Secretary with ASX listed companies in the resources, tech and biotech sectors. Ms McDow was admitted as a solicitor in Queensland, holds an MBA from Simon Fraser University (Canada) and is a graduate of the Governance Institute and Australian Institute of Company Directors.

## **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 platform and its proprietary target generation and validation technology 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 predictions (**AI-Target(s)**) are at the core of SensOre's business. SensOre focuses its operations on:

- **Technology**

To enhance exploration performance and expand its Exploration Services, SensOre invests in the continuous improvement of its technology & IP assets, including a select number of targets in its own test lab pipeline.

- **Services**

SensOre works with a growing 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.

Over the year, SensOre demonstrated significant developments across its business units, reinforcing the Company's ambition of becoming a top-performing minerals targeting company.

#### **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.

##### *Technology platform development*

During the year ended 30 June 2023, SensOre migrated SensOre's current client services to a cloud-based SaaS (software as a service) product. The 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.

##### *Australia Wide Data Cube*

SensOre's Technology division reached important milestones during the year, completing data acquisition in New South Wales, partially supported by a grant of \$322,000 from the Government of New South Wales Critical Minerals Activation Facility and South Australia, in partnership with Barton Gold (see below). SensOre also added new continental data layers for geophysics, hydro-geochemistry and satellite Aster data. The remaining state data sets are aimed for incorporation into the Data Cube by 2024.

#### **Services**

SensOre works with a growing list of 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 continued its work 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).

##### *Deutsche Rohstoff JLE Venture*

SensOre completed target acquisition for Deutsche Rohstoff AG on the identification, acquisition and exploration of SensOre generated lithium targets in Western Australia (JLE Venture). The Company holds an initial participating interest of 30%, with Deutsche Rohstoff holding the balance.



## DIRECTORS' REPORT

### *BHP Agreement*

BHP elected to extend Phase 4 of the nickel iteration under an existing Joint Targeting Agreement (**JTA**). Executed in September 2020, the JTA, which focused on nickel targeting within a pre-defined search space, was SensOre's first major client agreement. Under the agreement, SensOre benefits from fees and success-based payments on certain events occurring.

### **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 have been relinquished and some are still in the application phase.

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

*100% SYV:*

- 8 Mile Well
- Boodanoo
- Mogul Well

*SYV joint ventures:*

- Moonera (farm-in 80%)

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

- Auralia (earn-in interest up to 70%)
- Jenkins
- Scorpion (application)

### **Yilgarn Exploration Ventures (YEV)**

Previously a joint-venture with DGO Gold Limited (**DGO**), a subsidiary of Gold Road Resources Limited (ASX:GOR) SensOre re-acquired 100% ownership in February 2023.

*100% YEV interest:*

- Christmas Well

*YEV joint ventures:*

- Desdemona North (farm-in to 75%)
- Mt Magnet North (farm-in 85%)
- North Darlot (farm-in 85%)

## DIRECTORS' REPORT

### *New farm-in projects*

During the year ended 30 June 2023 and to the date of this report, the SensOre Group entered into the following farm-in agreements through its' 30% investment in Exploration Ventures AI Pty Ltd (EXAI) (a joint-venture with Deutsche Rohstoff AG):

- *Lith Gold: Gecko North Project:* EXAI to spend a total of \$2.5 million over four years for a 51% interest in the non-precious mineral rights and the opportunity to earn another 29% by completing a bankable feasibility study. SensOre to provide Lith Gold \$50,000 worth of S3N shares. 118,550 S3N shares were issued on 5 January, 2023.
- *Venture Minerals: Golden Grove North Project:* EXAI to earn 70% in all mineral rights – excluding rare earths – by expending up to \$4.5 million in two stages (\$1.5 million to earn a 51% over two years and \$3.0 million for an additional 19%). Venture retains the rare earth element (REE) mineral rights and an option to claw back up to 10% within the first two years.
- *Gateway Mining: Montague Project:* EXAI to spend an initial \$1.5 million (including a minimum of \$750,000 in direct drilling expenditure) to earn a 51% interest in the lithium (and related by-product) rights within the selected tenements. An additional \$3.0 million (including a minimum of \$1.5 million in direct drilling costs) to earn an additional 29% interest in the lithium (and related by-product) rights within the selected tenements. Gateway is free-carried to delivery of a Bankable Feasibility Study, with the option to claw-back a further 10% interest in the lithium (and related by-product) rights.
- *Alliance Resources: Kalgoorlie South Project:* SEH may earn a 50% beneficial interest in the Non-Precious Mineral Rights in the JV Area by expending \$5.0 million of Farm-in Expenditure within 4 years on the JV Area.

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

The following tenements were surrendered during the period:

<i>Maynards Dam JV</i> E15/1752	<i>Central Balagundi JV</i> M25/359	<i>Tea Well JV</i> E51/1679 P51/2917
<i>Tea Well East</i> P51/3242 P51/3243 P51/3247	<i>Grace JV</i> E70/5253 M70/1384 P70/1750	<i>Tea Well JV</i> P51/2918 P51/2934 P51/3050 P51/3144
<i>Marloo JV</i> E15/1498	<i>Grace</i> E70/5824	
<i>Balagundi JV</i> M25/173 P25/2356 P25/2392 P25/2397 P25/2398 P25/2448 P25/2617 P25/2692	<i>Desdemona North JV</i> E37/1152 E37/1156 E37/1201 E37/1326 E40/283 E37/1203 E37/1315	<i>Sandstone Road</i> P51/3051 P51/3052 P51/3053 P51/3054

### **Exploration activities**

Throughout 2023, SensOre and its subsidiaries continued with exploration programs to test its AI-Targets, including:

#### *Mt Magnet North*

In 2023, follow up reviews were undertaken on anomalous gold results and a sulphide bearing shear zone previously identified at 200m-220m. The project remains prospective and mineralisation is not closed off at depth or to the north.

## DIRECTORS' REPORT

### *Boodanoo*

The Thirsty Lizard prospect identified at Boodanoo continued to be reviewed by the Company. Boodanoo is an early-stage AI-target located on a major structure in an area previously unrecognised for its gold potential.

### *North Darlot*

The Company continued desktop reviews and targeting on potential mineralisation over a 5km strike length that remains untested by drilling. A follow-up deeper RC and diamond drilling program is planned.

### *Desdemona North*

Additional geophysics, including SensOre-Intrepid's Cauchy Downward Continuation confirmed previous drilling that indicated deeper targets in the northern portion of the tenement. SensOre was unable to reach agreement on extension of timeframes with the joint venture partner and the decision was taken to withdraw from the project.

### *Moonera*

A second mud rotary diamond hole to follow up on the successful first hole (22MODD001) was planned to test the centre of the identified deeper target. Unfortunately, the hole was abandoned due to drilling conditions.

SensOre received WA Government's Exploration Incentive Scheme (EIS) Round 23 co-funded drilling support and can claim a maximum reimbursement of \$220,000 under the EIS guidelines.

### *Auralia JV*

SensOre completed further geophysical studies and heritage and access requirements as a prelude to drilling. The heritage study was undertaken in two stages at the request of the participants. SensOre was successful in receiving EIS funding worth a maximum reimbursement of \$150,000.

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). 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, 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 2023 financial year, SensOre focused on growing its technology and services business and realising its investment in automation and software development. Strong sales revenue results were recorded across the last three quarters of 2023, assisted by additional revenues from the Intrepid acquisition that was completed in August 2022. The growth in revenue was also underpinned by increases in industry battery and critical minerals exploration budgets and renewed long term supply concerns for copper, nickel and lithium.

SensOre saw growth in client demand for AI targeting, prospectivity mapping and geochemical data services. Demand was strongest from Western Australia, followed by Queensland and the Northern Territory. As previously stated, in August 2022, SensOre finalised the acquisition of Intrepid Geophysics, a leading provider of geophysics software with distributors and resellers globally. SensOre sales benefitted from growth in the new geophysics technology offered by Cauchy Downward Continuation (CDC) and 2.5D Airborne Electro-Magnetic (AEM) products acquired from Intrepid Geophysics, as well as a new release of Geomodeller, Intrepid Geophysics' 3D geological modelling package. As a result of the transaction, SensOre has seen increased sales in India, China and southern Africa. Further information on the acquisition is shown in note 5 to the financial statements.

SensOre continued customer trials of its data platform solution for clients. Clients will benefit from the first commercial integrated solution of actual and predicted geoscience data. Productisation and the release candidate model occurred in July 2023 with promising initial take-up.

SensOre also continued to identify and create target portfolios ready for co-investment in order to generate further internal client revenue and maintain equity and royalty positions in attractive exploration packages. SensOre

## DIRECTORS' REPORT

expanded its lithium tenure in collaboration with Deutsche Rohstoff (Germany), undertaking targeting acquisition for a package of 8 lithium targets in Western Australia. SensOre continued work on its exciting Moonera IOCG/Carbonatite target in Madura Province of Western Australia, intersecting rare earths and mineralisation consistent with that predicted conventionally and with the assistance of SensOre's proprietary technology. On precious metals, SensOre returned promising results from its AI generated Boodanoo target with anomalous gold bottom of hole Geochem from the initial air-core drill program.

SensOre appointed Atrico as an advisor for future corporate growth initiatives and remained active exploring different options for international growth in sales.

In February 2023, SensOre and Gold Road (ASX: GOR) reached agreement to restructure arrangements surrounding the Yilgarn Exploration Ventures (YEV) portfolio. SensOre has agreed to acquire Gold Road Resources' 40% minority interest in YEV for 800,000 SensOre shares. Yilgarn Exploration Ventures holds a portfolio of prospective gold assets in the Eastern Goldfields of Western Australia.

SensOre successfully raised \$1,548,500 in cash through a Placement and Share Purchase Plan in May 2023. An issue price of A\$0.25 per share was done for both the Placement and the Share Purchase Plan. Both the Placement and Share Purchase Plan included a one (1) for two (2) free attaching option exercisable at \$0.375 and expiring three (3) years from the issue date.

In June 2023, the Share Purchase Plan shortfall of \$400,000 was placed with an exploration services provider by way of a credit note on the same terms as the SPP.

Further details on this share issues are outlined in note 22.

During the year the following movements occurred in relation unquoted performance rights and unquoted share options:

- 4,500,000 unquoted share options exercisable at \$0.38 expiring on 7 July 2026 were issued to the Chairman and Non-executive directors, this was in lieu of directors fees being paid in cash for the period 1 February 2023 to 30 June 2023 and as consideration for future directors fees from 1 July 2023 to 30 June 2024. These options vest on 24 May 2024 and were approved by shareholders at the General Meeting conducted on the 7 July, 2023; and
- 2,294,418 unquoted performance rights were issued under the SensOre LTI plan, these will be subject to shareholder approval at the SensOre 2023 AGM.

### FINANCIAL RESULTS

SensOre Ltd and its controlled entities recorded a net loss after tax of \$8,380,050 (30 June 2022: net loss after tax of \$7,912,871).

The Group invoiced \$5,158,700 (30 June 2022: \$634,005) in sales and grants during the year ended 30 June 2023.

Applying the revenue recognition policy, the Group recorded external revenue of \$4,451,418 (30 June 2022: \$558,500), comprising:

- revenue from software sales \$1,144,080 and consulting and interpretation services \$1,290,657 (30 June 2022: Nil). This revenue was from the Intrepid Geophysics acquisition completed in August 2022; and
- external exploration services of \$2,016,681 (30 June 2022: \$558,500) 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 \$1,865,798 (30 June 2022: \$1,296,163) and other grants of \$270,300 from the Government of New South Wales Critical Minerals Activation Facility.

Revenue and other income was offset by exploration expenditure of \$5,373,973 (including impairment losses recognised during the year of \$4,029,689), personnel costs of \$4,457,250 (including non-cash equity-settled share-based payments of \$231,082), consultants and contractor costs of \$2,232,676 (includes technology costs related to the development of the platform), depreciation and amortisation of \$1,269,519 (predominantly relating to amortisation of acquired technology and intellectual property of \$1,134,831), other administration, marketing,

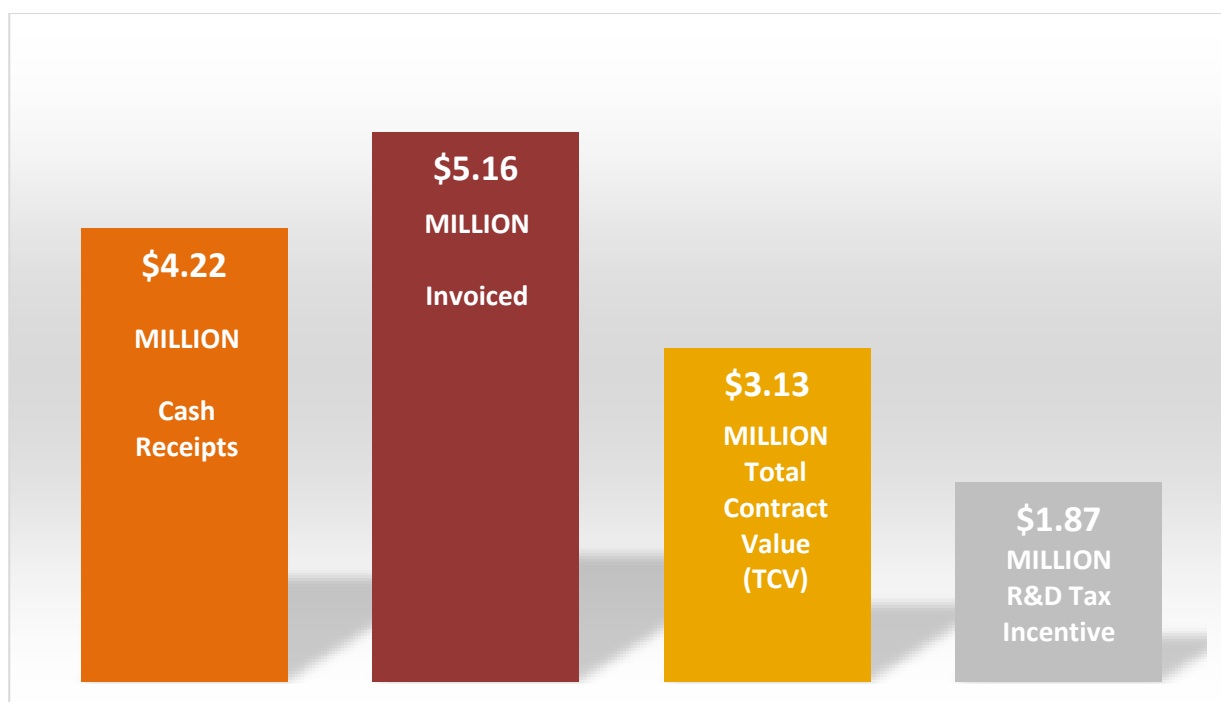
## DIRECTORS' REPORT

investor relations, maintenance and property expenses of \$1,536,864 and revaluation of financial instruments of \$38,255 (relates to the safeguard provision as part of the Intrepid acquisition).

Cash receipts from customers during the year to 30 June 2023 were \$4,215,723. Billings and subsequently cash receipts vary month by month and quarter by quarter due to the anniversary dates of key contracts and the timing of services revenue in reaching project milestones.

Total sales invoiced for the year to 30 June 2023 were \$5,158,700 (including NSW government grants).

Total Contract Value (TCV) on a net basis after depletion TCV \$3,125,702. TCV is the remaining value of current contracts. It depletes monthly, as the remaining term of the contract reduces. Several larger contracts were signed with clients during the last quarter to 30 June 2023 for delivery in coming quarters.



### FINANCIAL POSITION

As at 30 June 2023, the Group held a net asset position of \$12,741,640 (30 June 2022: net assets of \$16,220,116), comprising:

- Cash and cash equivalents of \$1,880,952 (30 June 2022: \$4,128,745);
- Trade and other receivables of \$2,949,280 (30 June 2022: \$1,637,405);
- Exploration and evaluation assets of \$3,807,243 (30 June 2022: \$7,604,251);
- Technology and intellectual property assets of \$6,144,051 (30 June 2022: \$3,708,833);
- Property, plant and equipment of \$368,011 (30 June 2021: \$223,922);
- Trade and other payables of \$878,111 (30 June 2022: \$894,816);
- Deferred Revenue of \$516,499 (30 June 2022: nil);
- Contingent consideration in relation to the Intrepid Geophysics acquisition \$517,626 (30 June 2022: Nil);
- Current borrowings includes R&D tax incentive financing loan of \$337,411 (30 June 2022: nil); and
- Other assets and liabilities netting to a net liability of \$251,974 (30 June 2022: net liability of \$182,224).

## DIRECTORS' REPORT

### CASH FLOW

For the year ended 30 June 2023, the Group realised a net cash outflow of (\$2,247,793) (30 June 2022: net cash inflow of \$2,524,910), comprising:

- Receipts from external customers \$4,215,723 (30 June 2022: \$288,200);
- R&D Tax Incentive amounts received \$1,867,315 (30 June 2022: \$951,744) and Government Grants \$159,000 (30 June 2022: \$299,102);
- Payments to suppliers and employees of \$7,325,112 (30 June 2022: \$3,853,566);
- Payment in relation to income tax \$206,054 (30 June 2022: nil);
- Payments for capitalised \$457,679 and non-capitalised \$1,547,924 exploration expenditure, totalling \$2,005,603 (30 June 2022: \$5,026,254);
- Other net cash outflows of \$168,584 relating to payments for property, plant and equipment, interest, insurance premium funding, lease liabilities and finance costs (30 June 2022: outflow of \$126,234);
- Payment for investment related to investment in 30% owned EVAI (joint venture with Deutsche Rostoff) \$88,500 (30 June 2022: nil);
- Payment in relation to the Intrepid Geophysics acquisition \$1,005,130 (30 June 2022: nil);
- Net proceeds from Placement and Share Purchase Plan of \$1,496,445 (30 June 2022: \$8,764,585);
- Proceeds from DGO Gold Limited's investment in YEV of \$492,706 (30 June 2022: \$1,227,240); and
- Proceeds from borrowings of \$320,000 (30 June 2022: nil).

### SUBSEQUENT EVENTS

Subsequent to balance date, SenOre reached the following agreements:

- At the General Meeting held on 7 July 2023, the resolution was passed to issue Non-Executive Directors 4,500,000 share options, this was in lieu of directors fees being paid in cash for the period 1 February 2023 to 30 June 2023 and as consideration for future directors fees from 1 July 2023 to 30 June 2024.
- Murchison Option Agreement: Through Exploration Ventures AI Pty Ltd (EXAI), a joint venture with Deutsche Rohstoff, an option agreement has been entered into with Matrix Exploration Pty Ltd, whereby EXAI is granted an option to acquire 100% interest in Murchison Project tenements. The initial \$75,000 plus GST in relation to the option agreement was paid on 25 August, 2023. An additional \$75,000 plus GST is payable on the 12 month anniversary date in exchange for the option to remain open. EXAI may exercise the option in full by paying to the tenement holder a further \$200,000 plus GST at any time prior to the end of the Option period. A total of \$350,000 plus GST is to be paid by EXAI to the Tenement Holder for the option to be exercised.
- On 25 August 2023 2,495,506 fully paid ordinary shares were issued to Techbase in relation to the settlement of the contingent liability in the Intrepid Geophysics acquisition agreement.
- A further \$300,000 was drawn-down in August 2023 through the R&D Tax Incentive financing arrangement with the RH Capital Finance Co. LLC, bringing borrowings under this facility to \$620,000. Repayment will be the earlier of SenOre Ltd deciding to repay the facility or the June 2023 R&D Tax Incentive claim being finalised and funds received from the Australian Taxation Office, as part of the lodgement of SensOre Ltd 2023 Income Tax Return. Interest rate on the facility is 16% per annum.

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.

## DIRECTORS' REPORT

### 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.

### 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

## DIRECTORS' REPORT

- Seek support from federal and state governments where possible
- Continually improve safety, environment, data security and HR systems

### 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 fee revenue in 2023/24.

SensOre to enhance the revenue potential of the data platform and its ability to scale and expand. 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.

### 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 2023 (2022: Nil).

### PERFORMANCE RIGHTS, SHARE OPTIONS 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 A\$	No. of performance rights on issue	No. of vested performance rights on issue
					30 Jun 2023	30 Jun 2023
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	865,750	-
2023AA	1 Mar 2023	1 Mar 2026	1 Mar 2028	Nil	2,294,418	-
					<b>7,852,607</b>	<b>4,692,439</b>

During the year, no performance rights over ordinary shares were exercised.



## DIRECTORS' REPORT

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 1 March 2023 and end date of 1 March 2026 (Issue 2023AA). 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 2023). Under the terms of the long-term incentive plan, the effective grant date will be the date of the annual general meeting when shareholder approval occurs, with vesting conditions measured on the three-year anniversary of the cycle start date (1 March 2026) and expiry date on the five-year anniversary of the cycle start date (1 March 2028). 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 share options were outstanding:

Unlisted share options	Grant date	Vesting date	Expiry date	Exercise price A\$	No. of share option on issue	No. of vested performance rights on issue
					30 Jun 2023	30 Jun 2023
2023AB	24 May 2023	7 July 2023	7 July 2028	0.38	4,500,00	-
					<b>4,500,000</b>	<b>-</b>

During the period, no share options over ordinary shares were exercised.

4,500,000 unquoted share options exercisable at \$0.38 expiring on 7 July 2026 were issued to the Chairman and Non-executive directors, this was in lieu of directors fees being paid in cash for the period 1 February 2023 to 30 June 2023 and as consideration for future directors fees from 1 July 2023 to 30 June 2024. The expense recorded in the remuneration report on page 23 was calculated as at 30 June 2023. These options vest on 24 May 2024 and were approved by shareholders at the General Meeting conducted on the 7 July, 2023.

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

Unlisted options	Grant date	Vesting date	Expiry date	Exercise price A\$	No. of broker options on issue
					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>

Details in relation to the broker options are as follows:

- 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 and share options are contained in note 30 to the financial statements.

No person entitled to performance rights or share options had or has any rights by virtue of the performance right or share option 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

## DIRECTORS' REPORT

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' MEETINGS

Throughout the year ended 30 June 2023, there were 6 directors' meetings. Eligibility and attendances were as follows:

Director	Eligible	Attended
R Peck	6	6
R Taylor	6	6
R Rowe	6	6
N Limb	6	6
A Manger	6	6
A O'Sullivan	6	6

During the year ended 30 June 2023, there were 2 A&RC meetings and 1 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 35 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 35 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 (including independence standards) 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 28 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 2023.

### 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**)  
Sally McDow Company Secretary (**CoSec**) (commenced 18 July 2022, engagement is through Boardroom Pty Limited)  
Gregory Bell Chief Financial Officer (**CFO**) (tendered resignation effective from 30 September 2022)  
Michaela Evans Company Secretary (**CoSec**) (tendered resignation effective from 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 FY2023 remuneration summary

The below table provides a high-level summary of FY2023 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.  Other than applicable statutory superannuation guarantee changes, no Executive TFR changes occurred during FY2023.
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 CY22 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.  Executive employment contracts include an LTI component in accordance with the Company's remuneration policy. Subject to shareholder approval, 2023 cycle performance rights (with a performance cycle start date of 1 March 2023 and end date of 1 March 2026) 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.

## DIRECTORS' REPORT

### 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

### 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

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.

#### Relationship between remuneration policy and Company performance

The remuneration policy has been tailored to increase goal alignment between shareholders, directors and executives.

## DIRECTORS' REPORT

This has been done by two methods, firstly through a short-term incentive plan (STI) with a performance-based bonus based on key performance indicators (KPI's) and secondly, through a long-term incentive plan (LTI) whereby performance rights are issued to encourage the alignment of personal and shareholder interests, as well as a longer-term retention strategy. The Company believes this policy will be effective in increasing shareholder wealth over time.

### Practice

#### Share Options

Directors elected to receive share options in lieu of their directors fees being paid in cash for the period 1 February 2023 to 30 June 2023 and as consideration for future directors fees from 1 July 2023 to 30 June 2024

Details of the share options are below:

NED	Share Options (No.)	Issue Date	Exercise Price (\$)	Expiry Date	Vesting Date
R Peck	1,500,000	07 July 2023	0.38	07 July 2026	24 May 2024
N Limb	1,000,000	07 July 2023	0.38	07 July 2026	24 May 2024
A Manger	1,000,000	07 July 2023	0.38	07 July 2026	24 May 2024
A O'Sullivan	1,000,000	07 July 2023	0.38	07 July 2026	24 May 2024

The expense recorded in the remuneration report on page 23 was calculated as at 30 June 2023 and reflect the present value of fixed fee forgone using the Black-Scholes option valuation methodology.

#### Fixed fees

A summary of the Company's fixed fee remuneration practice in relation to its current NEDs (inclusive of superannuation) prior to 1 February 2023 is as follows:

NED	2023 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

Fixed at appointment was nil, fixed fees were only paid post the IPO in February 2022.

## 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.

## DIRECTORS' REPORT

**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.

**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>

	'At target' STI opportunity % of TFR	'Stretch' STI opportunity % of TFR
<b>Employee</b>		
CEO	30	50
COO	30	50
CTO	30	50
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*

## DIRECTORS' REPORT

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

- Performance rights
- Performance rights granted under the Company's LTI plan will carry no dividend or voting rights

Purpose and guidance

- 'At risk' remuneration
- Incentivise and provide competitive reward for continued service and achievement of long-term strategic/growth objectives

## DIRECTORS' REPORT

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
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 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	At risk remuneration <sup>(i)</sup>		
		Maximum STI opportunity	Maximum LTI opportunity	Maximum total 'at risk' remuneration
	%	%	%	%
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



## DIRECTORS' REPORT

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

### Practice

#### Fixed remuneration

During the reporting period the Executive comprised Richard Taylor (CEO), Robert Rowe (COO), Alfred Eggo (CTO). There was no change to fixed Executive remuneration during the period:

Executive	2023 TFR (\$)	Date of last adjustment	TFR at appointment (\$)	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

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

#### Short term incentives

Although participating executives satisfied certain CY22 STI metrics, the decision was made to not pay any STI amounts for FY2023. The below table outlines STI awards made during the reporting period as follows:

Executive	CY22 actual STI award relative to TFR %	CY22 actual STI award \$
CEO	0.0	-
COO	0.0	-
CTO	0.0	-

CY23 STI targets have been set for each executive in keeping with the STI policy outlined above.

#### Long term incentives

In the previous financial year 2022, 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 (\$)	Escrow Period End Date	Performance 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
	11 Feb 2022	11 Feb 2027	Nil	NA	257,648
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
	11 Feb 2022	11 Feb 2027	Nil	NA	200,965
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
	11 Feb 2022	11 Feb 2027	Nil	NA	200,965
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, 2023 cycle performance rights (with a cycle start date of 1 March 2023 and end date of 1 March 2026) 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	20 Oct 2023	1 Mar 2026	1 Mar 2028	Nil	547,500
COO	20 Oct 2023	1 Mar 2026	1 Mar 2028	Nil	427,050
CTO	20 Oct 2023	1 Mar 2026	1 Mar 2028	Nil	427,050
Other employees	20 Oct 2023	1 Mar 2026	1 Mar 2028	Nil	892,818

- (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 2023). Under the terms of the long term incentive plan, the effective grant date is the date of the annual general meeting when shareholder approval occurs, with vesting conditions measured on the three-year anniversary of the cycle start date (1 March 2026) and expiry date on the five-year anniversary of the cycle start date (1 March 2028).

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 \$0.40 has been set.

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
Position	CEO	COO	CTO
Appointment date	1 February 2020	1 April 2020	1 April 2020
Contract date	1 February 2020	1 April 2020	1 April 2020
Contract cease date	-	-	-
TFR	\$438,000	\$341,640	\$341,640
STI/LTI eligibility	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
Notice for termination by the Company	13 weeks	13 weeks	13 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
Notice for resignation by the employee	13 weeks	13 weeks	13 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
Post-employment restraints	Six months	Six months	Six months

## DIRECTORS' REPORT

### 7. KMP remuneration summary

The remuneration of KMP during the period ended 30 June 2023 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>	Cash bonus	Super contribution	LSL <sup>(iv)</sup>	2022		2023			
					Performance rights <sup>(vi)</sup>	Performance rights <sup>(vi)</sup>	2022 Share Options <sup>(vii)</sup>			
<b>30 June 2023</b>										
<b>Executive directors</b>										
R Taylor <sup>(ix)</sup>	359,629	-	21,077	6,764	12,625	6,357	-	-	406,452	
R Rowe	325,850	-	25,285	5,004	9,847	4,959	-	-	370,945	
<b>Non-executive directors</b>										
R Peck	52,790	-	5,543	-	-	-	40,562	-	98,895	
N Limb	31,674	-	3,326	-	-	-	27,041	-	62,041	
A Manger	35,000	-	-	-	-	-	27,041	-	62,041	
A O'Sullivan	31,674	-	3,326	-	-	-	27,041	-	62,041	
<b>Key executives</b>										
A Eggo	314,351	-	25,292	5,004	9,847	4,959	-	-	359,453	
G Bell	77,036	-	6,323	-	-	-	-	-	83,359	
M Evans	17,123	-	1,798	-	-	-	-	-	18,921	
	<b>1,245,129</b>	<b>-</b>	<b>91,970</b>	<b>16,773</b>	<b>32,319</b>	<b>16,274</b>	<b>121,685</b>	<b>-</b>	<b>1,524,150</b>	
<b>30 June 2022</b>										
<b>Executive directors</b>										
R Taylor	428,659	-	25,000	23,568	3,553	148,307	5,260	-	634,347	
R Rowe	330,125	-	25,000	23,568	2,593	115,679	4,103	-	501,068	
<b>Non-executive directors</b>										
R Peck	34,091	-	-	3,409	-	120,000	-	-	157,500	
N Limb	20,455	-	-	2,045	-	120,000	-	-	142,500	
A Manger	20,455	-	-	2,045	-	120,000	-	-	142,500	
A O'Sullivan	20,455	-	-	2,045	-	120,000	-	-	142,500	
<b>Key executives<sup>(viii)</sup></b>										
A Eggo	331,420	-	25,000	23,568	2,593	115,679	4,103	-	502,363	
G Bell	276,689	-	45,000	23,568	726	53,833	-	-	399,816	
M Evans	221,285	-	26,244	21,304	818	23,366	-	-	293,017	
	<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>-</b>	<b>2,915,611</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.

## DIRECTORS' REPORT

- (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.
- (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 2023 (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) Directors elected to receive share options in lieu of directors fees being paid in cash for the period 1 February 2023 to 30 June 2023 and as consideration for future directors fees from 1 July 2023 to 30 June 2024.
- (viii) Mr Bell tendered resignation effective from 30 September 2022 and Ms. Evans tendered resignation effective from 29 July 2022.
- (ix) Richard Talyor elected to defer his April and May salary for the financial year, this will be paid in October and will be gross payment of \$73,000.

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

	Fixed remuneration		At-risk remuneration	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
<b>Executive directors</b>				
R Taylor	95.3%	71.9%	4.7%	28.1%
R Rowe	96.0%	71.1%	4.0%	28.9%
<b>Non-executive directors</b>				
R Peck	59.0%	23.8%	41.0%	76.2%
N Limb	56.4%	15.8%	43.6%	84.2%
A Manger	56.4%	15.8%	43.6%	84.2%
A O'Sullivan	56.4%	15.8%	43.6%	84.2%
<b>Key executives<sup>(i)</sup></b>				
A Eggo	95.9%	71.2%	4.1%	28.8%
G Bell	100%	75.3%	-	24.7%
M Evans	100%	83.1%	-	16.9%

(i) Mr Bell tendered resignation effective from 30 September 2022 and Ms. Evans tendered resignation effective from 29 July 2022.

### 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 2023	Balance as at 1 July 2022	Performance rights exercised	Shares purchased during the year	Balance as at 30 June 2023
<b>Directors</b>				
R Peck	6,449,905	-	109,941	6,559,846
N Limb	1,052,222	-	76,871	1,129,093
A Manger <sup>(i)</sup>	2,173,200	-	-	2,173,200
A O'Sullivan <sup>(i)</sup>	2,025,316	-	100,000	2,125,316
R Taylor	623,737	-	-	623,737
R Rowe	359,561	-	29,600	389,161
<b>Key executives</b>				
A Eggo <sup>(i)</sup>	2,225,590	-	-	2,225,590
<b>Total</b>	<b>14,909,531</b>	<b>-</b>	<b>316,412</b>	<b>15,225,943</b>

## DIRECTORS' REPORT

30 June 2022	Balance as at 1 July 2021	Performance rights exercised	Shares purchased during the year	Balance as at 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>

(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 share option holdings

There are outstanding share options held by directors 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, 2021, 2022 and proposed for 2023. 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 A\$	No. of performance rights on issue	No. of vested performance rights on issue
					30 Jun 2022	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	11 Feb 2022	11 Feb 2025	11 Feb 2027	Nil	923,986	-
2023AA <sup>(ii)</sup>	1 Mar 2023	1 Mar 2026	1 Mar 2028	Nil	2,294,418	-
2022AB	11 Feb 2022	11 Feb 2025	11 Feb 2027	Nil	(58,236)	-
					<b>7,852,607</b>	<b>4,692,439</b>

## DIRECTORS' REPORT

- (i) During financial year 2022, 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

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 1 March 2023 and end date of 1 March 2026 (Issue 2023AA). 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 2023). Under the terms of the long-term incentive plan, the effective grant date will be the date of the annual general meeting when shareholder approval occurs, with vesting conditions measured on the three-year anniversary of the cycle start date (1 March 2026) and expiry date on the five-year anniversary of the cycle start date (1 March 2028). Further details regarding these proposed Performance Rights will be outlined in the Company's notice of annual general meeting.

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

	Balance as at 1 Jul 2023	Movement during the year		Balance as at 30 Jun 2023	Unvested balance 30 Jun 2023
		Granted	Exercised, lapsed, forfeited		
<b>Directors</b>					
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	1,334,864	547,500	-	1,882,364	257,648
R Rowe	1,041,193	427,050	-	1,468,243	200,965
<b>Key executives</b>					
A Eggo	840,228	427,050	-	1,267,278	200,965
	<b>4,130,025</b>	<b>1,401,600</b>	<b>-</b>	<b>5,531,625</b>	<b>659,578</b>

	Balance as at 1 Jul 2021	Movement during the year		Balance as at 30 Jun 2022	Unvested balance 30 Jun 2022
		Granted	Exercised, lapsed, forfeited		
<b>Directors</b>					
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
<b>Key executives</b>					
A Eggo	840,228	200,965 <sup>(i)</sup>	-	1,041,193	200,965
G Bell	148,847	- <sup>(ii)</sup>	-	148,847	-
M Evans	64,607	- <sup>(ii)</sup>	-	64,607	-
	<b>2,971,126</b>	<b>1,573,318</b>	<b>-</b>	<b>4,544,444</b>	<b>659,578</b>

- (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 1 Mar 2023 and end date of 28 Feb 2026 (Issue 2023AA). 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 2023). Under the terms of the long term incentive plan, the effective grant date will be the date of the annual general meeting where shareholder approval occurs, with vesting conditions measured on the three-year anniversary of the cycle start date (1 March 2026) and expiry date on the five year anniversary of the cycle start date (1 March 2028). Further details regarding these proposed Performance Rights will be outlined in the Company's notice of annual general meeting.

## DIRECTORS' REPORT

- (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 2023 cycle.

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

NED	Share Options (No.)	Issue Date	Exercise Price (\$)	Expiry Date	Vesting Date
R Peck	1,500,000	07 July 2023	0.38	07 July 2026	24 May 2024
N Limb	1,000,000	07 July 2023	0.38	07 July 2026	24 May 2024
A Manger	1,000,000	07 July 2023	0.38	07 July 2026	24 May 2024
A O'Sullivan	1,000,000	07 July 2023	0.38	07 July 2026	24 May 2024

No performance rights or share options were exercised by or forfeited by KMP during the period ended 30 June 2023.

### 9. Loans to KMP

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

#### 9.1 Loans to related parties

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

#### 9.2 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, 28 September 2023

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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 2023, 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, 28 September 2023

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ACN-130 913 594

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

For the financial year ended 30 June 2023

	Note	Consolidated	
		Year ended 30 Jun 2023 A\$	Period ended 30 Jun 2022 A\$
Revenue	7	4,451,418	558,500
Other income	7	2,158,782	1,517,619
Employee benefit expenses	8	(4,457,250)	(3,975,433)
Maintenance and property expenses		(3,735)	-
Administration expenses		(1,136,449)	(636,177)
Depreciation and amortisation expenses	8	(1,269,519)	(578,079)
Exploration preparation expenses		(5,373,973)	(3,382,009)
Consultants and contractor expenses		(2,232,676)	(1,222,917)
Interest expense		(33,431)	(11,253)
Finance costs		(995)	-
Net gain (loss) on revaluation of financial instrument	26	(38,255)	-
Other expenses		(396,680)	(183,122)
<b>Loss before tax</b>		<b>(8,332,763)</b>	<b>(7,912,871)</b>
Income tax benefit	9	(47,287)	-
<b>Loss for the year</b>		<b>(8,380,050)</b>	<b>(7,912,871)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(8,380,050)</b>	<b>(7,912,871)</b>
<b>Loss for the year attributable to:</b>			
- owners of the parent entity		(8,380,050)	(6,834,103)
- non-controlling interests	24	-	(1,078,768)
		<b>(8,380,050)</b>	<b>(7,912,871)</b>
<b>Total comprehensive loss for the year attributable to:</b>			
- owners of the parent entity		(8,380,050)	(6,834,103)
- non-controlling interests	24	-	(1,078,768)
<b>Total comprehensive loss for the year</b>		<b>(8,380,050)</b>	<b>(7,912,871)</b>
<b>Loss per share:</b>		<b>Cents</b>	<b>Cents</b>
Basic and diluted loss per share (cents)	25	(12.04)	(11.60)

Notes to the financial statements are included on pages 33 to 74

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		Consolidated	
	Note	30 Jun 2023 A\$	30 Jun 2022 A\$
<b>Current assets</b>			
Cash and cash equivalents	28	1,880,952	4,128,745
Trade and other receivables	10	2,949,280	1,637,405
Other current assets	11	545,082	170,814
<b>Total current assets</b>		<b>5,375,314</b>	<b>5,936,964</b>
<b>Non-current assets</b>			
Property, plant and equipment	12	368,011	223,922
Exploration and evaluation assets	13	3,807,243	7,604,251
Technology and intellectual property assets	14	6,144,051	3,708,833
Investment in subsidiaries	15	-	-
Other non-current assets	11	9,423	9,423
<b>Total non-current assets</b>		<b>10,328,728</b>	<b>11,546,429</b>
<b>Total assets</b>		<b>15,704,042</b>	<b>17,483,393</b>
<b>Current liabilities</b>			
Trade and other payables	16	878,111	894,816
Deferred revenue	17	516,499	-
Borrowings	20	392,939	50,610
Provisions	18	367,003	232,292
Provision for income tax		55,101	-
Contingent consideration	21	517,626	-
Lease liability	19	93,724	30,315
<b>Total current liabilities</b>		<b>2,821,003</b>	<b>1,208,033</b>
<b>Non-current liabilities</b>			
Lease liability	19	64,326	33,877
Provisions	18	77,073	21,367
<b>Total non-current liabilities</b>		<b>141,399</b>	<b>55,244</b>
<b>Total liabilities</b>		<b>2,962,402</b>	<b>1,263,277</b>
<b>Net assets</b>		<b>12,741,640</b>	<b>16,220,116</b>
<b>Equity</b>			
Issued capital	22	27,590,586	23,132,708
Performance rights and share options reserve	30	2,266,079	2,075,090
Reserves	23	3,166,314	-
Accumulated losses		(20,281,339)	(11,901,290)
<b>Equity relating to the shareholders of the parent entity</b>		<b>12,741,640</b>	<b>13,306,508</b>
Non-controlling interest	24	-	2,913,608
<b>Total equity</b>		<b>12,741,640</b>	<b>16,220,116</b>

Notes to the financial statements are included on pages 33 to 74

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2023

	Share capital A\$	Performance rights and share options reserve A\$	Acquisition Reserve A\$	Accumulated losses A\$	Attributable to equity holders of the parent A\$	Attributable to non-controlling interest A\$	Total equity A\$
<b>Balance at 1 July 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	-	-	-	<b>9,838,889</b>	-	<b>9,838,889</b>
Share issue costs – cash	(1,074,304)	-	-	-	<b>(1,074,304)</b>	-	<b>(1,074,304)</b>
Share issue costs – non-cash	(805,957)	805,957	-	-	-	-	-
Recognition of non-controlling interest investment	-	-	-	-	-	1,227,240	<b>1,227,240</b>
Loss for the period ended 30 June 2022	-	-	-	(6,834,103)	<b>(6,834,103)</b>	(1,078,768)	<b>(7,912,871)</b>
<b>Total comprehensive loss</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	-	-	<b>1,119,427</b>	-	<b>1,119,427</b>
<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>
Issue of ordinary shares	4,509,933	-	-	-	4,509,933	-	<b>4,509,933</b>
Share issue costs – cash	(52,055)	-	-	-	(52,055)	-	<b>(52,055)</b>
Recognition of non-controlling interest investment	-	-	-	-	-	-	-
Change in Non-controlling interest	-	-	3,166,314	-	3,166,314	(2,913,608)	<b>252,706</b>
Loss for the period ended 30 June 2023	-	-	-	<b>(8,380,050)</b>	(8,380,050)	-	<b>(8,380,050)</b>
<b>Total comprehensive loss</b>	-	-	3,166,314	<b>(8,380,050)</b>	<b>(5,213,736)</b>	-	<b>(8,380,050)</b>
Recognition of equity-settled employee benefits	-	190,990	-	-	190,990	-	190,990
<b>Balance at 30 June 2023</b>	<b>27,590,586</b>	<b>2,266,080</b>	<b>3,166,314</b>	<b>(20,281,340)</b>	<b>12,741,640</b>	-	<b>12,741,640</b>

Notes to the financial statements are included on pages 33 to 74

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2023

	Consolidated	
	30 Jun 2023	30 Jun 2022
Note	A\$	A\$
<b>Cash flows related to operating activities</b>		
Receipts from customers	4,215,723	288,200
Receipts from R&D Tax incentive	1,867,316	951,744
Receipts from government grants	159,000	299,102
Payments to suppliers and employees	(7,325,112)	(3,853,566)
Payments for non-capitalised exploration expenditure	(1,547,924)	(3,599,063)
Interest paid	(12,615)	(7,416)
Finance costs	(995)	-
Income tax refund received	(206,054)	-
<b>Net cash used in operating activities</b>	<b>28 (2,850,661)</b>	<b>(5,920,999)</b>
<b>Cash flows related to investing activities</b>		
Purchase of exploration and evaluation assets	(457,679)	(1,427,191)
Purchase of property, plant and equipment	(35,595)	(28,484)
Interest received	21,238	93
Payment for investment	15 (88,500)	-
Proceeds from investment in YEV by DGO Gold Limited	492,706	1,227,240
Payment for acquisitions, net of cash acquired	(1,005,130)	-
<b>Net cash used in investing activities</b>	<b>(1,072,960)</b>	<b>(228,342)</b>
<b>Cash flows related to financing activities</b>		
Proceeds from capital raisings	22 1,548,500	9,838,889
Payment of share issue costs	22 (52,055)	(1,074,304)
Payment of lease liabilities	(66,209)	(25,831)
Repayment of borrowings	(74,408)	(64,503)
Proceeds from borrowings	320,000	-
<b>Net cash provided by financing activities</b>	<b>1,675,828</b>	<b>8,674,251</b>
Net increase/(decrease) in cash and cash equivalents held	(2,247,793)	2,524,910
Cash and cash equivalents at beginning of the financial year	4,128,745	1,603,835
<b>Cash and cash equivalents at end of the financial year</b>	<b>28 1,880,952</b>	<b>4,128,745</b>

Notes to the financial statements are included on pages 33 to 74

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

## 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 2022.

The Group has early adopted the standards and amendments below, with no material impact.

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 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
AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules	1 January 2023

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 2014-10 Amendments to AASs – Sale or Contribution of Assets between an Investor and its Associates or Joint Venture	1 January 2025

## 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 28 September 2023.

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

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

### **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 \$8,380,050 (30 June 2022: Loss of \$7,912,871) and had a net cash outflow from operating activities of \$2,850,661 (30 June 2022: cash outflow of \$5,920,999) during the year ended 30 June 2023. As at 30 June 2023, the Group's current assets exceeded current liabilities by \$2,554,312 (30 June 2022: \$4,728,931) and the Group had cash and cash equivalents of \$1,880,952 (30 June 2022: \$4,128,745).

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 26 and 31. 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 recent Placement and Share Purchase Plan which raised \$1.5 million and the Initial Public Offering (IPO) which raised \$7.5 million before costs.

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 2023

### (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 14 – Technology and intellectual property assets

Note 13 – Exploration and evaluation assets

Note 30 – Share-based payments

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

### 5. ACQUISITION OF SUBSIDIARY

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 and Louides Enterprises Pty Ltd (together 'Intrepid Geophysics'), obtaining control of Intrepid Geophysics on this date. Intrepid Geophysics qualifies as a business as defined in AASB 3.

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

	A\$
Financial assets	1,350,560
Prepayments	110,000
Income tax receivables	357,054
Property, plant & equipment	78,425
Software	3,562,479
Financial liabilities	(131,187)
Deferred revenue	(127,023)
Provisions for employee entitlements	(148,535)
<b>Total consideration</b>	<b>5,051,773</b>
Satisfied by:	
Cash	2,291,582
Equity instruments (4,285,715 fully paid ordinary shares of the Company)	2,271,429
Cost of acquisition	9,391
Contingent consideration	479,371
<b>Total consideration transferred</b>	<b>5,051,773</b>
Net cash outflow arising on acquisition:	
Cash consideration	2,291,582
Other costs of acquisition	9,413
Less: Cash and cash equivalents acquired	(1,295,865)
	<b>1,005,130</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 Company identified the key Intangible Assets (IA) to be software platforms on which the products are based. This intangible asset has been identified and recognised in accordance AASB 138 Intangible assets. (refer to note 14. Technology and Intellectual property assets for further details)

On the 9 August 2022 4,285,715 fully paid ordinary shares were issued as part of the consideration for Intrepid Geophysics.

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 \$517,626 at the 30 June 2023 was estimated using the actual 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



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

contingent consideration arrangement and, consequently, the present value of number of shares to be issued. This is measured on a provisional basis.

On 25 August 2023 2,495,506 fully paid ordinary shares were issued to Techbase in relation to the settlement of the contingent liability in the Intrepid Geophysics acquisition agreement.

Note the acquisition agreement had a right to earn a bonus of \$1.00 million on the one-year anniversary of the agreement, subject to satisfactory completion of performance hurdles in relation to revenue generation and key personnel retention. Performance hurdles have been satisfactorily completed and the \$1.00 million payment will occur in October 2023.

The acquisition was executed and completed 8 August 2022, therefore there is revenue and expenditure for Intrepid Geophysics included in the Group results included in these consolidated financial statements for the year ended 30 June 2023.

The acquired business contributed revenues of \$2,393,312 and loss of \$68,796 to the Group for the period 8 August 2022 to 30 June 2023. The following unaudited pro forma summary presents consolidated information as if the business combination had occurred on 1 July 2023:

	<b>30 Jun 2023</b>
	<b>A\$</b>
Revenue	4,480,584
Profit or (loss)	<u>(8,597,847)</u>

These pro forma amounts have been calculated after applying the Group's accounting policies and adjusting the results of Intrepid to reflect the additional depreciation and amortization that would have been charged assuming the fair value adjustments to property, plant, and equipment, and intangible assets had been applied from 1 July 2022.

### 6. 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 four segments of the Group are as follows:

**Technology:** The group invests in the continuous improvement of its technology & IP assets (including DPT®, Data Cube, Geomodeller, Cauchy Downward Continuation (CDC), 2.5D AEM, AGLADS®, iFertile®, iDeposit® and the SensOre Discoveries Database). The Group generates revenue through working with exploration and mining companies offering AI-enhanced targeting and prospectivity mapping. The R&D Tax Incentive grant is also included in revenue and other income.

**Exploration:** The Group has a tenement portfolio of wholly owned and joint ventured tenement assets in Western Australia that it conducts exploration and evaluation activities on. Revenue and other income consists of revenue generated through providing external exploration services and exploration related grant funding.

**Intrepid:** The Group acquired Intrepid in August 2022, a leading provider of geophysics software and services headquartered in Melbourne, Australia with distributors and resellers globally.

**Corporate:** Includes corporate related salaries and oncosts, administration, marketing and compliance costs. Revenue and other income consists of mainly interest.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

### 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 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	A\$	A\$	A\$	A\$
Technology	4,683,376	5,502,722	622,707	331,151
Exploration	4,573,747	8,021,401	283,797	465,834
Intrepid	4,855,414	-	932,510	-
Corporate	1,591,505	3,959,270	1,123,387	466,292
<b>Total</b>	<b>15,704,042</b>	<b>17,483,393</b>	<b>2,962,401</b>	<b>1,263,277</b>

### Segment revenue and results

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

	Consolidated			
	Revenue		Segment loss	
	Year ended		Year ended	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	A\$	A\$	A\$	A\$
Technology	1,288,433	553,500	(611,203)	(1,449,985)
Exploration	237,933	5,000	(5,256,485)	(4,236,173)
Intrepid	2,925,052	-	(106,059)	-
Corporate	-	-	(2,359,015)	(2,226,713)
<b>Total</b>	<b>4,451,418</b>	<b>558,500</b>	<b>(8,332,763)</b>	<b>(7,912,871)</b>
Income tax benefit			(47,287)	-
<b>Loss after tax</b>			<b>(8,380,050)</b>	<b>(7,912,871)</b>

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

### Other segment information

	Consolidated			
	Depreciation and amortisation		Additions to non-current assets	
	Year ended		Year ended	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	A\$	A\$	A\$	A\$
Technology	527,526	533,442	-	6,441
Exploration	9,277	4,395	15,063	20,054
Intrepid	655,824	-	15,373	-
Corporate	76,892	40,242	5,159	1,990
<b>Total</b>	<b>1,269,519</b>	<b>578,079</b>	<b>35,595</b>	<b>28,485</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

### 7. REVENUE AND OTHER INCOME

	Consolidated Year ended	
	30 Jun 2023	30 Jun 2022
	A\$	A\$
<b>Revenue</b>		
<b>At a point in time</b>		
Exploration services <sup>(i)</sup>	2,016,681	558,500
Consulting and interpretation revenue (provided on fixed price basis)	1,290,657	-
Sales of own software (provided via a perpetual license)	306,372	-
Sale of own software (license component of the bundled sales)	784,564	-
<b>Over time</b>		
Maintenance and support component of bundled sales)	53,144	-
<b>Total revenue</b>	<b>4,451,418</b>	<b>558,500</b>
<b>Other income</b>		
Research and development tax incentive	1,865,798	1,296,163
Government grants <sup>(ii)</sup>	270,300	211,600
Other	1,447	9,856
Interest income	21,237	-
<b>Total other income</b>	<b>2,158,782</b>	<b>1,517,619</b>
<b>Total revenue and other income</b>	<b>6,610,200</b>	<b>2,076,119</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 2023, government grants of \$277,300 (30 June 2022: \$177,868), this was from the NSW Government as part of their Critical Minerals and High-Tech Metals Activation Fund Steam 1. The accessible funding is a total \$322,000, which will support the growth of SensOre's technology platform on the east coast and extend our lithium pegmatite and other battery mineral targeting initiative.

#### 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:

- (i) identifies the contract with a customer;
- (ii) identifies the performance obligations in the contract;
- (iii) determines the transaction price which takes into account estimates of variable consideration and the time value of money;
- (iv) 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
- (v) 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

### *Rendering of services – exploration services*

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.

### *Consulting and interpretation revenue (provided on fixed price basis)*

With regard to consultancy and Interpretation services, these contracts are typically short-term (less than 12 months) and are charged on a fixed-fee basis. Consulting revenue is recognized on a proportional performance basis with milestones outlined in each contract. For services which are provided on a fixed price basis, determination of which performance obligations have been achieved, and where relevant, the proportion of the total project which has been delivered require significant judgement. Estimates are applied having regard for current information including knowledge of the project plan, estimated progress against that plan and estimated remaining scope of work.

### *Sales of own software (provided via a perpetual license)*

Perpetual licence revenue is a one-off transaction, where the Company sell a perpetual right to use the software. This license revenue is recognized at the point in time when access is granted to the customer and the one-off billing is raised.

### *Sales of own software (Licence and maintenance/support bundled)*

The Company sells software licences and subscription support as a bundled package. The upfront licence fee being a distinct performance obligation is recognised at the point in time when access is granted to the customer. The subscription service is assessed as a distinct performance obligation in the contract and recognised over the contract term.

The transaction price is allocated between the two performance obligations based upon the stand-alone selling prices.

### *Contract assets and contract liabilities*

The timing of invoicing of sales may differ to when revenue is recognised. Where sales invoices raised are greater than the revenue recognised at the end of the period, the Company recognises a deferred income contract liability for the difference.

### *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. 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

### 8. LOSS FOR THE YEAR

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

	Consolidated Year ended	
	30 Jun 2023	30 Jun 2022
	A\$	A\$
<b>Employee benefits expense</b>		
Non-executive director remuneration	163,333	105,000
Remuneration expense	3,617,365	2,277,142
Other employment costs	101,364	204,711
<i>Post-employment benefits</i>		
Superannuation contributions	354,479	202,360
Amortisation of equity-settled share-based payment	190,989	1,080,389
Provision for leave entitlements	29,720	105,831
	<b>4,457,250</b>	<b>3,975,433</b>
<b>Depreciation and amortisation</b>		
Technology and intellectual property	1,139,414	500,000
Computer equipment	54,510	45,320
Furniture and equipment	5,314	2,386
Right-of-use asset	70,281	30,373
	<b>1,269,519</b>	<b>578,079</b>
<b>Impairment of exploration and evaluation assets</b>	<b>4,029,689</b>	<b>1,179,339</b>

### 9. INCOME TAX

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

	Consolidated Year ended	
	30 Jun 2023	30 Jun 2022
	A\$	A\$
<b>Tax (income) comprises:</b>		
Current tax income	(810,482)	(1,284,882)
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)
	<b>(810,482)</b>	<b>(1,341,275)</b>
Deferred tax expense relating to the origination and reversal of temporary differences	(453,552)	255,315
Benefit arising from previously recognised temporary differences of prior periods used to reduce deferred tax expense	-	56,393
Effect of unused tax losses not recognised as deferred tax assets	1,311,321	1,029,567
<b>Total tax expense/(income)</b>	<b>(47,287)</b>	<b>-</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 Year ended	
	30 Jun 2023	30 Jun 2022
	A\$	A\$
Loss from operations	(8,332,763)	(7,912,871)
Income tax (income) calculated at 25.0% (2022 – 25.0%)	(2,083,191)	(1,978,218)
Non-deductible expenses	107,192	1,017,458
Non-assessable gains	664,678	(324,122)

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

Recognition of previously unrecognised deductible temporary differences	453,552	255,315
Recognition of prior year R&D tax incentive	-	-
Unused tax losses and tax offsets not recognised as deferred tax assets	810,482	1,029,567
<b>Income tax expense recognised in loss</b>	<b>(47,287)</b>	<b>-</b>

The tax rate used in the above reconciliation is the corporate tax rate of 25.0% (30 June 2022: 25.0%) 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 2023	30 Jun 2022
	A\$	A\$
The following deferred tax assets have not been brought to account as assets:		
Tax losses	1,433,437	2,228,599
Temporary differences	(111,551)	(290,098)
	<u>1,544,988</u>	<u>1,938,501</u>

The Group has tax losses arising in Australia of \$5,733,747 (2022: \$2,491,818) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose.

### (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. As a result of acquisition of Intrepid Geophysics Pty Ltd, GeoIntrepid Pty Ltd and the increase in ownership percentage of Yilgarn Exploration Ventures Pty Ltd, these entities have been added to the tax consolidated group during the year end 30 June 2023. The members of the tax consolidated group are identified in note 27.

#### 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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

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).

## 10. TRADE AND OTHER RECEIVABLES

	Consolidated	
	30 Jun 2023	30 Jun 2022
	A\$	A\$
<b>Trade receivables</b>		
Trade receivables	961,052	326,150
<b>Other receivables</b>		
Research and development tax incentive	1,865,798	1,296,486
Government grants receivable	122,430	-
GST receivable	-	14,769
<b>Total trade and other receivables</b>	<b>2,949,280</b>	<b>1,637,405</b>

	Consolidated	
	30 Jun 2023	30 Jun 2022
	A\$	A\$
<b>Trade receivables ageing</b>		
Current	884,283	280,500
30-60 Days	1,591	45,650
60-90 Days	-	-
90 + Days	75,178	-
<b>Total trade and other receivables</b>	<b>961,052</b>	<b>326,150</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

### Trade receivables

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

### Allowance for expected credit losses

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected credit loss is nil.

## 11. OTHER ASSETS

	Consolidated	
	30 Jun 2023	30 Jun 2022
	A\$	A\$
<b>Current</b>		
Prepayments <sup>(i)</sup>	545,082	170,814
	<b>545,082</b>	<b>170,814</b>
<b>Non-current</b>		
Bond – office <sup>(ii)</sup>	9,423	9,423
	<b>9,423</b>	<b>9,423</b>

(i) Share Purchase Plan shortfall of \$400,000 was placed with an exploration services provider by way of a credit note on the same terms as the SPP for services to be delivered post reporting date.

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

## 12. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	30 Jun 2023	30 Jun 2022
	A\$	A\$
<b>Computer equipment</b>		
At cost	435,919	256,623
Less accumulated depreciation	(242,609)	(115,803)
<b>Total computer equipment</b>	<b>193,310</b>	<b>140,820</b>
<b>Computer software</b>		
At cost	43,679	-
Less accumulated depreciation	(42,914)	-
<b>Total computer software</b>	<b>765</b>	<b>-</b>
<b>Furniture and equipment</b>		
At cost	86,161	27,113
Less accumulated depreciation	(61,511)	(3,508)
<b>Total furniture and equipment</b>	<b>24,650</b>	<b>23,605</b>
<b>Right-of-use assets</b>		
At cost – building	251,186	91,118
Less accumulated depreciation	(101,900)	(31,621)
<b>Total right-of-use assets</b>	<b>149,286</b>	<b>59,497</b>
<b>Total property, plant and equipment</b>	<b>368,011</b>	<b>223,922</b>



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

### 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 equipment A\$	Computer software A\$	Furniture & equipment A\$	Right-of-use assets A\$	Total A\$
<b>Opening balance at 1 July 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>
Additions	32,948	922	2,648	160,069	196,587
Assets acquired from Intrepid		-			
Geophysics business combination	73,591		5,330	-	78,921
Depreciation	(54,049)	(157)	(6,932)	(70,281)	(131,419)
<b>Closing balance at 30 June 2023</b>	<b>193,310</b>	<b>765</b>	<b>24,651</b>	<b>149,285</b>	<b>368,011</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 building 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 (years)	Depreciation rate (%)
Computer equipment	Diminishing value	2-5	20-50
Furniture and equipment	Diminishing value	10-20	5-10
Right-of-use assets (building)	Straight-line	3	33.3

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

### 13. EXPLORATION AND EVALUATION ASSETS

	Consolidated	
	30 Jun 2023	30 Jun 2022
	A\$	A\$
Exploration and evaluation assets – at cost	9,016,271	8,783,590
Accumulated impairment	(5,209,028)	(1,179,339)
	<b>3,807,243</b>	<b>7,604,251</b>
		<b>Total</b>
		<b>A\$</b>
<b>Opening balance at 1 July 2022</b>		<b>7,179,155</b>
Exploration expenditure capitalised during the period		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 expenditure capitalised during the year		232,681
Impairment of exploration and evaluation expenditure		(4,029,689)
<b>Closing balance at 30 June 2023</b>		<b>3,807,243</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 31.

#### Impairment of exploration and evaluation assets

During the year ended 30 June 2023, SensOre recognised an impairment loss of \$4,029,689 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 2023:

- SYV relinquished five tenements E15/1752 (Maynards Dam JV), P51/3242, P51/3243, P51/3247 (Tea Well East) and E15/1498 (Marloo JV). As such, an impairment of \$232,970 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 2023

- SEH relinquished tenements P51/3051, P51/3052, P51/3053, P51/3054 in relation to the Sandstone Road project. As such, an impairment of \$36,481 was recognised against exploration and evaluation assets at the date these tenements were relinquished;
- YEV relinquished six tenements in relation to the Tea Well JV project, E51/1679, P51/2917, P51/2918, P51/2934, P51/3050 and P51/3144. As such, an impairment of \$686,102 was recognised against exploration and evaluation assets at the date these tenements were relinquished;
- YEV relinquished six tenements in relation to the Desdemona North JV project, E37/1152, E37/1156, E37/1201, E37/1326, E40/283, E37/1203 and E37/1315. As such, an impairment of \$2,001,003 was recognised against exploration and evaluation assets at the date these tenements were relinquished;
- YEV relinquished six tenements in relation to the Balagundi JV project, M25/173, P25/2356, P25/2392, P25/2397, P25/2398, P25/2448, P25/2617 and P25/2692. As such, an impairment of \$352,184 was recognised against exploration and evaluation assets at the date these tenements were relinquished;
- YEV relinquished six tenements in relation to the Central Balagundi project, M25/359. As such, an impairment of \$27,686 was recognised against exploration and evaluation assets at the date these tenements were relinquished;
- YEV relinquished six tenements in relation to the Grace project, E70/5824. As such, an impairment of \$3,900 was recognised against exploration and evaluation assets at the date these tenements were relinquished; and
- YEV relinquished six tenements in relation to the Grace JV project, E70/5253, M70/1384 and P70/1750. As such, an impairment of \$143,863 was recognised against exploration and evaluation assets at the date these tenements were relinquished.

Any drilling costs incurred on the above tenements during the year ended 30 June 2023 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 2023

### 14. TECHNOLOGY AND INTELLECTUAL PROPERTY AND SOFTWARE ASSETS

	Consolidated			
	30 Jun 2023	30 Jun 2022		
	A\$	A\$		
Patents and trademarks	16,662	500		
Technology and intellectual property assets – cost	5,000,000	5,000,000		
Software acquisition through Intrepid Geophysics – at cost	3,553,887	-		
Accumulated amortisation – technology and intellectual property assets	(2,426,498)	(1,291,667)		
<b>Total technology and intellectual property</b>	<b>6,144,051</b>	<b>3,708,833</b>		

	Patents & Trademarks \$A	Technology & Intellectual Property \$A	Software A\$	Total A\$
<b>Opening balance at 1 July 2022</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>
Amortisation expense	-	(500,000)	(634,831)	(1,134,831)
Additions through acquisition of Intrepid Geophysics	16,162	-	3,553,887	3,570,049
<b>Closing balance at 30 June 2023</b>	<b>16,662</b>	<b>3,208,333</b>	<b>2,919,056</b>	<b>6,144,051</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;
- the current usage of the technology and intellectual property in its operations; and
- the likely pattern of usage of the technology and intellectual property in the future.

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.

The software acquired through the Intrepid acquisition is considered to have a useful life of five years and will be amortised over this period.

##### *Intrepid Acquisition – Software*

The Company identified the key Intangible Assets (IA) to be software platforms on which the products are based. This intangible asset has been identified and recognised in accordance AASB 138 Intangible assets. The Company has used

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

The software acquired through the Intrepid acquisition is considered to have a useful life of five years and will be amortised over this period.

The Company has determined that the \$3,553,887 intangible asset as part of the acquisition is the software (intangible) and is measured at the fair value on acquisition date.

The Company has assessed that, at 30 June 2023, Technology and Intellectual Property Assets and Software Assets do not appear to indicate any signs impairment as outlined in AASB 136 Impairment of Assets.

### 15. INVESTMENT IN JOINT VENTURE

	Consolidated	
	30 Jun 2023	30 Jun 2022
	A\$	A\$
<b>Investment in joint venture</b>		
Initial investment in joint venture	88,500	-
Loss during the period	(88,500)	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

#### Investment in Exploration Ventures AI Pty Ltd

March 2022, SensOre announced it had agreed terms with Deutsche Rohstoff AG on the identification, acquisition and exploration of SensOre generated lithium targets in Western Australia (JLE Venture).

SensOre has benefitted 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.

SensOre holds an initial participating interest of 30%, with Deutsche Rohstoff holding the balance of 70%.

With regards to the investment held in Exploration Ventures AI Pty Ltd of 30%, this has been accounted for in SensOre using the equity method, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the profit or loss and other comprehensive income.

An initial investment of \$88,500 was made during the period to maintain 30% interest. With the entity incurring a loss for the period, reducing the carrying value to the investment to nil.

### 16. TRADE AND OTHER PAYABLES

	Consolidated	
	30 Jun 2023	30 Jun 2022
	A\$	A\$
Trade payables <sup>(i)</sup>	512,993	377,812
Sundry payables <sup>(ii)</sup>	167,218	212,160
GST payable	50,798	-
Employee benefits payable	147,102	304,844
	<hr/>	<hr/>
<b>Total trade and other payables</b>	<b>878,111</b>	<b>894,816</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.
- (ii) Sundry payables includes salaries and oncosts payable to Richard Taylor (CEO) after he elected to defer two months of salary from April and May 2023. These amounts will be paid in October 2023.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

### 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.

### 17. DEFERRED REVENUE

	Consolidated	
	30 Jun 2023	30 Jun 2022
	A\$	A\$
Deferred revenue	516,499	-
<b>Total deferred revenue</b>	<b>516,499</b>	<b>-</b>

	Consolidated	
	30 Jun 2023	30 Jun 2022
	A\$	A\$
Opening balance	127,023	-
Deferred revenue recognized in current period	389,476	-
<b>Total deferred revenue</b>	<b>516,499</b>	<b>-</b>

#### Deferred revenue

Deferred revenue reflects the value of advance payments made by customers who have been invoiced for services that will be provided in the future.

The Company generates revenue by providing exploration services, consulting and interpretation services (provided on fixed price basis), sales of own software (provided via a perpetual licence), sale of own software (license component of the bundled sales) and maintenance and support component of bundled sales.

### 18. PROVISIONS

	Consolidated	
	30 Jun 2023	30 Jun 2022
	A\$	A\$
<b>Movement in employee benefits provision:<sup>(i)</sup></b>		
Carrying amount at beginning of the period	253,659	147,828
Employee entitlements recognised from business combination	160,697	-
Employee benefits expense	29,720	105,831
<b>Balance at 30 June</b>	<b>444,076</b>	<b>253,659</b>
<b>Net carrying value – represented by:</b>		
Current	367,003	232,292
Non-current	77,073	21,367
<b>Balance at 30 June</b>	<b>444,076</b>	<b>253,659</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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

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.

## 19. 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	Total	
	A\$	A\$	A\$
<b>As at 1 July 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>
Additions during the year	160,068	160,068	160,068
Depreciation expense	(70,281)	(70,281)	-
Interest expense	-	-	11,555
Lease payments	-	-	(77,765)
<b>As at 30 June 2023</b>	<b>149,284</b>	<b>149,284</b>	<b>158,050</b>

### Net carrying value of right-of-use assets

A\$

As at 30 June 2022

59,497

As at 30 June 2023

149,284

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

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

	Consolidated	
	30 Jun 2023	30 Jun 2022
	A\$	A\$
Current	93,724	30,315
Non-current	64,326	33,877
<b>Balance at 30 June</b>	<b>158,050</b>	<b>64,192</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.

### 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.



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

### 20. BORROWINGS - CURRENT

	Consolidated	
	30 Jun 2023	30 Jun 2022
	A\$	A\$
<b>Movement in borrowings:</b>		
Loan drawn-down	320,000	-
Loan repayment	-	-
Interest accrued	17,411	-
Insurance Premium Funding	55,528	50,610
<b>Balance at 30 June</b>	<b>392,939</b>	<b>50,610</b>

On 24 February 2023, SensOre Ltd executed an R&D Tax Incentive financing arrangement with the RH Capital Finance Co. LLC for \$320,000. The amount of \$320,000 was drawn-down from this facility on 1 March 2023. The facility has a minimum term of at least 91 days, post this period the term will be the earlier of SensOre Ltd deciding to repay the facility or the June 2023 R&D Tax Incentive claim being finalised and funds received from the Australian Taxation Office, as part of the lodgement of SensOre Ltd 2023 Income Tax Return. Interest rate on the facility will be 16% per annum with a \$500 establishment fee.

### 21. CONTINGENT CONSIDERATION

	Consolidated	
	30 Jun 2023	30 Jun 2022
	A\$	A\$
<b>Movement in contingent consideration</b>		
Carrying amount at beginning of the period	-	-
Additions as a result of the Intrepid acquisition	517,626	-
<b>Balance at 30 June</b>	<b>517,626</b>	<b>-</b>

#### Acquisition of Intrepid Geophysics

On the 9 August 2022 4,285,715 fully paid ordinary shares were issued as part of the consideration paid for Intrepid Geophysics, this 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.

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 \$517,626 at the 30 June 2023 was estimated using the actual 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.

On 25 August 2023 2,495,506 fully paid ordinary shares were issued to Techbase in relation to the settlement of the contingent liability in the Intrepid Geophysics acquisition agreement.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

### 22. ISSUED CAPITAL

#### Share capital

	Consolidated			
	30 Jun 2023 A\$	30 Jun 2022 A\$	30 Jun 2023 No.	30 Jun 2022 No.
Fully paid ordinary shares				
At beginning of the period	23,132,708	15,174,080	64,780,323	52,994,773
- shares issued 14 April 2021	-	-	-	-
- shares issued 22 April 2021	-	-	-	-
- shares issued 17 June 2021	-	-	-	-
- 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
- shares issued 9 August 2022	2,271,429	-	4,285,715	-
- shares issued 5 January 2023	50,004	-	118,500	-
- shares issued 24 March 2023	240,000	-	800,000	-
- shares issued 11 May 2023	1,000,000	-	4,000,000	-
- shares issued 14 June 2023	548,500	-	2,194,000	-
- shares issued 16 June 2023	400,000	-	1,600,000	-
Cash costs associated with share issues	(52,055)	(1,074,304)	-	-
Non-cash costs associated with share issues	-	(805,957)	-	-
<b>Ordinary fully paid shares at the end of the period</b>	<b>27,590,586</b>	<b>23,132,708</b>	<b>77,778,538</b>	<b>64,780,323</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, share options and broker options

Refer to note 30 share-based payments for details of share performance rights, share options and broker options outstanding at 30 June 2023.

### 23. RESERVES

	Consolidated	
	30 Jun 2023 A\$	30 Jun 2022 A\$
<b>Movement in acquisition reserves:</b>		
Carrying amount at beginning of the period	-	-
Changes in proportion on held by non-controlling interests	3,166,314	-
<b>Balance at 30 June</b>	<b>3,166,314</b>	<b>-</b>

In February 2023, SensOre and Gold Road Resources agreed to restructure arrangements surrounding the YEV, with Gold Road converting its 40% minority interest in YEV into SensOre shares.

On 27 February 2023, 800,000 shares were issued to Gold Road Resources. The new shares will be subject to a 12-month voluntary escrow period with a valuation of \$240,000 based on the 30 cent share price.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

### 24. NON-CONTROLLING INTEREST

	% of non- controlling interests	30 Jun 2023 Profit/(loss) A\$	30 Jun 2022 Net value A\$	30 Jun 2022 Net value A\$
Yilgarn Exploration Ventures Pty Ltd	40.0	(457,098)	-	2,913,608
<b>Changes over the period</b>				
At beginning of the period			2,913,608	2,765,136
Investment in Yilgarn Exploration Ventures Pty Ltd by DGO Gold Limited			492,706	1,227,240
Loss for the year		(457,098)	(457,098)	(1,078,768)
Acquisition of the remaining NCI			(2,949,216)	
<b>At end of the period</b>			<b>-</b>	<b>2,913,608</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.

Following receipt of the initial investment from DGO, the equity funding agreement required the Group and DGO to contribute further funding to YEV for exploration purposes on a proportional ownership basis. During the first six months of year ended 30 June 2022, SensOre contributed \$406,058 and received 750 fully paid shares whilst DGO contributed a further \$492,705 and received 600 fully paid shares. Included in the DGO amounts was the \$222,000 paid in relation to Balagundi, which resulted in 100 partly paid shares converting into fully paid shares. The number of shares issued maintained DGO's ownership interest in YEV at 40%.

In February 2023, SensOre and Gold Road Resources agreed to restructure arrangements surrounding the YEV, with Gold Road converting its 40% minority interest in YEV into SensOre shares.

On 27 February 2023, 800,000 shares were issued to Gold Road Resources. The new shares will be subject to a 12-month voluntary escrow period.

At 30 June 2023, SensOre owns 100% of YEV and its portfolio of gold assets.

### 25. 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.

	Consolidated	
	30 Jun 2023 A\$ cents	30 Jun 2022 A\$ cents
Basic and diluted loss per share	(12.04)	(11.60)
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	(8,380,050)	(6,834,103)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	69,586,964	58,934,577

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

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:

	30 Jun 2023	30 Jun 2022
Unlisted performance rights	Number	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	19,379
2022AA	913,740	913,740
2022AB	923,986	923,986
2023AA <sup>(i)</sup>	2,294,418	-
2022AB	(58,236)	-
	<b>7,852,607</b>	<b>5,616,425</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 1 March 2023 and end date of 28 February 2026. 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 2023). Under the terms of the long term incentive plan, the effective grant date will be the annual general meeting where shareholder approval occurs, with vesting conditions measured on the three-year anniversary of the cycle start date (1 March 2026) and expiry date on the five year anniversary of the cycle start date (1 March 2028). Further details regarding these proposed Performance Rights will be outlined in the Company's notice of annual general meeting.

### 26. CONTINGENT LIABILITIES

The Group has a farm-in arrangement which results in the following contingent liabilities at 30 June 2023:

- 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. Actual expenditure as at 30 June 2023 on Auralia project was \$366,044, leaves remaining expenditure required of \$133,956.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

### 27. SUBSIDIARIES

	Country of incorporation	Percentage owned	
		30 Jun 2023	30 Jun 2022
<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	100
- SensOre Exploration Holdings Pty Ltd*	Australia	100	100
- SensOre Technologies Corporation	United States	100	100
- Yilgarn Exploration Ventures Pty Ltd*	Australia	100	60
- Intrepid Geophysics Pty Ltd*	Australia	100	-
- GeoIntrepid Pty Ltd*	Australia	100	-

\* Members of the tax consolidation group

### 28. CASH FLOW INFORMATION

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

	Consolidated	
	30 Jun 2023	30 Jun 2022
	A\$	A\$
Cash at bank	1,806,381	4,076,212
Term deposits	74,571	52,533
<b>Total cash and cash equivalents</b>	<b>1,880,952</b>	<b>4,128,745</b>

#### (b) Financing facilities

On 24 February 2023, SensOre Ltd executed an R&D Tax Incentive financing arrangement with the RH Capital Finance Co. LLC. The amount of \$320,000 was drawn-down from this facility on 1 March 2023. The facility has a minimum term of at least 91 days, post this period the term will be the earlier of SensOre Ltd deciding to repay the facility or the June 2023 R&D Tax Incentive claim being finalised and funds received from the Australian Taxation Office (30 June 2022: 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 \$74,571 (30 June 2022: \$52,533) 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 2023

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

	Consolidated	
	30 Jun 2023	30 Jun 2022
	A\$	A\$
Reconciliation of cash flow from operations with profit after income tax:		
Profit/(loss) for the period	(8,380,048)	(7,912,871)
<i>Non-cash flow items in profit/(loss):</i>		
Amortisation of technology and intellectual property assets	1,134,831	500,000
Depreciation of property, plant and equipment	134,688	78,079
Equity settled share-based payments expense	190,989	1,080,389
Net gain (loss) on revaluation of financial instrument	38,254	-
Net Interest received	(3,827)	(93)
Impairment of exploration and evaluation assets	4,029,689	1,179,339
<i>Changes in assets and liabilities:</i>		
Increase in trade and other receivables	(1,253,298)	(561,512)
Increase in prepayments and other assets	215,058	63,645
Increase in trade and other payables	601,217	(453,807)
Increase in employee entitlements	29,720	105,832
Income tax payable	412,065	-
<b>Net cash used in operating activities</b>	<b>(2,850,661)</b>	<b>(5,920,999)</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.

## 29. 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 2023.

### 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 2023

### (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 2023

### 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 2023

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.

#### *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).

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

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.

### **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 cost A\$	Fair value through profit or loss A\$	Fair value through OCI A\$	Total A\$
<b>Year ended 30 June 2023</b>				
<b>Financial assets</b>				
Cash and cash equivalents	1,880,952	-	-	1,880,952
Trade and other receivables	2,949,280			2,949,280
<b>Total financial assets</b>	<b>4,830,232</b>	-	-	<b>4,830,232</b>
<b>Other financial liabilities</b>				
Trade and other payables – current	878,110	-	-	878,110
Lease liabilities – current and non-current	158,050	-	-	158,050
Borrowings – current	392,939	-	-	392,939
Contingent consideration	-	517,626	-	517,626
<b>Total financial liabilities</b>	<b>1,429,099</b>	<b>517,626</b>	-	<b>1,946,725</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

### Year ended 30 June 2022

#### Financial assets

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>

#### Other financial liabilities

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>

### 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.

### 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 2023 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

### 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 2023, the Group had not entered any interest rate hedges or other financial instruments with the intention of mitigating any interest rate risk (30 June 2022: 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 \$18,064 (30 June 2022: \$39,578).

### 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.

### 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				Total A\$
	Less than 1 month A\$	1-3 months A\$	3 months to 1 year A\$	1-5 years A\$	
<b>30 June 2023</b>					
<b>Financial assets:</b>					
Non-interest bearing	1,006,712	1,942,568	-	-	2,949,280
Variable interest rate	1,806,381	-	-	-	1,806,381
Fixed interest rate	-	-	74,571	-	74,571
	<b>2,813,093</b>	<b>1,942,568</b>	<b>74,571</b>	<b>-</b>	<b>4,830,232</b>
<b>Financial liabilities:</b>					
Non-interest bearing	685,403	710,333	-	-	1,395,736
Fixed interest rate	15,727	389,472	111,819	75,162	592,179
	<b>701,129</b>	<b>1,099,805</b>	<b>111,819</b>	<b>75,162</b>	<b>1,987,915</b>
<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>

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

### 30. 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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

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.

### 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 2023	No. of performance rights on issue 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	923,986
2023AA	1 Mar 2023	1 Mar 2023	1 Mar 2028	Nil	2,294,418	-
2022AB	11 Feb 2022	11 Feb 2025	11 Feb 2027	Nil	(58,236)	-
					<b>7,852,607</b>	<b>5,616,425</b>

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For the financial year ended 30 June 2023

During the year ended 30 June 2023:

- 923,986 performance rights exercisable with a nil exercise price, expiring 11 February 2027 were issued (2022AB) as part of the Company's LTI Plan
- 58,236 performance rights (2022AB) were cancelled

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 1 Mar 2023 and end date of 28 Feb 2026 (Issue 2023AA). These performance rights are expected to be issued within three days of SensOre's annual general meeting (currently anticipated to be held 20 October 2023). Under the terms of the long term incentive plan, the effective grant date is the date of the annual general meeting where shareholder approval occurs, with conditions measured on the three-year anniversary of the cycle start date (28 February 2026) and expiry date on the five year anniversary of the cycle start date (28 February 2028).

The performance rights to be issued in 2023 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 1 March (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.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

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

The performance rights issued in 2020, 2021 and 2022 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>	2022 <sup>(iv)</sup>
Grant date	Various	Various	11 Feb 2022	30 Jun 2022
Share price at grant date	25 cents	79 cents	85 cents	37 cents
Fair value	10.3 cents	39.5 cents	52.5 cents	15.05 cents
Performance period start date	Various	Various	N/A	11 Feb 2022
Performance period end date	Various	Various	N/A	11 Feb 2025
Expiry date	Various	Various	11 Feb 2027	11 Feb 2027
Exercise price	25 cents	79 cents	85 cents	Nil
Volatility	60%	75%	75%	75%
Dividend yield	-	-	-	-
Risk free interest rate	1.98%	1.98%	1.98%	3.36%
Total life of performance rights	3 years	3 years	5 years	2.6 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.
- (iv) 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 performance rights issued in 2023 to eligible executives and employees were priced using a Monte Carlo pricing model with the following inputs:

	2023 <sup>(i)</sup>
Grant date	23 Oct 2023
Share price at grant date	23 cents
Base Price	NA
Fair value	10.5 cents
Performance period start date	1 Mar 2023
Performance period end date	1 Mar 2026
Expiry date	1 Mar 2028
Exercise price	Nil
Volatility	80%
Dividend yield	-
Risk free interest rate	3.95%
Total life of performance rights	2.7 years

- (i) The calculation of the fair value of performance rights issued in 2023 includes issue 2023AA 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	2023AA
No. of performance rights	2,605,180	1,173,519	913,740	923,986	2,294,418
Price per performance right	A\$0.103	A\$0.395	A\$0.525	A\$0.155	A\$0.105
<b>Fair value at grant date</b>	<b>\$268,222</b>	<b>\$463,008</b>	<b>\$480,000</b>	<b>\$139,060</b>	<b>\$239,767</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

### 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>
Performance rights issued during the year ended 30 June 2023	2,294,418
Performance rights cancelled during the year ended 30 June 2023	(58,236)
<b>Balance at 30 June 2023</b>	<b>7,852,607</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 2023 A\$	30 Jun 2022 A\$
<b>Unlisted performance rights</b>		
2020	156,463	156,463
2021	425,061	425,061
2022	498,865	498,865
2023	69,304	-
<b>Employee benefits – expense of performance rights</b>	<b>1,149,693</b>	<b>1,080,389</b>

### Director Share Options

Directors elected to receive share options in lieu of directors fees being paid in cash for the period 1 February 2023 to 30 June 2023 and as consideration for future directors fees from 1 July 2023 to 30 June 2024, further details are below:

NED	Share Options (No.)	Issue Date	Exercise Price (\$)	Expiry Date	Vesting Date
R Peck	1,500,000	07 July 2023	0.38	07 July 2026	24 May 2024
N Limb	1,000,000	07 July 2023	0.38	07 July 2026	24 May 2024
A Manger	1,000,000	07 July 2023	0.38	07 July 2026	24 May 2024
A O'Sullivan	1,000,000	07 July 2023	0.38	07 July 2026	24 May 2024

These Share Options reflect the present value of fixed fee forgone using the Black-Scholes option valuation methodology.



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### Fair value of share options granted

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

The share options granted to directors in lieu of directors fees being paid in cash for the period 1 February 2023 to 30 June 2023 and as consideration for future directors fees from 1 July 2023 to 30 June 2024 were priced using the Black Scholes pricing model with the following inputs:

Grant date	07 July 2023
Share price at grant date	23 cents
Base Price	NA
Fair value	9.2 cents
Performance period start date	1 Feb 2023
Performance period end date	30 Jun 2024
Expiry date	7 Jun 2026
Exercise price	38 cents
Volatility	79%
Dividend yield	-
Risk free interest rate	4.03%

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

<b>Share options</b>	<b>2023</b>
No. of share options	4,500,00
Price per share options	<u>A\$0.092</u>
<b>Fair value at grant date</b>	<b><u>\$413,729</u></b>

	<b>30 Jun 2023</b>	<b>30 Jun 2022</b>
	<b>A\$</b>	<b>A\$</b>
<b>Unlisted share options</b>		
2023	<u>121,685</u>	-
<b>Director benefits – expense of share options</b>	<b><u>121,685</u></b>	<b>-</b>

4,500,000 unquoted share options were issued to the Chairman and Non-executive directors, this was in lieu of directors fees being paid in cash for the period 1 February 2023 to 30 June 2023 and as consideration for future directors fees from 1 July 2023 to 30 June 2024. The expense recorded in the remuneration report on page 23 was calculated as at 30 June 2023. These options vest on 24 May 2024 and were approved by shareholders at the General Meeting conducted on the 7 July, 2023.

### Movement in the number of share options issued

The following reconciles the share options on issue at the end of the financial year:

	<b>Total</b>
	<b>Number</b>
Share options issued during the year ended 30 June 2023	<u>4,500,000</u>
<b>Balance at 30 June 2023</b>	<b><u>4,500,000</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

### Broker options

No Broker options were issued during the year ended 30 June 2023.

Broker options issued in the previous year:

- 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 2023

### Movement in the number of broker options

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

	<b>Total Number</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>
Broker options issued during the year ended 30 June 2023	-
<b>Balance at 30 June 2023</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:

	<b>30 Jun 2023 A\$</b>	<b>30 Jun 2022 A\$</b>
<b>Broker options</b>		
Martin Place Securities (MPS)	-	-
Bell Potter Securities (BPS)	-	805,957
<b>Non-cash costs associated with share issues</b>	<b>-</b>	<b>805,957</b>

## 31. COMMITMENTS

	<b>30 Jun 2023 A\$</b>	<b>30 Jun 2022 A\$</b>
Farm-in agreements contracted for but not complete		
- not later than 12 months	1,413,266	589,190
- between 12 months and five years	11,356,081	26,166,082
	<b>12,769,347</b>	<b>26,755,272</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 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 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

### 32. KEY MANAGEMENT PERSONNEL

	30 Jun 2023 A\$	30 Jun 2022 A\$
Salary	1,458,783	1,764,188
Superannuation contributions	91,970	125,120
Leave entitlements	16,773	75,973
Long-term incentive plan rights	48,593	950,331
<b>Total remuneration paid to key management personnel</b>	<b>1,616,119</b>	<b>2,915,612</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.

### 33. RELATED PARTY TRANSACTIONS

#### Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 27 to the financial statements.

#### Other related party transactions

During the year ended 30 June 2023, there were no transactions between the Group and its related parties.

### 34. PARENT ENTITY DISCLOSURES

#### (a) Financial position

	30 Jun 2023 A\$	30 Jun 2022 A\$
<b>Assets</b>		
Current assets	3,532,547	5,685,813
Non-current assets	11,559,209	11,475,911
<b>Total assets</b>	<b>15,091,756</b>	<b>17,161,724</b>
<b>Liabilities</b>		
Current liabilities	1,911,142	886,364
Non-current liabilities	438,974	55,244
<b>Total liabilities</b>	<b>2,350,116</b>	<b>941,608</b>
<b>Equity</b>		
Issued capital	27,590,582	23,132,708
Reserves	2,026,079	2,075,090
Accumulated losses	(16,875,022)	(8,987,682)
<b>Total equity</b>	<b>12,741,640</b>	<b>16,220,116</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

### (b) Financial performance

	Period ended	
	30 Jun 2023	30 Jun 2022
	A\$	A\$
Loss for the year	(2,288,519)	(6,685,631)
Other comprehensive loss	-	-
<b>Total comprehensive income/(loss)</b>	<b>(2,288,519)</b>	<b>(6,685,631)</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 2023.

### 35. REMUNERATION OF AUDITORS

	Period ended	
	30 Jun 2023	30 Jun 2022
	A\$	A\$
<b>Audit services – Grant Thornton</b>		
Audit or review of the financial statements	73,247	51,000
<b>Other services – Grant Thornton</b>		
Income tax and research and development tax incentive compliance	57,992	44,800
Other services	10,636	71,948
<b>Total auditors' remuneration</b>	<b>141,875</b>	<b>167,748</b>

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

Subsequent to balance date, SenOre reached the following agreements:

- At the General Meeting held on 7 July 2023, the resolution was passed to issue Non-Executive Directors 4,500,000 share options, this was in lieu of directors fees being paid in cash for the period 1 February 2023 to 30 June 2023 and as consideration for future directors fees from 1 July 2023 to 30 June 2024.
- Murchison Option Agreement: Through Exploration Ventures AI Pty Ltd (EXAI), a joint venture with Deutsche Rohstoff, an option agreement has been entered into with Matrix Exploration Pty Ltd, whereby EXAI is granted an option to acquire 100% interest in Murchison Project tenements. The initial \$75,000 plus GST in relation to the option agreement was paid on 25 August, 2023. An additional \$75,000 plus GST is payable on the 12 month anniversary date in exchange for the option to remain open. EXAI may exercise the option in full by paying to the tenement holder a further \$200,000 plus GST at any time prior to the end of the Option period. A total of \$350,000 plus GST is to be paid by EXAI to the Tenement Holder for the option to be exercised.
- 2,495,506 fully paid ordinary shares were issued to Techbase in relation to the safeguard clause in the Intrepid acquisition agreement.
- A further \$300,000 was drawn-down in August 2023 through the R&D Tax Incentive financing arrangement with the RH Capital Finance Co. LLC, bringing borrowings under this facility to \$620,000. Repayment will be the earlier of SenOre Ltd deciding to repay the facility or the June 2023 R&D Tax Incentive claim being finalised and funds received from the Australian Taxation Office, as part of the lodgement of SensOre Ltd 2023 Income Tax Return. Interest rate on the facility is 16% per annum.

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.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

### 37. DIVIDENDS

The directors recommend that no dividend be paid for the year ended 30 June 2023 nor have any been paid or declared during the year (30 June 2022: Nil).

### 38. GROUP DETAILS

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

Level 3  
10 Queen Street  
Melbourne VIC 3000  
Australia

### 39. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board and authorised for issue on 28 September 2023.

## 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, 28 September 2023

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**Grant Thornton Audit Pty Ltd**

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## 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 2023, 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 2023 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 \$8,380,050 and had a net cash outflow from operating activities of \$2,850,661 during the year ended 30 June 2023, and as of that date, the Group's current assets exceeded its current liabilities by \$2,554,311. 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 13</b>	
<p>At 30 June 2023, the carrying value of exploration and evaluation assets was \$3,807,243.</p> <p>In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, 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>

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## Revenues – Notes 7

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In accordance with AASB 15 *Revenue from Contracts with Customer*, revenues from goods and services are recognised based on the completion of performance obligations under each contract.

The Group derives revenue through a variety of means, including exploration services, government grants and licensing arrangements. There is significant judgement relating to revenue recognition for multiple element arrangements licensing arrangements.

Revenue recognition for multiple element arrangements can be complex and involve significant management judgement. These judgements include:

- identification of each element in the arrangements;
- determination of the appropriate allocation of the amount of revenue to each element in particular as many of the Group's arrangements involve the delivery of hardware, software licences and other services; and
- determining when the performance obligation of each element is satisfied and the associated revenue can be recognised.

This area is a key audit matter due to the judgements required relating to the allocation of the various elements of multi element arrangements revenue recognition.

Our procedures included, amongst others:

- considering the appropriateness of management's assessment of revenue streams in accordance with accounting standard AASB 15;
- documenting our understanding of the licensing arrangements used by the Group and evaluating management's revenue recognition of the elements they contained to assess compliance with AASB 15;
- sample testing revenue recorded to contracts with customers to assess whether revenue is being recognised in accordance with the Group's revenue recognition policies;
- assessing the sales selected in our sample above, where applicable, for the accuracy of revenue to be deferred at period end;
- analytically reviewing deferred revenue balances at reporting period end for exceptions and anomalies against expectations;
- substantiating sales transactions around reporting date and agreeing transactions to supporting documents to assess whether revenue is recognised in the correct periods; and
- assessing the adequacy of disclosures for compliance with the revenue recognition requirements of Australian Accounting Standards (AASBs).

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### Information other than the financial report and auditor's report thereon

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

Our opinion on the financial report does not cover the other information and 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 19 to 31 within the Directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of SensOre Ltd, for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

### **Responsibilities**

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



Grant Thornton Audit Pty Ltd  
Chartered Accountants



B A Mackenzie  
Partner – Audit & Assurance

Melbourne, 28 September 2023

## 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 21 September 2023:

### 1. SHAREHOLDING INFORMATION

#### (a) Distribution of Shareholders

Size of holding	Number of shareholders	Number of shares held	%
1 – 1,000	31	19,008	0.02
1,001 – 5,000	192	522,505	0.65
5,001 – 10,000	83	648,612	0.81
10,001 – 100,000	184	5,649,712	7.04
100,001 and over	76	73,434,257	91.48
	<b>568</b>	<b>80,274,094</b>	<b>100.00</b>

#### (b) Less than marketable parcels

There were 59 holders of less than a marketable parcel of 1,667 shares (\$500 worth) based on the closing market price of S3N shares on 21 September 2023.

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

Name	Number of shares held	%
Sasak Minerals Pty Ltd	10,118,000	12.60
Wanganui Pty Ltd <Peck Von Hartel S/F A/C>	6,359,846	7.92
Oppenheimer Superannuation Fund Pty Ltd <Oppenheimer Super Fund A/C>	5,645,754	7.03
Techbase Australasia Pty Ltd <DJ Fitzgerald Family A/C>	4,309,615	5.37
Stone Axe Pty Ltd <Carmody Baird S/F A/C>	4,112,667	5.12
Parcan Pty Ltd <MSL Family A/C>	2,667,558	3.32
TECHBASE AUSTRALIASIA PTY LTD <DJ FITZGERALD FAMILY A/C>	2,495,506	3.11
Silver Whiting Pty Ltd <T Whiting Super Fund A/C>	2,264,346	2.82
Mr Christopher Jordan Gregory + Mrs Maria Gregory <CJ&M Gregory Super Fund A/C>	2,253,200	2.81
Jozem Pty Ltd <O'Sullivan Family No.1 A/C>	2,125,316	2.65
Lograr Investments Pty Ltd <Bolte Investment A/C>	2,053,200	2.56
El Gaia Holdings Pty Ltd <Alfred Eggo Super Fund A/C>	2,000,000	2.49
Perpetual Trustee Company Limited <Julian Bavin Super Fund A/C>	2,000,000	2.49
FOUNTAIN OAKS PTY LTD <LIMBS FAMILY SUPER FUND	1,661,540	2.07
DDH1 DRILLING PTY LTD	1,600,000	1.99
John P Nettleton	1,500,000	1.87
DGO GOLD LIMITED	1,341,200	1.67
Aurelius Resources Pty Ltd <Nelson Super Fund A/C>	1,000,000	1.25
TOAD FACILITIES PTY LTD <JP NETTLETON/TOAD S/F A/	1,000,000	1.25
Gerard Barron	986,112	1.23
	<b>57,493,960</b>	<b>71.62</b>

#### (d) Substantial shareholders

Name	Number of shares held	%
Sasak Minerals Pty Ltd	10,118,000	12.60
Wanganui Pty Ltd <Peck Von Hartel S/F A/C>	6,359,846	7.92
Oppenheimer Superannuation Fund Pty Ltd <Oppenheimer Super Fund A/C>	5,645,754	7.03
Techbase Australasia Pty Ltd <DJ Fitzgerald Family A/C>	4,309,715	5.37
Stone Axe Pty Ltd <Carmody Baird S/F A/C>	4,112,667	5.12
	<b>30,545,982</b>	<b>38.05</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	5,558,189
Share Options	4	4,500,000

- (i) The number of unquoted performance rights excludes the issue of 2,294,418 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 2023). Further information on the terms of these performance rights are outlined in note 30 to the financial statements.

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

Name	Number of securities	%
Richard Taylor	1,334,864	24.02

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 outlined 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 2023, 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	
		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 interest: 70% Further details in S3N 2022 Annual Report.
		E69/3637	Granted	Kalgoorlie-Boulder Menzies	0	
		E69/3700	Granted	Kalgoorlie-Boulder	0	
Balagundi <sup>1</sup>	Third Party Individual <sup>2</sup>	M25/173	Granted	Kalgoorlie-Boulder	0	Withdrawn from JV 12 June 2023.
		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	
Boo Boo Well	Pilbara Exploration Ventures Pty Ltd (PEV)	E53/2255	Application	Wiluna	100	Application date 17 August 2022.
Central Balagundi <sup>1</sup>	GoldEarth Enterprises Pty Ltd Third Party Individual <sup>2</sup>	M25/359	Granted	Kalgoorlie-Boulder	0	Withdrawn from JV 14 May 2023.
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	Granted	Leonora	100	Granted 20 December 2022.
Desdemona North <sup>1</sup>	Kin West WA Pty Ltd	E37/1152	Granted	Leonora	0	Withdrawn from JV 28 July 2023.
		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	Withdrawn from JV 20 March 2023.
		M70/1384	Granted	Lake Grace	0	
		P70/1750	Granted	Lake Grace	0	
Grace	SensOre Exploration Holdings Pty Ltd	E70/5824	Granted	Lake Grace	0	Surrendered 30 May 2023.

Project	Holder	Tenement	Status	Location (Shire)	Interest at Year end	Change during year/ Farm-in Interest
Jenkins	SensOre Battery Minerals Pty Ltd (SBM)	E69/3986	Granted	Dundas	100	Granted 26 July 2022.
Marloo	Monger Exploration Pty Ltd	E15/1498	Granted	Coolgardie	0	Withdrawn from JV 15 November 2022.
Maynards Dam	Jindalee Resources Limited	E15/1752	Granted	Coolgardie	0	Withdrawn from JV 15 November 2022.
Mogul Well	SYV	E51/2019	Granted	Cue Meekatharra	100	Surrendered 31 July 2023.
Moonera	Nullabor Resources Pty. Ltd.	E69/3724	Granted	Dundas	0	Farm-in Interest: 80% Further details in S3N 2022 Annual Report.
Mt Magnet North <sup>1</sup>	Third Party Individual <sup>2</sup>	E58/525	Granted	Mt Magnet	0	Farm-in Interest: 85% Further details in S3N 2022 Annual Report.
North Darlot <sup>1</sup>	Third Party Individual <sup>2</sup>	E37/1220 <sup>6</sup>	Granted	Leonora	0	Farm-in Interest: 85% Further details in S3N 2022 Annual Report.
Providence Bore	YEV <sup>1</sup>	E29/1072	Granted	Menzies	0	Divested. Transfer registered 7 September 2022.
Tea Well	YEV <sup>1</sup>	P51/3115	Granted	Meekatharra	0	Surrendered 5 April 2023.
		P51/3116	Granted	Meekatharra	0	
		P51/3117	Granted	Meekatharra	0	
		P51/3118	Granted	Meekatharra	0	
		P51/3119	Granted	Meekatharra	0	
		P51/3120	Granted	Meekatharra	0	
Tea Well East	SYV	P51/3242	Granted	Meekatharra	100	
		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	Withdrawn from JV 29 November 2022.
		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	Withdrawn from JV 14 November 2022.



Project	Holder	Tenement	Status	Location (Shire)	Interest at Year end	Change during year/ Farm-in Interest
		P51/3052	Granted	Meekatharra	0	
		P51/3053	Granted	Meekatharra	0	
		P51/3054	Granted	Meekatharra	0	
Scorpion	SBM	E69/3985	Granted	Dundas	100	Granted 2 November 2022.

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)  
Robert Rowe (executive director and COO)  
Nic Limb (non-executive)  
Adrian Manger (non-executive)  
Anthony O'Sullivan (non-executive)

### EXECUTIVE

Alf Eggo (chief technology officer)  
Sally McDow (company secretary)

### REGISTERED OFFICE

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

### ASX CODE

S3N

### AUDITOR

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727 Collins Street  
Melbourne VIC 3008  
Australia

### TAX AGENTS AND ADVISERS

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727 Collins Street  
Melbourne VIC 3008  
Australia

### SOLICITORS

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Melbourne VIC 3000  
Australia

### BANKERS

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A decorative graphic at the bottom of the page features a cluster of glowing, three-dimensional cubes in various shades of orange and red, arranged to resemble a city skyline. The background is a dark, textured orange with faint grid lines.

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