



ABN 41 009 117 293

Annual Report

Year Ended 31 December 2023

FAR Limited
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31 December 2023

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CHAIRMAN'S REVIEW

Dear Fellow Shareholders,

The 2023 year has seen the Company continue to execute its strategy of delivering value to our shareholders through a combination of cost reduction and capital returns. Key activities during the year included:

The Gambia Blocks A2 and A5

The Company successfully negotiated with The Gambia Government for an extension to the permit term of Blocks A2 & A5 for an additional 12 months, a substantial reduction in the permit statutory costs, and no obligation for expenditure on the licences for a 12-month period commencing on 1 April 2023.

The Company undertook a remarketing of Blocks A2 and A5, with the substantially lower fixed permit statutory cost structure. The marketing efforts were unsuccessful, and after year end, the Company has surrendered Blocks A2 & A5 and closed its office in The Gambia.

Corporate Overheads

The Company continued to focus on the reduction of its corporate overheads such that the Company has made redundant its remaining employees and now has only contracted service providers for accounting and administrative.

Board Changes

In January 2023 Alan Stein resigned as a director, and Garth Campbell-Cowan was appointed as a director in addition to his role as Chief Financial Officer.

Capital Management

During 2023, the Company bought back 5,785,466 shares acquired at an average price of A\$0.70445 per share for a total consideration of US\$2.706 million.

A capital return of A\$0.40 per share was paid on 31 August 2023. An ATO Class Ruling in relation to the capital return was received and published on the ASX announcements platform on 20 September 2023.

Woodside Contingent Payment


In their fourth quarter 2023 report announced to the market on 24 January 2024, Woodside indicated that the Sangomar Field Development Phase 1 was on target for first oil production in mid-2024. Woodside issued a media release that the Floating Production Storage and Offloading (FPSO) facility had safely arrived offshore Senegal. Based on the Woodside update, annual payments under the Contingent Payment are likely to commence in early 2025 and based on current oil prices, the Board expects that the full US\$55 million will be received with respect to production prior to the long stop date of 31 December 2027.

In November 2023, the Company was advised by Woodside that it had received a notification of adjustments from the Senegal Tax Authority relating to the sale by FAR Group of its interest in the RSSD Project to Woodside Energy (Senegal) BV in 2021. The notification of adjustment included a capital gains tax claim of approximately US\$4 million relating to the FAR Sale. Subsequent to year end, a further communication was received from the Senegal Tax Authority by Woodside that accepts that there was no capital gain on the sale. Accordingly, FAR considers that it is no longer exposed to a capital gains tax claim relating to the sale.

Gneiss Energy Limited, a UK-based leading energy corporate finance advisory firm, has been appointed as corporate financial advisor in connection with the preparation for, marketing and potential sale of the Contingent Payment.

It is the intention of the Board to seek to sell the Woodside Contingent Payment nearer the commencement of first production from the Sangomar field in mid-2024. Whilst there can be no guarantee that a successful transaction will be completed, if there was a sale the Board would consider returning capital to shareholders subject to the necessary shareholder approval being sought.

I thank shareholders for their support and patience as we progress to the realisation of value from the Woodside Contingent Payment and returning value to shareholders.



Patrick O'Connor
Chairman

REVIEW OF OPERATIONS

The Gambia

During the year the Company agreed with the Government of The Gambia for an extension to the permit term for an additional 12 months to 30 September 2025 and a substantial reduction in the future annual fixed permit statutory costs. As a result of this agreement with the Government, there was no obligation for FAR to incur expenditure on the licences for a 12-month period that commenced on 1 April 2023.

During the year the Company embarked on a process to remarket Blocks A2 and A5 in The Gambia with a substantially lower fixed permit statutory cost structure, which did not result in securing a funding partner. Subsequent to the end of the year, the Company gave notice to the Government of The Gambia of its surrender of Blocks A2 and A5.

As a result, there was limited activity during the year related to the Gambia interests other than remarketing FAR's interest in the licences and maintaining in-country administration support.

Woodside Energy Contingent Payment

As part of the consideration for the sale of its interest in the RSSD Project in Senegal to Woodside Energy ("**Woodside**"), FAR received rights to a Contingent Payment with a maximum value of US\$55 million.

In the fourth quarter 2023 report announced to the market on 24 January 2023, Woodside provided an update on the Sangomar Field Development Phase 1 project ("**Sangomar**"). As at 31 December 2023 the overall project was 94% complete and subsequent to the end of the year, the Floating Production Storage and Offloading (FPSO) facility arrived in Senegal in February 2024. First oil production from Sangomar is targeted for mid-2024.

With first oil production from mid-2024 there is likely to be a payment to FAR under the Contingent Payment in early 2025. Based on progress of the Sangomar development and current oil prices, the Board of FAR expects that the full US\$55 million will be received with respect to production prior to the long stop date of 31 December 2027.

The Contingent Payment comprises 45% of entitlement barrels (being the share of oil relating to FAR's previously held 13.67% of the RSSD Project comprising the Sangomar Field exploitation area of interest), multiplied by the excess of the Brent crude oil price per barrel and US\$58 per barrel (capped at US\$70 per barrel). The Contingent Payment terminates on the earliest of 31 December 2027, three years from the first oil being sold (excluding periods of zero production), or a total Contingent Payment of US\$55 million being reached, whichever occurs first.

Gneiss Energy Limited, a UK-based leading energy corporate finance advisory firm, has been appointed as corporate financial advisor in connection with the preparation for, marketing and potential sale of the Contingent Payment. The Board will consider opportunities for monetisation of this asset nearer to the commencement of first oil production from Sangomar.

Corporate

During the year the Company bought back 5,785,446 shares at an average price of A\$0.70445 per share at a total cost of US\$2,706,186. From commencing the buyback in December 2022, the Company bought back 6,480,233 shares at an average price of A\$0.70284 per share at a total cost of US\$3,029,000.

On 19 June 2023 the Company announced a proposal for a capital return of A\$0.40 per share which resulted in a total cash outflow of US\$23,717,161. Shareholders approved the capital return on 18 August 2023, which was paid on 31 August 2023, and an ATO Class Rule relating to the capital return was published on 20 September 2023.

New Business Opportunities

During the first half of the year the Board actively considered new business initiatives across both the oil & gas and energy transition sectors. Up to the time of the announced proposed capital return in June 2023, no new business initiatives were identified that offered significantly better returns than the proposed capital return.

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

Corporate Governance

FAR and the Board are committed to achieving and demonstrating corporate governance practices measured against the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council (ASX Guidelines). FAR's 2023 Corporate Governance Statement reflects the corporate governance practices in place in 2023 and can be viewed on the Company's website at www.far.com.au/corporate-governance.

FAR's objective is to achieve best practice in corporate governance commensurate with the Company's size, extent of operations and industry within it participates. The relevant policies and charters that form part of the Company's corporate governance framework are set out in the table below.

ESG Area	Policy or Charter
Environmental	Environment & Sustainability Policy Climate Change Policy
Social	Human Rights & Child Protection Policy Diversity Policy
Governance	Board Charter Audit & Risk Committee Charter Remuneration & Nomination Committee Charter Anti Bribery and Corruption Policy Code of Conduct Policy Delegations of Authority Market Disclosure & Communications Policy Privacy Policy Risk Oversight & Management Policy Security Trading & Policy Statement Whistleblower Policy

PEOPLE

FAR has limited business activities and as a result currently has no employees.

Safety

The health, safety and wellbeing of FAR's people and the communities in which it has operated have been of utmost importance to the Company.

Given the current level of business activities the Company does not have any employees and therefore is not managing safety as a day-to-day process.

Community Projects

FAR has contributed to a number of community-based projects in The Gambia and continued to play a role in the community during 2023.

ENVIRONMENT & CLIMATE CHANGE

FAR recognises its responsibility to support greenhouse gas emissions reduction initiatives where it can. FAR has supported host governments in their efforts to act on these emissions whilst maintaining a secure and affordable energy supply during a transition to a lower emissions future.

FAR acknowledges its own responsibilities in this context and its commitment to be part of a combined approach to a reduction in greenhouse gas emissions. Given the nature of the Group's activities in 2023 emissions and environmental management was not an area that required focus and effort during the year.

Climate-related Disclosure

Listed entities are encouraged to adopt the framework of the Financial Stability Board's Taskforce on Climate-related Financial Disclosures (TCFD) to determine whether they have material exposure to climate change risk, and if so, to consider making disclosures recommended by the TCFD.

Given the nature of the Group's activities in 2023 climate-change risk was not material.

Managing GHG emissions

FAR has a history of working with host governments and joint venture partners to seek alternatives to flaring and venting hydrocarbons from exploration and future production wells, noting that flaring in most of the jurisdictions in which FAR has operated in is not permitted or highly restricted. During 2023 FAR's operating activities was restricted to desk-top type activities.

FAR's sustainability and climate change policies can be found on the Company's website at www.far.com.au

ASSETS, REPUTATION & LEGAL

The PEARL principle also informs FAR's approach to managing its assets, reputation, legal obligations and risk generally.

FAR strives to undertake all of its activities to the highest possible technical and operational standards. Further information on our risk management approach and assets can be found in the Directors' Report.

The directors of the Company present their report together with the consolidated financial statements of the FAR Limited ("FAR" or the 'Company') and its controlled entities (the 'Group') for the year ended 31 December 2023.

Directors

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Current Directors

Patrick O'Connor	Non-Executive Chairman (Independent)
Robert Kaye SC	Non-Executive Director (Independent)
Garth Campbell-Cowan	Executive Director (appointed 30 January 2023) Chief Financial Officer (appointed 7 April 2022)

Former Director

Alan Stein	Non-Executive Director (Independent) (resigned 27 January 2023)
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Information on Directors

Patrick O'Connor – Non-Executive Chairman BComm, FAICD

Mr O'Connor has significant experience as an independent Non-Executive Director and as a Chief Executive Officer. His experience spans across mining, oil & gas exploration, biotechnology and government utility sectors.

Mr O'Connor is currently a Non-Executive Director of Metals X Limited (ASX: MLX) and was appointed as Non-Executive Director of Sierra Rutile Holdings Limited (ASX: SRX) on 1 September 2023. He previously was appointed as a Non-Executive Director and Executive Director of Red River Resources Limited (In Liquidation) on 9 August 2022 and 5 September 2022 respectively and resigned on 23 August 2023. Mr O'Connor is Chair of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee.

Directorships of other listed companies (last 3 years):

Metal X Limited (October 2019 to present)
Sierra Rutile Holdings Limited (September 2023 to present)
Red River Resources Limited (In Liquidation) (August 2022 to August 2023)

Robert George Kaye SC – Non-Executive Director LLB,LLM

Mr Kaye is a barrister, mediator and professional Non-Executive Director with strong focus on board governance. Mr Kaye is currently Non-Executive Chairman of Collins Foods Limited (ASX:CKF) and Non-Executive Director of Magontec Limited (ASX: MGL) and the former Chairman of the Macular Disease Foundation of Australia and a former Non-Executive Director of Electro Optic Systems Holdings Limited (ASX: EOS), UGL Limited and HT&E Limited. Mr Kaye is Chair of the Remuneration and Nomination Committee and is a member of the Audit and Risk Committee.

Directorships of other listed companies (last 3 years):

Collins Foods Limited (October 2014 to present)
Magontec Limited (July 2013 to present)
Electro Optic Systems Holdings Limited (September 2022 to 20 March 2023)

Garth David Campbell-Cowan – Executive Director and Chief Financial Officer BComm, FCA, Grad Dip App Fin & Investments

Mr Campbell-Cowan is a Chartered Accountant and experienced finance executive across a number of industries, including extensive experience in the minerals sector in Australasia and North America. Mr Campbell-Cowan joined FAR as Chief Financial Officer in April 2022. Until September 2021 Mr Campbell-Cowan was Chief Financial Officer for St Barbara Limited where he was part of the executive team that managed the company's transformation from junior gold miner to an ASX 200 company. Mr Campbell-Cowan has held finance positions with Newcrest Mining Limited, Western Mining Limited, ANZ Bank and Telstra. Mr Campbell-Cowan is a former non-executive director of Navarre Minerals Limited (Administrators appointed 19 June 2023) and Chair of its Audit and Risk Committee.

Directorships of other listed companies (last 3 years):

Navarre Minerals Limited (November 2021 to May 2023)

Information on former directors

Alan McKellar Stein – Non-Executive Director BSc (Hons), PhD

Mr Stein is a geologist with more the 30 years' experience in the international oil & gas industry. He was one of the founding partners of the geoscience consultancy IKODA Limited based in London and Perth and was the founding Managing Director of Fusion Oil & Gas plc and Ophir Energy plc. Fusion listed on the UK AIM market in 2000 and made several discoveries offshore Mauritania before being sold in 2003. In early 2004, following the sale of Fusion, Mr. Stein was appointed its Managing Director of Ophir Energy plc upon its inception. Ophir was involved in several discoveries offshore Equatorial Guinea and Tanzania discovering more than 20 trillion cubic feet of gas. Mr Stein resigned from Ophir in 2012 to pursue his own business interests. Mr Stein was one of the founders of Havoc Partners LLP in 2013 a natural resource investment partnership. In 2017 Havoc sold its Canadian interests to Calima Energy Limited (ASX:CE1) and from 2017 to 2021 Mr Stein was its Managing director. Mr Stein was a member of the Remuneration and Nomination Committee and Audit and Risk Committee.

Directorships of other listed companies (last 3 years):

Calima Energy Limited (2017 to 2021).

Company secretary

Claire Newstead-Sinclair

Ms Newstead-Sinclair is employed at Vistra Australia, a professional advisory and corporate services firm. Ms Newstead-Sinclair is a Chartered Accountant with extensive ASX experience across several industry sectors. Ms Newstead-Sinclair specialises in ASX statutory reporting, ASX compliance, Corporate Governance and board and secretarial support. Ms Newstead-Sinclair is appointed Company Secretary on a number of ASX listed Companies.

Principal activities

The principal activities of the Company and of the Group during the year were exploration for oil and gas deposits, identifying and evaluating new business opportunities in the oil and gas and energy transition sectors and developing strategies to create value from the Company's extensive exploration data associated with The Gambia.

There were no significant changes in the nature of these activities during the year.

Results for the year

The Group reported a loss for the year ended 31 December 2023 of \$4,460,698 (prior year: loss of \$5,187,744).

Financial Performance and Analysis

Profit or Loss

During the year the Group reported a net loss of \$4,460,698 (prior year: \$5,187,744). Expenditure during the year comprised mainly exploration and evaluation of \$1,139,004 (prior year: \$1,576,097), corporate overhead and administration costs of \$1,112,693 (prior year: \$1,885,728) and employee benefits expense of \$765,176 (prior year: \$1,823,318). In addition, a realised foreign exchange loss of \$1,920,627 was recognised in the year in respect of AUD/USD currency forward contracts over term deposits to provide certainty on conversion of United States dollars to Australian dollars to fund the capital return to shareholders.

Exploration expenditure in the year comprised in-country administration and support costs of \$458,004, costs related to the marketing efforts of \$104,000 and statutory charges up to 31 March 2023 of \$577,000. Corporate overhead and administration costs were lower in the year due mainly to reduced contractor and consultant costs. Employee benefits expense was lower than the prior year due to a reduction in the number of employees as the Company's activities reduced. Employee benefits expense included restructuring costs of \$35,197 (prior year: \$338,303) related to remuneration paid to employees as redundancy payments.

Depreciation and amortisation expense for the year comprised mainly depreciation of right-of-use assets and the impairment charge for the corporate office lease.

Other income earned during the year was a total of \$883,585 (prior year: \$494,048) representing interest earned on cash on hand.

Cash Flows

Cash flows used in operating activities was \$4,568,266 for the year (prior year: \$21,189,471), Payments for exploration and evaluation in the year totalled \$942,304 (prior year: \$17,815,047). Payments to suppliers and employees in the year was \$2,495,932 (prior year: \$3,698,813) reflecting the lower corporate administration and employee expenses for the year.

Cash flows from investing activities comprised interest received in relation to cash on hand totalling \$1,013,938 (prior year: \$355,342).

Cash flows from financing activities included payments and costs related to the on-market share buy-back and return of capital totalling \$26,434,266 (prior year: \$877,757). Payment of lease liabilities was in relation to right-of-use assets comprising mainly the corporate office lease.

Financial Position

Net assets of \$2,790,876 (prior year: \$33,685,840) were significantly lower due to the share buyback and return of capital that totalled \$26,434,264 and net loss after income tax incurred in the year.

Business strategy and prospects

The Company has been focused on oil and gas exploration and the appraisal of new business initiatives across both the oil & gas and energy transition sectors. Any significant new business initiatives had to have the potential to offer significantly better returns to shareholders than share buy-backs and capital returns.

The Board's strategy for The Gambia exploration assets in 2023 was focused on efforts to capitalise on the valuable exploration data acquired without drawing down on the Group's capital to any meaningful extent. While the Company undertook extensive marketing of its exploration interests in The Gambia to establish a joint venture arrangement to undertake the geoscience review and ultimately drill additional exploration wells, it was not able to secure any agreement with a third party.

Subsequent to the end of the year the Company has issued a notice of surrender of Blocks A2 and A5 to the Government of The Gambia.

The Board will also consider opportunities for the monetisation of the Woodside Contingent Payment nearer the commencement of first oil production from the Sangomar field in mid-2024.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Material business risks

Oil and gas exploration activity is by its nature high risk and is affected by risks and uncertainties, some of which are beyond the Group's reasonable control. The nature of the oil and gas industry and external economic factors mean that a range of factors may impact results. The uncertainties arise from a range of factors, including the nature of the oil and gas industry, changing economic factors and access to capital markets and availability of financing. The business risks assessed as having the potential to have a material impact on the business and financial results of the Group are described below.

The Group integrates risk management practices into all facets of its business and uses risk assessment as an integral part of decision making. The Group uses a corporate risk register to ensure that all material risks are identified, objectively assessed, managed, monitored and responded to in an appropriate manner. The Group regularly updates the corporate risk register. Group risks are regularly reviewed by the board of directors.

Foreign exchange rate fluctuation

The Group's functional currency is the United States dollar ("US dollar") and its material asset, being cash is denominated in US dollars. The relative movement of the Australian dollar against the US dollar may have a significant impact on FAR's US dollar balances and creates a currency exposure in relation to Australian dollar denominated expenditure.

Counterparty credit risk

The Group is exposed to counterparty credit risk associated with cash held. Credit risk in relation to cash on hand is reduced through placing cash with a major Australian bank with a high credit rating assigned by international credit ratings agencies.

Information technology and cyber risks

The Group's operations are supported by and dependent on IT systems, consisting of infrastructure, networks, applications, and service providers. The Group could be subject to network and systems interference or disruptions from a number of sources, including (without limitation) security breaches, cyber-attacks and system defects. The impact of IT systems interference or disruption could include destruction or corruption of data, disclosure of personal or commercially sensitive information and data breaches. Although security measures and recovery plans are in place for critical IT systems, any such interference or disruption could have a material impact on the Company. Despite the security measures that FAR has implemented, including those related to cybersecurity, its systems could be breached or damaged by malicious acts. Cybersecurity risk is increasingly difficult to identify and quantify and cannot be fully mitigated because of the rapidly evolving nature of the threats, targets and consequences.

Exploration

Currently the Group's exposure to exploration risk is limited due to the cessation of exploration activities and completion of drilling commitments in the prior year.

Government and Regulator risk

The Group's rights, obligations and commercial arrangements through all stages of the oil and gas lifecycle (exploration, development, production) in international oil and gas permits are commonly defined in agreements entered into with the relevant country's Government and in the country's petroleum and tax related legislation and other laws. These agreements and laws are at risk of amendment by future Governments, which accordingly could materially and adversely impact on the Group's rights and commercial arrangements.

Sovereign risks

The Group's strategy has been focused on exploration in Africa. In developing countries, political and regulatory tax structures are maturing and have potential for further change. Uncertainty may exist as to the stability of the regulatory and political environment and there is potential for events to have a material impact on the investment and security environment within a country. The Group manages sovereign risk through closely monitoring political developments and events in the countries in which it has an interest.

Contingent asset realisation

As part of the consideration for the sale of its interest in the RSSD Project in Senegal to Woodside Energy (“**Woodside**”), FAR received rights to a Contingent Payment with a maximum value of US\$55 million. The Contingent Payment comprises 45% of entitlement barrels (being the share of oil relating to FAR’s previously held 13.67% of the RSSD Project comprising the Sangomar Field exploitation area of interest), multiplied by the excess of the Brent crude oil price per barrel and US\$58 per barrel (capped at US\$70 per barrel). The Contingent Payment terminates on the earliest of 31 December 2027, three years from the first oil being sold (excluding periods of zero production), or a total Contingent Payment of US\$55 million being reached, whichever occurs first.

There is no certainty that the Company will realise the value of the Contingent Payment, which is dependent on oil production occurring before the termination date and is subject to the Brent crude oil price being above US\$58 per barrel.

Anti-bribery and corruption laws

The Group may be subject to potential fraud, bribery, corruption and money laundering risks associated with the business in jurisdictions where it operates.

Australian and other anti-fraud, anti-bribery, anti-corruption and anti-money laundering laws, conventions, regulations, and enforcement procedures, and corresponding compliance obligations, have become more stringent in recent years. Failure to comply with applicable legal and regulatory requirements, and to maintain appropriate management and internal control frameworks to address such compliance risks, often carry substantial penalties and impose obligations and controls to prevent bribery by others on FAR’s behalf. There can be no assurances that the Group’s internal controls will always protect it from reckless or other inappropriate acts committed by its intermediaries, associates, directors, officers, employees or agents. Violations of these laws, or allegations of such violations, could expose the Group to potential fines, penalties and other civil and/or criminal litigation and have a material adverse effect on its business and reputation.

Legal proceedings, investigations and disputes

Legal proceedings, investigations and disputes (including tax audits and disputes) could have a material adverse effect on the Group’s financial position and its financial results. Regardless of the ultimate outcome of such proceedings, investigations and disputes, and whether involving regulatory action or civil or criminal claims, there may be a material adverse impact from the associated costs.

Environmental risks

Oil and gas operations have inherent risks and liabilities associated with ensuring operations are carried out in a manner that is responsible to the environment. While the Group does not currently have operations, environmental laws and regulations are continually changing and as such, the Group could be subject to changing obligations or unanticipated environmental incidents that, as a result, could impact costs, provisions, and other facets of the Group’s operations in the future.

Climate change risks

Given that the Group is not currently an oil or gas producer, nor does it hold an interest in an oil or gas production project, it considers that it is not currently materially exposed to physical, regulatory, oil market, cost or legal risks related to climate change.

The Group recognises that the climate change landscape continues to evolve and commits to regularly reviewing and updating its climate change policy to consider ongoing developments, including regulatory developments, community expectations and peer approaches to climate change.

Significant changes in the state of affairs

The operations review and financial performance sections on pages 3 and 7 sets out a number of matters that have had a significant effect on the state of affairs of the Group. Other than those matters, there were no other significant changes in the state of affairs of the Group during the reporting period.

There were no other significant changes in the state of affairs of the Company during the financial year.

Indemnity and insurance of officers

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company, the Company Secretary and all executive officers of the Company and of any related body corporate against a liability incurred as such a director, company secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium, and subject to some exceptions provides cover to past, present and future directors, company secretaries and executive officers of the Company and its subsidiaries.

Indemnity and insurance of auditor

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or any of the related bodies corporate against a liability incurred as such an officer or auditor. No payment has been made to indemnify any director, company secretary or executive officer of the Company and its subsidiaries during the year or since the end of the financial year.

Directors' shareholding

The table below sets out the interest of each director in shares of the Company as at the date of this report.

Director	Shares Held
P O'Connor	100,000
R Kaye	26,845
G Campbell-Cowan	-
	126,845

Share options and performance rights granted to Directors and Senior Management

No share options or performance rights were issued, vested or exercised during the year. There were no share options or performance rights in existence for directors, senior management or other employees at year end or the date of this report.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 31 December 2023, and the number of meetings attended by each Director were:

	Full Board		Audit and Risk Committee	
	Attended	Held (i)	Attended	Held (i)
P O'Connor	9	9	3	3
R Kaye	9	9	3	3
G Campbell-Cowan	9	9	3	3

(i) Represents the number of meetings held during the time the Director held office.

Environmental regulation

The Group's oil and gas operations are subject to environmental regulation under the legislation of the respective countries within which it operates. Approvals, licences, hearings and other regulatory requirements are performed by the operators of each permit or lease on behalf of joint operations in which the Group participates. Given that the Group is not currently an oil or gas producer, nor does it hold an interest in an oil or gas production project, it considers that it is not currently materially exposed to physical, regulatory, oil market, cost or legal risks related to the environment.

The Board actively monitors compliance with state and joint operation regulations and as at the date of this report is not aware of any material breaches in respect of these regulations.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings.

Audit and Non-audit services

Details of the amounts paid or payable to the auditor (Moore Australia) and the previous auditor (Deloitte Touche Tohmatsu) for audit and non-audit services during the year are disclosed in Note 27 to the financial statements. Moore Australia was appointed as the Company's auditor with effect from 18 January 2023 following the resignation of Deloitte Touche Tohmatsu and ASIC's consent to the resignation.

The Company may decide to employ the Auditor on assignments additional to their statutory audit duties where the Auditor's expertise and experience with the Group is important. During the year there were no amounts paid to the Auditor for non-audit services.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' Report.

Currency

All references to dollars in the Directors' Report and the Financial Report are references to US dollars (\$) or US\$) unless otherwise specified.

Matters subsequent to the end of the financial year

Subsequent to the end of the year, the Company has given notice to the Government of The Gambia of its surrender of exploration Blocks A2 and A5.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Likely developments and expected results of operations

The likely developments and future prospects of the Group are also discussed in the operations review, financial performance and business strategy and prospects sections of this report.

Remuneration report (audited)

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of FAR's key management personnel (KMP) for the financial year ended 31 December 2023. The term KMP refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. The Report has been audited under section 308(3C) of the Corporations Act 2001

Remuneration overview

The Board has deferred any consideration of executive fixed remuneration and appropriate performance related variable remuneration until the future strategy of the Company has been formulated. The Board will ensure the appropriate alignment of the organisational structure and capabilities to the strategy.

The Board is continually reviewing the costs in the business, including the remuneration cost, to deliver the best value for the Company and its shareholders in line with its strategy.

The non-executive directors' fees were reset from 1 April 2022 to reflect the transition of the Group and workload for the Company's Board.

Currency

Unless otherwise indicated, the currency used in this Report is US dollars which represents FAR's reporting (presentation) currency. Executive remuneration and non-executive director fees are paid in Australian dollars and are translated into US dollars for reporting purposes at an average rate of A\$1.00:US\$0.6644.

The prescribed details of each person covered by this report are detailed under the following headings:

- remuneration governance;
- executive director remuneration structure;
- executive remuneration contract terms;
- non-executive director remuneration structure;
- details of KMP remuneration; and
- additional disclosures relating to key management personnel.

Remuneration governance

The Remuneration and Nomination Committee is responsible for reviewing and making recommendations on the remuneration packages of new and existing Board members and senior executives and to oversee the remuneration of employees of the Company.

The objectives and responsibilities of the Remuneration and Nomination Committee are documented in the Charter approved by the Board. A copy of the charter is available on the Company's website.

The Charter states the Remuneration and Nomination Committee must comprise at least three members and consist of independent directors. Due to the current composition of the Board, the Remuneration and Nomination Committee was comprised of the Company's two independent directors, R G Kaye (Chairman) and P O'Connor.

Objectives

The objectives of the Remuneration and Nomination Committee are defined in the Charter and include:

- Review and make recommendations on the remuneration packages of new and existing Board members and senior executives of the Group;
- Oversee the remuneration of employees of the Company; and
- The Committee makes recommendations to the Board and does not relieve the Board of its responsibilities in these matters.

Responsibilities

The responsibilities of the Remuneration and Nomination Committee as defined in the Charter are as follows:

- Review and make recommendations to the Board on the remuneration packages of the roles of Chairman, Managing Director, other directors and senior executives;
- Review and make recommendations to the Board on the remuneration packages, and terms and conditions of any new appointee to the roles of Chairman, Managing Director, other directors and senior executives;
- Review the Managing Director's recommendations in relation to proposed remuneration packages of employees;
- Consider the adoption of appropriate long-term and short-term incentive and bonus plans and review adopted plans on a regular basis to ensure they comply with legislation and regulatory requirements, reflect industry standards and are effective in meeting the Company's objectives;
- Review participants in the incentive and bonus plans; and
- Review the Remuneration Report as part of the Directors' Report in the Annual Report of the Company.

Executive remuneration structure

The Remuneration and Nomination Committee advises the Board on remuneration for the senior executives and oversees the Company's executive remuneration policy which aims to:

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

Given that the Company currently has limited business activity and no employees, the Committee has not been required to consider matters associated with executive and employee remuneration and benefits.

Employee Performance Rights and Share Option Plan

There are no outstanding share performance rights or share options at the end of the year.

Executive remuneration contract terms

Name	Contract duration	Termination notice period by the executive / Company
Garth Campbell-Cowan	Monthly consulting agreement	1-month

Non-executive Directors remuneration structure

The Company's remuneration policy for non-executive directors considers the following factors when determining levels of remuneration:

- the size, activities and structure of the Company;
- the location and jurisdictions in which the Company operates;
- the responsibilities and work commitment requirements of Board members; and
- the level of fees paid to non-executive directors relative to comparable companies.

Fees paid to non-executive directors are determined by the Board and are subject to an aggregate limit of A\$600,000 per annum in accordance with the Company's constitution and as approved by shareholders at the Annual General Meeting held in May 2017.

The non-executive director's remuneration policy is as follows:

- Remuneration includes a fixed fee for services as directors and statutory superannuation (where applicable).
- Entitlement to reimbursement of reasonable travel, accommodation and other expenses incurred whilst engaged on Company business.
- No additional fees are paid for participation on any Board committees.
- At the Board's discretion, additional fees may be paid for special duties or extra services performed on behalf of the Company.
- No provision for retirement benefits other than statutory superannuation entitlement.
- No entitlement to participate in incentive-based remuneration schemes.

A summary of the Company's fees in relation to its non-executive directors (inclusive of superannuation) is as follows:

	Fixed annual fee A\$
Chairman	145,000
Non-Executive Director	110,000

The non-executive directors' fees were reduced effective 1 April 2022 to reflect the period of transition of the Company.

Voting and comments made at the Company's 31 May 2023 Annual General Meeting ('AGM')

At the 31 May 2023 AGM, 77.08% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of KMP remuneration

Remuneration statutory tables

The table below details the remuneration of senior executives and non-executive directors classified as KMP during the year ended 31 December 2023. All KMP were remunerated in Australian dollars during the year. Remuneration has been presented in US dollars and all components have been translated from Australian dollars to US dollars using the monthly functional exchange rate.

The key management personnel of the Company consisted of the following Directors of the Company:

- Patrick O'Connor - Non-Executive Chairman
- Robert Kaye SC - Non-Executive Director
- Garth Campbell-Cowan - Executive Director and Chief Financial Officer

And the following former directors:

- Alan Stein - Non-Executive Director (resigned 27 January 2023)
- Catherine Norman - Managing Director (Resigned 23 March 2022)

	Short-term benefits		Post-employment	Long-term benefits	Total
	Salary and fees	Other	benefits Superannuation	Long service leave ⁽¹⁾	
2023	US\$	US\$	US\$	US\$	US\$
<i>Non-Executive Directors:</i>					
P O'Connor	86,988	-	9,351	-	96,339
R Kaye	65,991	-	7,094	-	73,085
<i>Executive Director:</i>					
G Campbell-Cowan ⁽³⁾	-	179,888	-	-	179,888
	<u>152,979</u>	<u>179,888</u>	<u>16,445</u>	<u>-</u>	<u>349,312</u>

2022	Short-term benefits		Post-employment	Long-term benefits	Total
	Salary and fees	Other	benefits Superannuation	Long service leave ⁽¹⁾	
	US\$	US\$	US\$	US\$	US\$
<i>Non-Executive Directors:</i>					
P O'Connor ⁽²⁾	100,776	96,191	10,300	-	207,267
R Kaye	78,643	-	8,032	-	86,675
A Stein ⁽²⁾	54,254	27,079	5,593	-	86,926
<i>Executive Director:</i>					
G Campbell-Cowan ⁽³⁾	-	182,228	-	-	182,228
<i>Former Executives</i>					
C Norman ⁽⁴⁾	81,189	338,303	3,866	2,554	425,912
V McLellan ⁽⁵⁾	61,297	-	5,746	(1,216)	65,827
	<u>376,159</u>	<u>643,801</u>	<u>33,537</u>	<u>1,338</u>	<u>1,054,835</u>

- (1) Leave employee benefits represent long-term statutory leave entitlements, measured on an accrual basis, and reflects the net movement in the entitlements over the year. Negative movement indicates leave taken that exceeds leave accrued during the year. For former Executives this may include the reversal of long service leave expensed but which did not vest upon cessation of employment.
- (2) Mr O'Connor and Dr Stein were paid consulting fees for additional executive services provided in accordance with a Board approved policy, based on an hourly rate limited to 8 hours per day less directors' fees paid on a monthly basis.
- (3) Mr Campbell-Cowan is employed on a monthly consulting agreement.
- (4) Ms Norman ceased to be a KMP after being given notice of termination as an employee of the Company on 23 March 2022. In accordance with the terms of the employment contract a 12-month notice period applied, and the Company recognised a payable of US\$ 338,303 to Ms Norman from April 2022 to the end of the 12-month notice period.
- (5) Ms McLellan resigned from her position as Chief Financial Officer and the Company effective 7 April 2022.

Analysis of short-term incentives (STI)

The Board determined that no performance based STI would be paid for the year ended 31 December 2023 (31 December 2022: Nil).

Analysis of long-term incentives (LTI)

The Company did not grant any share performance rights or share options during the year. At the date of this report, no unlisted share performance rights or share options were on issue.

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 31 December 2023.

Additional disclosures relating to key management personnel

Shareholding

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

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
P O'Connor	100,000	-	-	-	100,000
R. Kaye	26,845	-	-	-	26,845
	<u>126,845</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,845</u>

Loans to KMP

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

Director related transactions

Loans to related parties

No loans were made to director related parties during the year and there are no loans to director related parties outstanding.

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, for similar transactions on an arm's length basis.


No hedging of remuneration of key management personnel

No member of the KMP has entered into an arrangement to limit exposure to risk relating to an element of the member's remuneration that has not vested or has vested but remains subject to a holding lock.

This concludes the remuneration report, which has been audited.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Patrick O'Connor
Chairman

1 March 2024

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**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF FAR LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2023, there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



MOORE AUSTRALIA AUDIT (VIC)
ABN 16 847 721 257



ANDREW JOHNSON
Partner
Audit and Assurance

Melbourne, Victoria

1 March 2024

FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

FAR Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2023

	Note	2023 US\$	2022 US\$
Other income	6	883,585	494,048
Expenses			
Exploration and evaluation expense	7	(1,139,004)	(1,576,097)
Employee benefits expense	7	(765,176)	(1,823,318)
Depreciation and amortisation expense	7	(348,057)	(211,555)
Foreign exchange loss		(1,920,627)	(38,428)
Business development expenses		(32,168)	(18,712)
Corporate expenses		(1,112,693)	(1,885,728)
Other expenses		-	(100,704)
Finance costs	7	(26,558)	(27,250)
Loss before income tax expense		(4,460,698)	(5,187,744)
Income tax expense	8	-	-
Loss after income tax expense for the year attributable to the owners of FAR Limited		(4,460,698)	(5,187,744)
Other comprehensive loss			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Reclassification of foreign currency differences on dissolution of subsidiary companies		735,240	638,616
Other comprehensive loss for the year, net of tax		735,240	638,616
Total comprehensive loss for the year attributable to the owners of FAR Limited		<u>(3,725,458)</u>	<u>(4,549,128)</u>
		Cents	Cents
Basic earnings per share	18	(4.66)	(5.22)
Diluted earnings per share	18	(4.66)	(5.22)

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

FAR Limited
Statement of financial position
As at 31 December 2023

	Note	2023 US\$	2022 US\$
Assets			
Current assets			
Cash and cash equivalents	9	2,880,461	33,651,206
Trade and other receivables	10	125,776	1,092,831
Other financial asset	11	69,956	73,078
Total current assets		<u>3,076,193</u>	<u>34,817,115</u>
Non-current assets			
Property, plant and equipment		-	61,927
Right-of-use assets	12	-	591,175
Total non-current assets		<u>-</u>	<u>653,102</u>
Total assets		<u>3,076,193</u>	<u>35,470,217</u>
Liabilities			
Current liabilities			
Trade and other payables	13	107,762	703,198
Lease liabilities	14	165,696	129,214
Employee benefits	15	-	456,352
Total current liabilities		<u>273,458</u>	<u>1,288,764</u>
Non-current liabilities			
Lease liabilities	14	11,859	482,600
Employee benefits	15	-	13,013
Total non-current liabilities		<u>11,859</u>	<u>495,613</u>
Total liabilities		<u>285,317</u>	<u>1,784,377</u>
Net assets		<u>2,790,876</u>	<u>33,685,840</u>
Equity			
Issued capital	16	66,644,551	93,078,815
Reserves	17	(5,128,215)	(4,392,975)
Accumulated losses		(58,725,460)	(55,000,000)
Total equity		<u>2,790,876</u>	<u>33,685,840</u>

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

FAR Limited
Statement of changes in equity
For the year ended 31 December 2023

	Issued capital US\$	Share-based payments re served US\$	Foreign currency translation reserve US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 January 2022	381,925,164	8,339,000	(3,754,359)	(346,758,465)	39,751,340
Loss after income tax expense for the year	-	-	-	(5,187,744)	(5,187,744)
Other comprehensive loss for the year, net of tax	-	-	(638,616)	-	(638,616)
Total comprehensive loss for the year	-	-	(638,616)	(5,187,744)	(5,826,360)
<i>Transactions with owners in their capacity as owners:</i>					
Share buy-backs (note 16)	(815,051)	-	-	-	(815,051)
Share buy-back costs (note 16)	(62,705)	-	-	-	(62,705)
Section 258F capital reduction (note 16)	(287,968,593)	-	-	287,968,593	-
Transfer of share-based payments reserve	-	(8,339,000)	-	8,339,000	-
Transfer of Foreign currency translation reserve	-	-	-	638,616	638,616
Balance at 31 December 2022	<u>93,078,815</u>	<u>-</u>	<u>(4,392,975)</u>	<u>(55,000,000)</u>	<u>33,685,840</u>

	Issued capital US\$	Share-based payments re served US\$	Foreign currency translation reserve US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 January 2023	93,078,815	-	(4,392,975)	(55,000,000)	33,685,840
Loss after income tax expense for the year	-	-	-	(4,460,698)	(4,460,698)
Other comprehensive loss for the year, net of tax	-	-	(735,240)	-	(735,240)
Total comprehensive loss for the year	-	-	(735,240)	(4,460,698)	(5,195,938)
<i>Transactions with owners in their capacity as owners:</i>					
Share buy-backs (note 16)	(26,423,347)	-	-	-	(26,423,347)
Share buy-back costs (note 16)	(10,917)	-	-	-	(10,917)
Transfer of Foreign currency translation reserve	-	-	-	735,238	735,238
Balance at 31 December 2023	<u>66,644,551</u>	<u>-</u>	<u>(5,128,215)</u>	<u>(58,725,460)</u>	<u>2,790,876</u>

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

FAR Limited
Statement of cash flows
For the year ended 31 December 2023

	Note	2023 US\$	2022 US\$
Cash flows from operating activities			
Receipt of goods & services tax		166,799	401,854
Payments to suppliers and employees		(2,495,932)	(3,698,813)
Payments for exploration and evaluation expenses		(942,304)	(17,815,047)
Payments of security deposit held over premises		-	(77,465)
Payments for foreign exchange forward contracts		(1,296,829)	-
Net cash used in operating activities	22	<u>(4,568,266)</u>	<u>(21,189,471)</u>
Cash flows from investing activities			
Interest received		1,013,938	355,342
Payments for exploration and evaluation assets		-	(16,406)
Net cash from investing activities		<u>1,013,938</u>	<u>338,936</u>
Cash flows from financing activities			
Payments related to share buy-backs and capital return		(26,423,349)	(815,052)
Payments related to share buy-back costs		(10,917)	(62,705)
Payment of lease liabilities		(148,596)	(158,935)
Net cash used in financing activities		<u>(26,582,862)</u>	<u>(1,036,692)</u>
Net decrease in cash and cash equivalents		(30,137,190)	(21,887,227)
Cash and cash equivalents at the beginning of the financial year		33,651,206	55,634,209
Effects of exchange rate changes on cash and cash equivalents		(633,555)	(95,776)
Cash and cash equivalents at the end of the financial year	9	<u><u>2,880,461</u></u>	<u><u>33,651,206</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

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

The Company's registered office and its principal place of business for the year was Level 12, 530 Collins Street, Melbourne, Victoria, 3000, Australia.

A description of the nature of the Company's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 1 March 2024. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the Company are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

There are a number of standards, amendments to standards, and interpretations which have been issued by the AASB that are effective in future accounting periods that the Consolidated Entity has decided not to adopt early. The following amendments to standards are applicable to the Company and effective for future reporting periods:

- Amendment to IAS 1 - Non-current liabilities with covenants which is effective for accounting periods beginning on or after 1 January 2024; and
- Amendment to IFRS 16 – Leases on sale and leaseback, which are effective for accounting periods beginning on or after 1 January 2024.

These standards, which are not yet effective, are not expected to have a material impact on the Consolidated Entity in the current or future reporting periods and on foreseeable future transactions. However, management will continue to assess this closer to the application date of each standard.

Basis of preparation

This financial report is a general purpose financial report, prepared by a for-profit entity, in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). The financial report also complies with the International Financial Reporting Standards (IFRS), including interpretations as issued by the International Accounting Standards Board (IASB).

The financial report has been prepared on a historical cost basis. The financial report has been presented in United States (US) dollars.

The accounting policies have been consistently applied by all entities included in the Group and are consistent with those applied in the prior year.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Note 2. Material accounting policy information (continued)

Functional and presentation currency

The functional and presentation currency of FAR Limited and its subsidiaries is United States dollars. Transactions in foreign currencies are initially recorded in the functional currency of the transacting entity at the exchange rates prevailing at the date of the transaction. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing at that date.

Principles 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 the Company ceases to control the subsidiary.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

In the application of the Group's accounting policies, which are described in note 2 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. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

Note 4. Restatement of comparative financial information

During the year, the Company became aware that the section 258F of the Corporations Act 2001 adjustment had been incorrectly stated in the 31 December 2022 financial statements. The section 258F adjustment has been corrected to take account of the prospect of the contingent asset becoming income by restating each of the affected line items in the prior year financial statements.

	31 Dec 2022 As Previously Reported US\$'000	Restatement adjustment US\$'000	31 Dec 2022 As Restated US\$'000
Issued capital	38,078,815	55,000,000	93,078,815
Accumulated losses	-	(55,000,000)	(55,000,000)

Note 5. Operating segments

Identification of reportable operating segments

The Group's operating segments are identified on the basis of internal reports about components of the entity that are regularly reviewed by the Board in order to allocate resources to the segments and to assess its performance. The Group had limited exploration activity during the year focussed on marketing of its exploration interest in The Gambia, with the majority of expenditure related to corporate administration.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the amount of consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Segment assets and liabilities

An analysis of the Group's assets and liabilities by reportable operating segment is presented in the table below.

Segment assets	2023 US\$	2022 US\$
Continuing operations		
The Gambia	15,272	738,000
Senegal	-	22,000
Corporate	3,060,921	34,710,000
Total segment assets	<u>3,076,193</u>	<u>35,470,000</u>

Note 5. Operating segments (continued)

	2023 US\$	2022 US\$
Segment liabilities		
Continuing operations		
The Gambia	11,029	411,000
Senegal	-	13,000
Corporate	274,288	1,360,000
	<u>285,317</u>	<u>1,784,000</u>
Total segment liabilities		

Segment revenue and results

The Group's revenue and results from operations for the year ended 31 December is as follows:

	2023 US\$	2022 US\$
Other income		
Corporate	883,585	494,048
	<u>883,585</u>	<u>494,048</u>
Segment loss		
Australia	-	(24,000)
The Gambia	(1,015,906)	(1,528,000)
Guinea-Bissau	-	15,000
Senegal	-	(335,000)
Corporate	(3,444,792)	(3,316,000)
	<u>(4,460,698)</u>	<u>(5,188,000)</u>
Loss after tax from continued operations		
	<u>(4,460,698)</u>	<u>(5,188,000)</u>
Depreciation and amortisation		
The Gambia	(32,065)	(9,000)
Senegal	-	(2,000)
Corporate	(315,992)	(201,000)
	<u>(348,057)</u>	<u>(212,000)</u>
Total		
	<u>(348,057)</u>	<u>(212,000)</u>

Note 6. Other income

	2023 US\$	2022 US\$
Interest income	883,585	494,048
	<u>883,585</u>	<u>494,048</u>

Interest revenue on cash held is recognised on a time proportionate basis taking into account the effective yield on the financial asset.

Note 7. Expenses

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

Note 7. Expenses (continued)

	2023 US\$	2022 US\$
Loss before income tax includes the following specific expenses:		
Depreciation		
Property, plant & equipment	(61,927)	(49,808)
Right of use assets	(143,612)	(161,746)
Impairment of right of use assets	(142,518)	-
	<u>(348,057)</u>	<u>(211,554)</u>
Exploration and evaluation costs expensed:		
Australia	(188,578)	(13,368)
Gambia	(950,426)	(1,472,645)
Guinea-Bissau	-	(90,084)
	<u>(1,139,004)</u>	<u>(1,576,097)</u>
Finance costs		
Interest on lease liabilities	(26,558)	(27,251)
Employee benefit expense:		
Remuneration and associated employment expense	(921,728)	(2,583,110)
Restructure expense	(35,197)	(338,303)
Recharge of remuneration expense to exploration expense	214,437	1,194,693
Superannuation contributions	(45,286)	(99,874)
Employee leave entitlements	22,598	3,276
Total employee benefit expense:	<u>(765,176)</u>	<u>(1,823,318)</u>

Note 8. Income tax

	2023 US\$	2022 US\$
(a) Income tax recognised in the profit or loss statement		
Current tax	(803,761)	(1,106,076)
Adjustments of prior year amounts	(207,172)	(44,090)
Tax losses not brought to account	1,010,933	1,150,166
Deferred tax expense relating to the origination and reversal of temporary differences	(138,156)	(33,141)
Benefit arising from previously recognised tax losses used to reduce deferred tax expense	138,156	33,141
Total tax expense/(income)	-	-
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(4,460,698)	(5,187,744)
Tax at the statutory tax rate of 30%	(1,338,209)	(1,556,323)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	534,694	542,504
Unrecognised deductible temporary differences – equity related costs	-	(92,257)
Unused tax losses and tax offsets not recognised as deferred tax assets	803,515	1,106,076
Income tax expense	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

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

	2023 US\$	2022 US\$
(b) Deferred tax balances		
Deferred tax assets on temporary differences (net)		
Property, plant & equipment	-	(9,590)
Receivables	-	(42,271)
Payables	18,651	67,857
Provisions	-	140,810
<i>Total deferred tax assets / liabilities balances not recognised</i>	18,651	156,806

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain. Unused operating tax losses in Australia with a potential tax benefit calculated at a tax rate of 30% are estimated at \$19,920,584 with a further \$3,821,736 of unused capital losses. The Group also has unused tax losses in Gambia that are not expected to be used.

FAR Limited
Notes to the financial statements
31 December 2023

Note 9. Cash and cash equivalents

	2023	2022
	US\$	US\$
<i>Current assets</i>		
Cash at bank and on hand	2,880,461	337,799
Deposits at call	-	313,407
Term deposits	-	33,000,000
	<u>2,880,461</u>	<u>33,651,206</u>

The Group had no external borrowings at 31 December 2023 (31 December 2022: Nil).

Accounting policy for 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.

Note 10. Trade and other receivables

	2023	2022
	US\$	US\$
<i>Current assets</i>		
Interest receivable	-	138,202
Other receivables	36,134	47,937
Prepayments	89,642	906,692
	<u>125,776</u>	<u>1,092,831</u>

Accounting policy for trade and other receivables

Other receivables are non-interest bearing and the credit period varies between 30 and 60 days. No receivables were past due at balance date and the Group has no significant exposure to expected credit losses. The carrying amount of the other receivables approximates fair value.

Note 11. Other financial asset

	2023	2022
	US\$	US\$
<i>Current assets</i>		
Security deposit	<u>69,956</u>	<u>73,078</u>

Security deposit is in relation to the Company's corporate head office lease to support a bank guarantee.

Note 12. Right-of-use assets

The Group has leases that 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:

Note 12. Right-of-use assets (continued)

	Leased Premises US\$	Office equipment US\$	Total US\$
Balance at 1 January 2022	41,289	7,342	48,631
Additions	704,290	-	704,290
Depreciation expense	(158,992)	(2,754)	(161,746)
Balance at 31 December 2022	586,587	4,588	591,175
Reassessment of asset ⁽ⁱ⁾	(305,045)	-	(305,045)
Impairment of assets ⁽ⁱ⁾	(140,684)	(1,834)	(142,518)
Depreciation expense	(140,858)	(2,754)	(143,612)
Balance at 31 December 2023	-	-	-

(i) At 31 December 2023, due to the limited activities of the Company, the Board has decided that an option in the lease agreement will be exercised to early terminate the lease in January 2025. The original lease term was 5 years ending in January 2027. The Right of Use asset and associated lease liability were adjusted by US\$ 305,045.

In addition, the Company recognised an impairment amounting to US\$142,518 in respect of its corporate office and equipment leases at 31 December 2023.

Accounting policy for right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. 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.

Note 13. Trade and other payables

	2023 US\$	2022 US\$
<i>Current liabilities</i>		
Trade payables	45,627	87,518
Other payables	62,135	615,680
	<u>107,762</u>	<u>703,198</u>

The average credit period on purchases is approximately 30 days. No interest is charged on 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.

Refer to note 23 for further information on financial instruments.

Accounting policy for trade and other payables

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

Note 14. Lease liabilities

	2023 US\$	2022 US\$
<i>Current liabilities</i>		
Lease liability	165,696	129,214
<i>Non-current liabilities</i>		
Lease liability	11,859	482,600
	2023 US\$	2022 US\$
As at 1 January	611,814	71,415
Additions during the year	-	704,290
Interest expense	26,366	27,250
Lease reassessment ⁽ⁱ⁾	(305,045)	-
Lease payments	(148,596)	(185,034)
Net foreign exchange differences	(6,984)	(6,107)
As at 31 December	177,555	611,814

(i) At 31 December 2023, due to the limited activities of the Company, the Board has decided that an option in the lease agreement will be exercised to early terminate the lease in January 2025. The original lease term was 5 years ending in January 2027. The Right of Use asset and associated lease liability were adjusted by US\$ 305,045.

Refer to note 23 for further information on financial risk management objectives.

Lease payments not recognised as a liability

The Group has elected not to recognise assets and lease liabilities for short term leases (leases with an expected term of 12 months or less). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. Short-term lease amounts recognised as an expense and included in corporate administration expenses are:

	2023 US\$	2022 US\$
Short-term leases	22,000	36,000

Short-term lease payments expensed include rental payments on the Group's Gambian office premises.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Note 15. Employee benefits

	2023 US\$	2022 US\$
<i>Current liabilities</i>		
Employee benefits	-	456,352
<i>Non-current liabilities</i>		
Employee benefits	-	13,013
	2023 US\$	2022 US\$
Movement in employee benefits provision:		
Carrying amount at 1 January	469,391	526,012
Provision made or reversed during the year	-	116,125
Provision used during the year ⁽ⁱ⁾	(456,256)	(137,237)
Net foreign exchange differences	(13,135)	(35,509)
Balance at 31 December	-	469,391

(i) Amounts totalling U\$456,256, comprising annual leave and long service leave paid out on termination of employees during the year.

The employee benefits provision represents annual and long service leave entitlements accrued by employees. Employees are remunerated in Australian dollars with amounts presented in US dollars after components have been translated from Australian dollars to US dollars.

Note 16. Issued capital

	2023 Shares	2022 Shares	2023 US\$	Restated 2022 US\$
Ordinary shares - fully paid	92,409,648	98,195,094	66,644,551	93,078,815
<i>Movements in ordinary share capital</i>				
Details			Shares	US\$
Balance at beginning of the year	1 January 2022		99,790,492	381,925,164
Share buy-backs			(1,595,398)	(815,051)
Share buy-back costs			-	(62,705)
Section 258F capital reduction ⁽ⁱ⁾			-	(287,968,593)
Balance at beginning of the year	1 January 2023		98,195,094	93,078,815
Share buy-backs ⁽ⁱⁱ⁾			(5,785,446)	(2,706,186)
Return of capital ⁽ⁱⁱⁱ⁾			-	(23,717,161)
Share buy-back costs			-	(10,917)
Ordinary fully paid shares at end of the year	31 December 2023		92,409,648	66,644,551

Note 16. Issued capital (continued)

- (i) As at 31 December 2022, the Company reduced its share capital by US\$342,968,593 in accordance with section 258F of the Corporations Act 2001. The capital reduction had the effect of reducing the share capital account and the Company's accumulated accounting losses. There was no impact on shareholders from the capital reduction as no shares were cancelled and there was no change in the net asset position of the Group. There was also no impact on the availability of the Company's tax losses from this capital reduction. During the year, the Company became aware that the section 258F adjustment in the prior year did not take account of the contingent asset potentially becoming income in future periods with a maximum potential value of US\$55,000,000. The 31 December 2022 financial statements have been restated for this error to increase share capital and accumulated losses by US\$55,000,000 and correct the section 258F adjustment in the prior year.
- (ii) During the year, the Company bought back 5,785,446 shares at an average price of A\$0.7045 per share for US\$2,706,186 as part of the on-market share buyback. The shares bought back were cancelled.
- (iii) During the year, The Company returned US\$23,717,161 million (A\$0.40 per share) to shareholders as a return of capital as per the shareholders' approval on 18 August 2023.

Accounting policy for issued capital

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 recognised at the fair value of the consideration received by the Group. Any transaction costs related to the issue of ordinary shares is recognised directly in equity as a reduction of the share proceeds received.

Note 17. Reserves

	2023	2022
	US\$	US\$
Foreign currency reserve	<u>(5,128,215)</u>	<u>(4,392,975)</u>

Foreign currency reserve

The foreign currency translation reserve records exchange differences arising on translation of the financial statements of foreign subsidiaries and branches from their functional currency to the Company's functional and presentation currency of USD. The functional and presentation currency for the Group was changed from Australian dollars (AUD) to United States dollars (USD) effective 1 January 2020, resulting in exchange differences being recognised in equity under the reserve for foreign currency translation.

Note 18. Earnings per share

	2023	2022
	US\$	US\$
Loss after income tax attributable to the owners of FAR Limited	<u>(4,460,698)</u>	<u>(5,187,744)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>95,801,663</u>	<u>99,403,106</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>95,801,663</u>	<u>99,403,106</u>
	Cents	Cents
Basic earnings per share	(4.66)	(5.22)
Diluted earnings per share	(4.66)	(5.22)

Note 19. Dividends

The directors recommend that no dividend be paid for the year ended 31 December 2023, nor have any been paid or declared during the year (31 December 2022: NIL).

Note 20. Contingent liabilities and contingent assets

Contingent liabilities

As part of the consideration for the sale of its interest in the RSSD Project in Senegal to Woodside Energy (“**Woodside**”), FAR received rights to a Contingent Payment with a maximum value of US\$55 million. On 27 November 2023, FAR was advised by Woodside that a notification of adjustments had been received with respect to a potential claim from the Senegal Tax Authority relating to the sale by the FAR Group of its interest in the RSSD project to Woodside Energy (Senegal) BV in 2021. The notification of adjustments included a capital gains tax claim of approximately US\$4 million relating to the FAR sale.

If any part of the capital gains tax claim is ultimately payable by Woodside, FAR considers it likely that it would be called on to and would need to indemnify Woodside for that amount, as a consequence of the terms of sale agreed between FAR and Woodside. In 2021, the Senegal Tax Authority considered the sale agreement between FAR and Woodside, and the Senegal Tax Authority stamped the sale agreement, as being exempt from tax and duty. An objection to the notification from the Senegal Tax Authority has been lodged by Woodside.

Subsequent to year end, a further communication was received from the Senegal Tax Authority by Woodside that accepts that there was no capital gain on the sale. Accordingly, FAR considers that it is no longer exposed to a capital gains tax claim relating to the sale.

At the date of this report the Group was not aware of any other material claims, actual or contemplated.

Contingent assets

As part of the consideration for the sale of its interest in the RSSD Project in Senegal to Woodside Energy, FAR received the rights to a Contingent Payment. The Woodside Energy Contingent Payment comprises 45% of entitlement barrels (being the share of oil relating to the Group’s previously held 13.67% of the RSSD Project, comprising the Sangomar Field exploitation area of interest) sold over the previous calendar year, multiplied by the excess (if any) of the crude oil price per barrel and US\$58 per barrel (capped at US\$70 per barrel). The Contingent Payment terminates on the earliest of 31 December 2027, three years from the first oil being sold (excluding periods of zero production), or a total contingent payment of US\$55 million being reached, whichever occurs first.

In the fourth quarter 2023 report announced to the market on 24 January 2024, Woodside provided an update on the Sangomar Field Development Phase 1 project (“**Sangomar**”). As at 31 December 2023 the overall project was 94% complete and subsequent to the end of the year, the Floating Production Storage and Offloading (FPSO) facility arrived in Senegal in February 2024. First oil production from Sangomar is targeted for mid-2024.

The Contingent Payment has been disclosed as a contingent asset due to its value being reliant on the future crude oil price and Woodside successfully producing oil from the Sangomar field, both wholly outside the control of the Group and not currently considered virtually certain.

Note 21. Interests in joint operations

The Group has an interest in the following material joint operations whose principal activities are oil and gas exploration.

Name	Principal place of business / Country of incorporation	Ownership interest	
		2023 %	2022 %
Block A2/ Block A5*	Gambia	100.00%	100.00%

Note 21. Interests in joint operations (continued)

- * The Initial Exploration Period for the A2/A5 Blocks in The Gambia expired on 30 September 2022 and the Company's partner, PC Gambia Ltd, a subsidiary of Petroliam Nasional Berhad ('Petronas'), assigned its 50% interest in the licence to FAR. As a result, the Group holds 100% interest and the joint operation ceased on that date. Refer to note 29 for event after reporting date related to the surrender of the Block A2 and A5 licences in February 2024.

Contingent liabilities and capital commitments

There are no contingent liabilities in respect of the Group's interest in joint operations.

Accounting policy for interests in Joint Operations

A joint operation is a joint arrangement whereby the parties with joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement that exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Under certain agreements, more than one combination of participants can make decisions about the relevant activities and therefore joint control does not exist. Where the arrangement has the same legal form as a joint operation but is not subject to joint control, the group accounts for its interest in accordance with the contractual agreement by recognising its share of jointly held assets, liabilities, revenues and expenses of the arrangement.

The Group accounts for its assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the AASB standards applicable to the particular assets, liabilities, revenues and expenses.

Note 22. Reconciliation of loss after income tax to net cash used in operating activities

	2023	2022
	US\$	US\$
Loss after income tax expense for the year	(4,460,698)	(5,187,744)
Adjustments for:		
Depreciation and amortisation of non-current assets	205,539	211,555
Unrealised foreign exchange losses	616,084	78,659
Impairment of right of use assets	142,518	-
Interest on lease liabilities	26,366	27,251
Loss on disposal of property, plant and equipment	-	100,704
Interest income	(875,736)	(493,544)
Change in operating assets and liabilities:		
Decrease in trade and other receivables	828,445	311,866
Decrease in trade and other payables	(589,167)	(16,203,004)
Decrease in employee benefits	(461,617)	(35,214)
Net cash used in operating activities	<u>(4,568,266)</u>	<u>(21,189,471)</u>

Note 23. Financial risk management objectives

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 Group, 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 Group's activities.

Note 23. Financial risk management objectives (continued)

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 debt, and no finance facilities in place at 31 December 2023.

Financial assets and financial liabilities

The Group's financial assets and financial liabilities carrying values are at amortised cost. The following table discloses the carrying value and approximate their fair value of each category of financial assets and financial liabilities at year end:

	Carrying amount		Fair value	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Cash and cash equivalents	2,880,461	33,651,206	2,880,461	33,651,206
Trade and other receivables – current and non-current	-	138,202	-	138,202
Other financial assets – current and non-current	69,956	73,078	69,956	73,078
Total financial assets	2,950,417	33,862,486	2,950,417	33,862,486
	Carrying amount		Fair value	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Trade and other payables - current	107,762	703,198	107,762	703,198
Lease liabilities – current and non-current	177,555	611,814	177,555	611,814
Total financial liabilities	285,317	1,315,012	285,317	1,315,012

Capital risk management

The Group manages its capital to ensure it will be able to continue as a going concern and as at 31 December 2023 has no debt or 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 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. The Group may from time-to-time enter into derivative financial instruments to manage its exposure to foreign currency risk.

Foreign currency risk

The Group has certain expenditures, assets and liabilities denominated in AUD, which differs from the Group's functional currency of USD. Consequently, the Group is exposed to the risk that the exchange rate of the USD relative to the AUD may change in a manner that has a material effect on the reported result of the Group.

As at 31 December 2023, there were no foreign exchange hedge contracts in place (31 December 2022: Nil).

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities that are denominated in a currency other than the functional currency of the entity that holds the financial assets or financial liabilities at the reporting date is as follows:

Note 23. Financial risk management objectives (continued)

	2023 US\$	2022 US\$
Financial assets denominated in foreign currencies		
Cash and cash equivalents	2,543,965	229,357
Total financial assets denominated in foreign currencies	2,543,965	229,357
Financial liabilities denominated in foreign currencies		
Trade and other payables – current	(96,730)	(279,522)
Other financial liabilities – current and non-current	(177,555)	(611,814)
Total financial liabilities denominated in foreign currencies	(274,285)	(891,336)
Net financial assets / (liabilities) denominated in foreign currencies	2,269,680	(661,979)

At the reporting date, the sensitivity to the Group's net loss after tax, arising in respect of financial assets and liabilities, to a 10% movement (2022:10%) in the Australia dollar against the US dollar, with all other variables held constant, is an increase/decrease of:

	2023 US\$	2022 US\$
AUD/USD – 10% increase/(decrease)	226,928	66,198

Commodity price risk management

The Group does not currently have any exposure to commodity price fluctuations.

Interest rate risk management

The Group is exposed to material interest rate risk as it earns interest at floating rates on its cash and cash equivalents.

As at 31 December 2023, there were no interest rate hedging in place (31 December 2022: Nil).

Credit risk management

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The carrying amount of financial assets recorded in the financial statements, net of any provisions for expected losses, represents the Group's maximum exposure to credit risk.

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.

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.

Note 23. Financial risk management objectives (continued)

	Less than 1 month US\$'000	Maturity 2 months to 1 year US\$'000	1-5 years US\$'000	Total US\$'000
31 December 2023				
Financial assets:				
Non-interest bearing	409,173	-	-	409,173
Variable interest rate	2,471,288	-	-	2,471,288
Fixed interest rate	-	-	69,955	69,955
	2,880,461	-	69,955	2,950,416
Financial liabilities:				
Non-interest bearing	-	-	-	-
Fixed interest bearing – lease liabilities	(107,763)	-	-	(107,763)
	(12,922)	(146,581)	(14,842)	(174,345)
	(120,685)	(146,581)	(14,842)	(282,108)
31 December 2022				
Financial assets:				
Non-interest bearing	785,000	73,000	-	858,000
Variable interest rate	4,000	-	-	4,000
Fixed interest rate	10,000,000	33,000,000	-	43,000,000
	10,789,000	33,073,000	-	43,862,000
Financial liabilities:				
Non-interest bearing	703,000	-	-	703,000
Fixed interest bearing – lease liabilities	10,000	119,000	483,000	612,000
	713,000	119,000	483,000	1,315,000

Note 24. Key management personnel disclosures

The aggregate compensation made to Directors and other members of key management personnel of the Company is set out below:

	2023 US\$	2022 US\$
Short-term employee benefits	332,867	681,657
Restructure expense(i)	-	338,303
Post-employment benefits	16,445	33,537
Other long-term benefits	-	1,338
	349,312	1,054,835

(i) On 23 March 2022 the previous MD&CEO was given notice of termination. In accordance with the terms of the employment contract a 12-month notice period applied, and the restructure expense represents amounts paid and payable to Ms Norman from April 2022 to the end of the 12-month notice period.

The amounts disclosed above are the amounts recognised and included in corporate administration expense during the year related to key management personnel.

Note 25. Related party transactions

Parent entity

FAR Limited is the parent entity.

Joint operations

Interests in joint operations are set out in note 21.

Key management personnel

Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the Directors' report.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 26. Interests in subsidiaries

The Group subsidiaries at 31 December are set out below.

Name	Principal place of business / Country of incorporation	Ownership interest	
		2023	2022
		%	%
FAR Holdings 1 Pty Ltd (ii)	Australia	100.00%	100.00%
FAR Holdings 3 Pty Ltd (ii) (iii)	Australia	-	100.00%
FAR Meridian Pty Ltd (ii)	Australia	100.00%	100.00%
Flow Energy Pty Ltd (ii) (iii)	Australia	-	100.00%
Lightmark Enterprises Pty Ltd (ii)	Australia	100.00%	100.00%
FAR Gambia Ltd	Mauritius	100.00%	100.00%
FAR Mauritius 1 Pty Ltd	Mauritius	100.00%	100.00%

(i) FAR Limited is the ultimate holding company and head entity within the Australian tax consolidated group.

(ii) These companies are members of the Australian tax consolidated group.

(iii) These companies were voluntarily dissolved during the year.

Note 27. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Moore Australia, the auditor of the Company:

	2023 US\$	2022 US\$
Amounts paid or due to be paid in respect of:		
Auditor of Parent Entity – Moore Australia: Audit or review of the financial report	46,500	34,750
Network firms of Moore Australia:		
Audit of financial statements	3,500	3,000
Amounts paid or due to be paid in respect of:		
Auditor of Parent Entity – Deloitte Touche Tohmatsu (<i>Resigned as auditors in 2023</i>)	-	23,250
	3,500	26,250
	50,000	61,000

The auditor of the Group is Moore Australia. The auditor did not receive any other benefits.

On 18 January 2023, the Company announced that Moore Australia was appointed as the Company's auditor following the resignation of Deloitte Touche Tohmatsu and ASIC consent to the resignation.

Note 28. Parent entity information

Set out below is the supplementary information about the parent entity.

	2023 US\$	2022 US\$
Financial performance		
Loss for the year	(4,206,680)	(7,893,000)
Other comprehensive loss	-	-
Total comprehensive loss	(4,206,680)	(7,893,000)
	2023 US\$	2022 US\$
Assets		
Current assets	3,060,943	34,167,267
Non-current assets	-	621,051
Total assets	3,060,943	34,788,318
Liabilities		
Current liabilities	262,428	865,090
Non-current liabilities	11,859	495,612
Total liabilities	274,287	1,360,702
Equity		
Issued Capital	66,644,551	93,078,815
Reserves - Foreign currency translation reserve	(5,795,298)	(5,795,298)
Accumulated profits/(losses)	(58,062,597)	(53,855,901)
Total Equity	2,786,656	33,427,616

Note 28. Parent entity information (continued)

Contingent liabilities of the parent entity

At the date of this report the Company was not aware of any material claims, actual or contemplated.

Commitments for capital expenditure entered into by the parent entity

There were no commitments for the acquisition of property, plant and equipment by the parent entity at year end.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 29. Events after the reporting period

Subsequent to the end of the year, the Company has given notice to the Government of The Gambia of its surrender of exploration Blocks A2 and A5.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

FAR Limited
Directors' declaration
31 December 2023

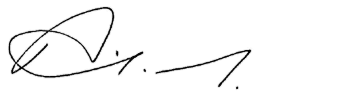
In the Directors' opinion:

- the financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Patrick O'Connor
Chairman

1 March 2024

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**INDEPENDENT AUDIT'S REPORT
TO THE MEMBERS OF FAR LIMITED****Report on the Audit of the Financial Report****Opinion**

We have audited the financial report of FAR Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements and the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year ended; and
- (ii) 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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.

We have determined that there are no key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in Group's annual report, (but does not include the financial report and our auditor's report thereon).

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

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

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 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 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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

https://www.auasb.gov.au/admin/file/content102/c3/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 on pages 12 to 17 of the directors' report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of FAR Limited, for the year ended 31 December 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.



MOORE AUSTRALIA AUDIT (VIC)
ABN 16 847 721 257



ANDREW JOHNSON
Partner
Audit and Assurance

Melbourne, Victoria

1 March 2024

ASX Shareholder Disclosures

The following additional information is required by the Australian Securities Exchange in respect of listed public companies. The information is current as of 13 February 2024.

Distribution of equitable securities

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

	Number of holders of ordinary shares	Number of ordinary shares	% of ordinary shares
1 to 1,000	1,241	860,177	0.93
1,001 to 5,000	1,698	4,090,530	4.43
5,001 to 10,000	377	2,857,697	3.09
10,001 to 100,000	408	10,767,782	11.65
100,001 and over	35	73,833,462	79.90
Rounding			0.00
	<u>3,759</u>	<u>92,409,648</u>	<u>100.00</u>
Holding less than a marketable parcel	<u>1,471</u>	<u>1,667</u>	<u>1.49%</u>

Equity security holders

Twenty largest quoted equity security holders

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

	Ordinary shares	
	Number held	% of total shares issued
1. BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient>	28,649,913	31.00
2. HSBC Custody Nominees (Australia) Limited	15,095,762	16.34
3. Citicorp Nominees Pty Limited	14,598,145	15.80
4. National Nominees Limited	3,278,653	3.55
5. Palm Beach Nominees Pty Limited	2,773,254	3.00
6. J P Morgan Nominees Australia Pty Limited	1,012,068	1.10
7. Mr Oliver Lennox-King	756,479	0.82
8. BNP Paribas Noms Pty Ltd	670,809	0.73
9. HSBC Custody Nominees (Australia) Limited – A/C 2	656,796	0.71
10. Mrs Kathryn Margaret Evans	595,000	0.64
11. BNP Paribas Nominees Pty Ltd Barclays	557,000	0.60
12. Mr Garry Colin King	528,075	0.57
13. ASB Nominees Limited <123619 A/C>	497,948	0.54
14. Mr Jason Khoo	426,204	0.46
15. Toad Facilities Pty Ltd <JP Nettleton/Toad S/F A/C>	385,286	0.42
16. Maxlex Pty Ltd <Jims and Joels Super A/C>	300,000	0.32
17. Mr Nikita Balachov	289,699	0.31
18. Dr Kong Jung Au Yong	268,753	0.29
19. Oxley Super Pty Ltd <Pinczewski Superfund A/C>	208,000	0.23
20. Mr Alan Mckellar Stein <AM Stein A/C>	200,000	0.22
	<u>71,747,844</u>	<u>77.64</u>

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares Number held
Meridian Capital	19,244,082*
Hunsbury Capital Inc., Hunsbury Capital-Belco Special Situations Fund LP, NB7 Holdings Inc., and Nandeep Singh Bamrah	5,077,354*
Western Gate Group Ltd	11,075,753*

**as reported in the last Form 604 lodged on the ASX.*

Voting rights

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

Ordinary shares

Voting rights of members are governed by the Company's constitution. In summary, each member present at general meeting in person or by proxy shall have one vote and, upon a poll, every such attending member shall be entitled to one vote for every ordinary share held.

FAR Limited ACN 009 117 293

Registered Office

Level 12, Podium
530 Collins Street
Melbourne, VIC 3000
+61 3 9618 2550

Company Secretary

Claire Newstead-Sinclair

Share Registry

Shareholder information in relation to shareholding or share transfer can be obtained by contacting the Company's share registry:

Computershare Limited
GPO Box 2975 Melbourne VIC 3001 Australia
Tel: 1300 850 505
<https://www.computershare.com/au>

For all correspondence to the share registry, please provide your Security-holder Reference Number (SRN) or Holder Identification Number (HIN).

Change of address

Changes to your address can be updated online at <https://www.computershare.com/au> or by obtaining a Change of Address Form from the Company's share registry. CHESS sponsored investors must change their address details via their broker.

Annual General Meeting

The Annual General Meeting will be held on 31 May 2024. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all shareholders and released to the ASX immediately upon despatch.

The closing date for receipt of nomination for the position of Director is 11 April 2024. Any nominations must be received in writing no later than 5.00pm (Melbourne time) on 11 April 2024, at the Company's Registered Office.

The Company notes that the deadline for the nominations for the position of Director is separate to voting on Director elections. Details of the Director's to be elected will be provided in the Company's Notice of Annual General Meeting in due course.

Corporate Governance Statement

The Company's 2023 Corporate Governance Statement once released to the ASX will be available on the Company's website at <https://www.far.com.au/corporate-governance/>.

Annual report mailing list

All shareholders are entitled to receive the Annual Report. In addition, shareholders may nominate not to receive an annual report by advising the share registry in writing, by fax, or by email, quoting their SRN/HIN.

Securities exchange listing

FAR Limited's shares are listed on the Australian Securities Exchange and trade under the ASX code FAR. The securities of the Company are traded on the ASX under CHESS (Clearing House Electronic Sub-Register System).