Carawine Resources

Limited ACN 611 352 348

2021 ANNUAL REPORT

Exploration • Gold • Copper • Base Metals

ASX:CWX | www.carawine.com.au

Directors

Mr Will Burbury, Non-Executive Chairman
Mr David Boyd, Managing Director
Mr David Archer, Non-Executive Director

Company Secretary

Mr Sam Smart

Registered Office

Unit 3, 38 Industry Street
Malaga WA 6090
T: +61 8 9209 2703
E: info@carawine.com.au

Principal Place of Business

Unit 3, 38 Industry Street
Malaga WA 6090
+61 8 9209 2703

Share Register

Link Market Services
178 St Georges Terrace
Perth WA 6000
+61 8 9211 6670

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Bankers

Australia and New Zealand Banking Corporation

Auditors

HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
Perth WA 6000

Securities Exchange

Australian Securities Exchange (ASX: **CWX**)

Website

www.carawine.com.au

Australian Business Number (ABN)

52 611 352 348

Dear Shareholders,

On behalf of the Directors, I am pleased to report on the Company's achievements for the year ended 30 June 2021.

The Company began the year by growing its gold exploration portfolio with the addition of a major new gold exploration project at Tropicana North in Western Australia. This was followed by a $6 million share placement with the funds quickly put to work, with drilling commencing at the Jamieson project in Victoria, and the first drilling campaign for the Company commencing at Tropicana North.

We saw immediate success at Tropicana North, with multiple high-grade intersections returned from the Hercules prospect. These results extended existing mineralisation and discovered multiple new mineralised lodes, establishing the potential for Hercules to develop into a major new gold deposit. Exceptional results from this first program include:

- 37m @ 5.58g/t Au from 84m, *including* 4m @ 25.9g/t Au from 84m and 3m @ 22.2g/t Au from 101m and 3m @ 10.6g/t Au from 118m (TNRC008; main plus two parallel lodes)
- 19m @ 10.7g/t Au from 136m *including* 6m @ 26.6g/t Au from 136m and 5m @ 8.43g/t Au from 150m (TNRC020; main plus one parallel lode)

A follow-up drilling campaign at Hercules is currently underway, with positive early results continuing the success of our maiden program at the prospect. Whilst it is early days, drilling results to date demonstrate the strong potential of this project to deliver high gold grades.

The Company also advanced exploration at the Jamieson Project in Victoria, extending mineralisation at Hill 800 by a further 100m and vectoring toward the interpreted porphyry source to mineralisation, and completing an initial test of a high grade zinc horizon at the Rhyolite Creek prospect.

Our established joint venture agreements with IGO Ltd, Rio Tinto Ltd and Fortescue Metals Ltd in the Fraser Range and Paterson regions of Western Australia delivered several new targets and prospects during the period. These include two compelling new massive nickel-sulphide conductor targets identified by IGO Ltd at Red Bull in the Fraser Range Joint Venture.

We also welcomed newly listed manganese explorer Black Canyon Ltd to our stable of joint venture partners, who are earning in to our Oakover project tenements.

Over the year the Company has navigated the challenges presented by COVID-19, operating across state borders and conducting exploration programs during a time of unprecedented high demand for labour and mining services. Throughout this time management has continued to deliver exploration success, and I thank our dedicated, small, but hard-working team, for this and their ongoing hard work during the year.

The Board is confident that the Group's strategy of identifying, acquiring, and exploring its strong portfolio of gold, copper, and nickel exploration projects throughout Australia will continue to yield discoveries and drive growth in the value of the Group. Finally, I thank our shareholders for their continued support as we look forward to continued success in the months and year ahead.

Yours sincerely

Mr Will Burbury
Chairman

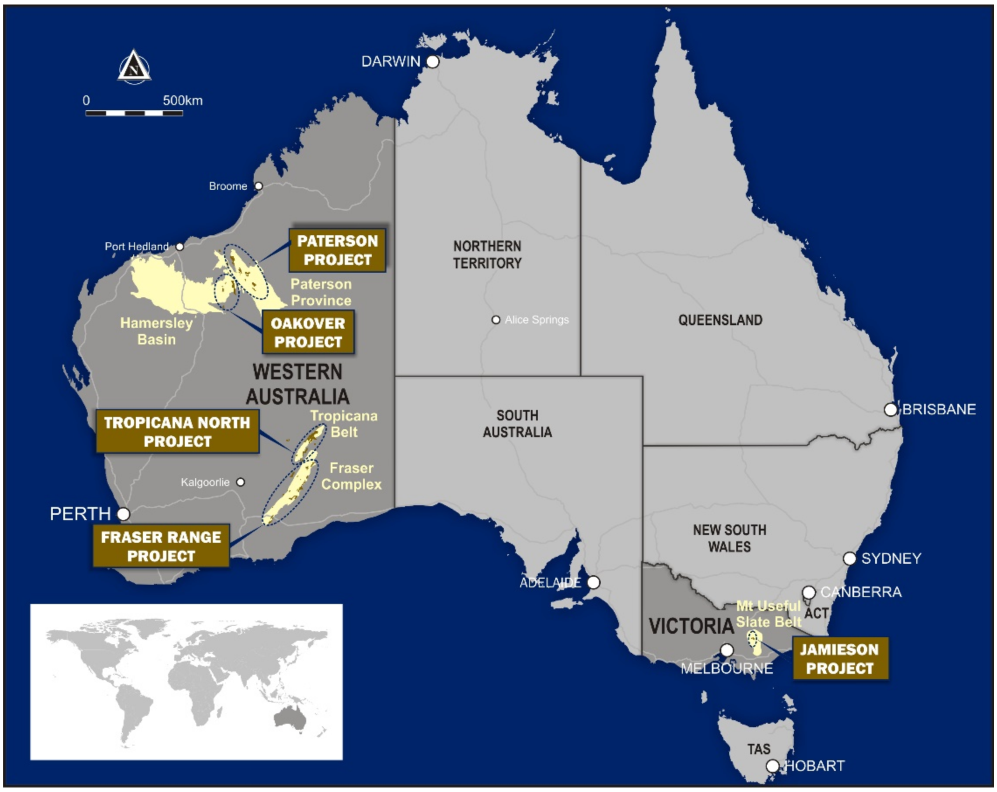


Figure 1: Carawine's project locations.

REVIEW OF OPERATIONS - OVERVIEW

Carawine Resources Limited ("**Carawine**" or "**the Company**") is a dedicated exploration company focussed on creating value for its shareholders through the exploration, discovery and development of mineral deposits. Based in Perth, Western Australia the Group is led by an experienced and successful team with a proven track record of discovery, value creation and corporate transactions.

Carawine has five gold, copper and base metal exploration projects, targeting high value deposits in highly prospective, active mineral provinces throughout Australia (Figure 1). In the 12 months to 30 June 2021, the Company advanced exploration at its 100%-owned Jamieson and Fraser Range projects and completed two transactions to generate a major new gold project in the north-eastern goldfields of Western Australia at Tropicana North[1].

Diamond drilling at the Jamieson Project in northeast Victoria tested the M2 porphyry target south of Hill 800, established depth extensions to gold-copper mineralisation at Hill 800, and provided the first look at the zinc-gold horizon at Rhyolite Creek. At Carawine's 100%-owned Big Bang exploration licence in the Central Fraser Range region in Western Australia, several high-quality nickel-copper and gold targets were identified, with follow up drilling and geophysical programs designed to test these targets planned for the second half of CY2021.

The most significant success in the past year has been at Tropicana North, with acquisition of the project quickly followed by the Company's first drilling campaign, the announcement of a major gold discovery at the Hercules prospect and the definition of a new gold prospect at Big Freeze[2]. A second, follow-up drilling program commenced late in the period at Hercules and continues to date. Early results from this program have extended mineralisation and identified coarse, visible gold in laminated quartz veins – evidence that Hercules is a significant discovery - with more results to come[3].

The Company's joint venture partners were also active during the period. In the Paterson province of Western Australia farm-in and joint venture partners Rio Tinto Exploration Pty Ltd ("**Rio Tinto Exploration**" or "**RTX**"), a wholly owned subsidiary of Rio Tinto Limited and FMG Resources Pty Ltd, a wholly owned subsidiary of Fortescue Metals Group Ltd ("**Fortescue**"), continued with target generation activities and preparation for drilling programs in CY2021/2022, including the completion by Fortescue of a major helicopter-borne VTEM™ Max electromagnetic survey over the Coolbro JV tenements. At the neighbouring Oakover project, following a successful listing on the ASX, manganese-focussed explorer Black Canyon Ltd ("**BCA**") commenced earning-in to the Oakover JV tenements, announcing extensive surface manganese mineralisation at Flanagan Bore and Fig Tree[4].

In the Fraser Range region of Western Australia, IGO Ltd ("**IGO**") satisfied its $5 million expenditure milestone to earn a 70% interest in the Fraser Range Joint Venture tenements and is now sole funding the exploration program to 30 June 2022 to earn up to an additional 6% interest. After the end of the reporting period, Carawine announced two new conductors representing compelling massive nickel-copper sulphide targets had been identified by IGO from a moving-loop electromagnetic ("**MLEM**") survey at Red Bull, just 30km south of IGO's Nova Operation. Diamond drill testing of these is planned to commence during the second half of CY2021.

[1] refer ASX announcement 3 September 2020
[2] refer ASX announcements 24 February, 3 March & 15 April 2021
[3] refer ASX announcements 7 & 26 July and 8 September 2021
[4] refer BCA's ASX announcements dated 17 May, 10 June, 1 & 15 July 2021

During September and November 2020, the Company raised $6 million through a two-tranche placement of 30 million shares at an issue price of $0.20 per share to institutional, sophisticated and professional investors. At the end of the reporting period the Company had cash reserves of approximately $3.9 million.

The Company is looking forward to continued success in the coming months, with drilling continuing at Tropicana North and drilling programs planned to commence at the Paterson and Fraser Range JV properties, and over the next 12 months, as the Company advances exploration across its properties in Western Australia and Victoria.

EXPLORATION ACTIVITIES

TROPICANA NORTH PROJECT

Tropicana North is Carawine's major new gold exploration project in the Tropicana and Yamarna regions of Western Australia's north-eastern goldfields, covering 80km strike of the Tropicana Belt and containing strike extensions of the same or similar rock units and structures to those hosting the large Tropicana gold mine operated by AngloGold Ashanti Australia Ltd ("**AGA**") in joint venture with Regis Resources Ltd ("**Regis**").

The project was generated from Carawine's existing tenement holding in the region at the time and two acquisitions completed during September and November, 2020. In the first acquisition Carawine purchased a 90% interest in two granted exploration licences from Thunderstruck Investments Pty Ltd, forming the Thunderstruck Joint Venture between Carawine (90%) and Thunderstruck Investments Pty Ltd (10%) (**"Thunderstruck JV"**), with Carawine as manager. The second involved Carawine purchasing Phantom Resources Pty Ltd ("**Phantom**"), which is now a wholly-owned subsidiary of Carawine, and thereby acquiring a 100% interest in four exploration licence applications.

Tropicana North now comprises the two granted exploration licences in the Thunderstruck JV ("**Neale**" and "**Don King**"), six granted exploration licences ("**Dyno**", "**Chicago**", "**Westwood**", "**Pleiades**", "**Python**" and "**Bluebell South**"), and four exploration licence applications ("**Rason**", "**Spackman**", "**Naries**" and "**Blue Robin**") held 100% by Carawine (Figure 2). Combined, these cover an area of more than 1,800km^2, making Carawine the second-largest tenement holder in the region behind AGA.

Historic exploration comprising geophysical surveys, project-wide auger soil sampling and regional to prospect-scale drilling has identified several early-stage to advanced gold prospects across the project, providing Carawine with a pipeline of high-quality exploration targets on which to target its exploration programs[1].

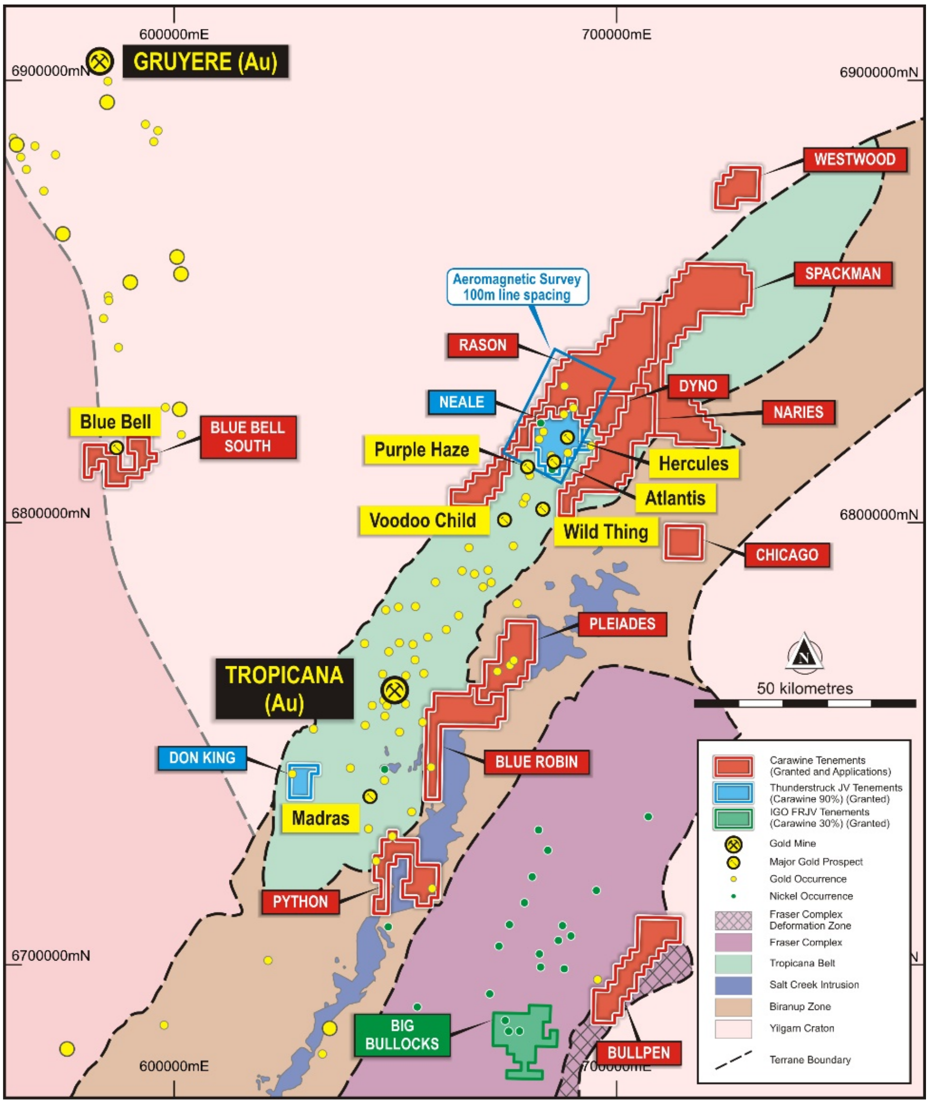


Figure 2: Tropicana North project geology, tenements, and prospects.

[1] refer ASX announcement 3 September, 2020

Soon after commencing the Thunderstruck JV, the Company completed its first, major drilling program at Tropicana North with 20 reverse circulation ("**RC**") holes drilled at the Hercules and Atlantis prospects (total 3,178m), and 80 air core ("**AC**") holes drilled along the Hercules and Tropicana Shear Zones on the Neale and Don King tenements, respectively (total 4,124m).

The highlight of the program was multiple, record high-grade gold intersections returned from RC drilling at the Hercules prospect, confirming Hercules as a significant gold discovery, as follows[1]:

Hercules Prospect - Main Lode

- **4m @ 25.9g/t Au** from 84m, *including* **3m @ 34.2g/t Au** from 84m (TNRC008)
- **6m @ 26.6g/t Au** from 136m, *including* **4m @ 39.7g/t Au** from 138m (TNRC020)
- **3m @ 15.2g/t Au** from 125m, *including* **2m @ 22.4g/t Au** from 125m (drill hole TNRC001)
- **3m @ 15.4g/t Au** from 111m, *including* **2m @ 22.7g/t Au** from 111m (drill hole TNRC006)
- **5m @ 10.0g/t Au** from 86m (drill hole TNRC009)
- **5m @ 13.1g/t Au** from 207m, *including* **3m @ 21.5g/t Au** from 208m (drill hole TNRC010)

Hercules Prospect - Multiple Lode Zone

- **37m @ 5.58g/t Au** from 84m, *including* **4m @ 25.9g/t Au** from 84m and **3m @ 22.2g/t Au** from 101m and **3m @ 10.6g/t Au** from 118m (TNRC008; main and two parallel lodes)
- **19m @ 10.7g/t Au** from 136m *including* **6m @ 26.6g/t Au** from 136m and **5m @ 8.43g/t Au** from 150m (TNRC020; main and one parallel lode)

These assay results, combined with historic intervals, define a main sub-vertical mineralised structure referred to as the "Main Lode" at Hercules, extending for over 260m along strike from 35m below surface (the base of cover) to more than 140m below surface and remaining open. In addition, new multiple high-grade gold lodes were discovered parallel to the Main Lode (e.g., drill holes TNRC008 and TNRC020), defining a wider "blow-out" zone of mineralisation not evident from historic results. This blow-out zone is referred to as the "Multiple Lode Zone", which also remains open down-plunge (Figure 3)[2].

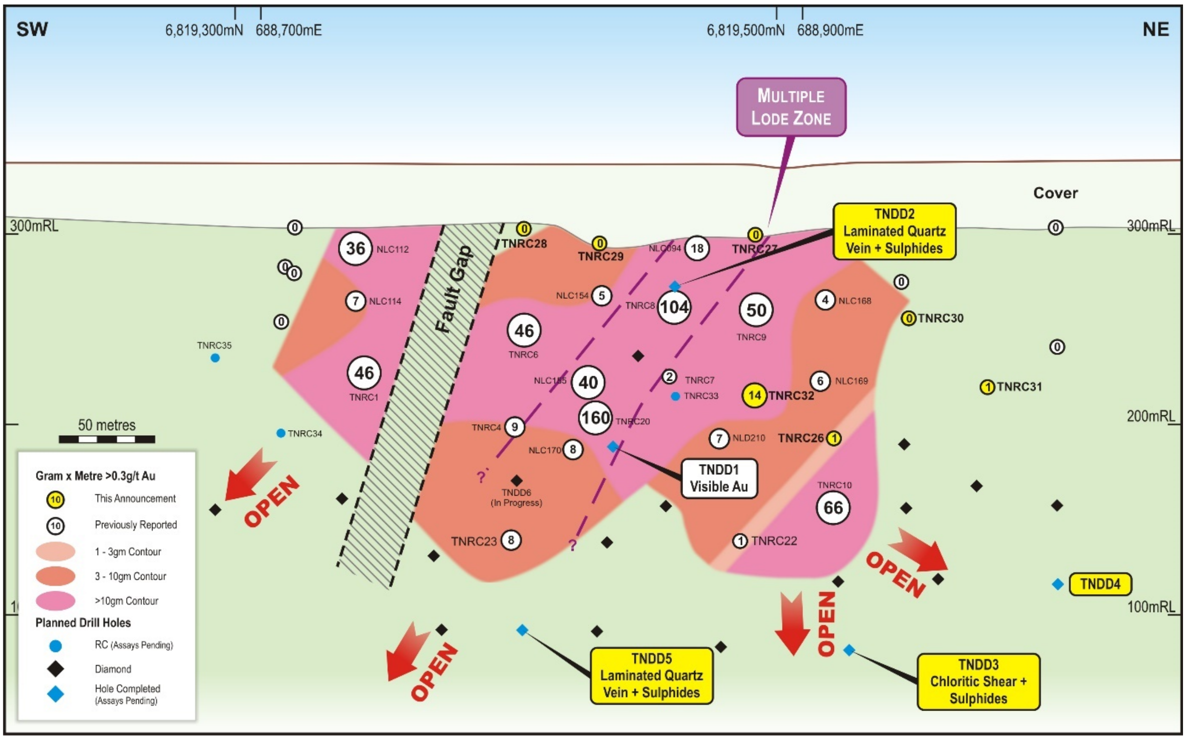


Figure 3: Hercules prospect current long section along the main mineralised zone. The circle labels are of gram-metre intervals for the most recently reported results (yellow) and other results (white).

A follow-up RC and diamond drilling program commenced at Hercules in April 2021 and is currently ongoing with 20 holes completed to date (12 RC and eight diamond holes), and 13 planned diamond holes yet to be drilled. The program is designed to define and extend gold mineralisation over more than 400m of strike and 200m length down-dip. Initial results announced after the end of the reporting period have extended mineralisation at depth and expanded the high grade (>10 gram x metres Au) mineralised zone, with visible gold reported from the first diamond core drilled by the Company at the prospect (Figures 3 & 4), as follows[3].

- **4m @ 2.05g/t Au** from 226m (TNRC023) *including* **1m @ 7.26g/t Au** from 228m
- **2m @ 6.76g/t Au** from 141m (TNRC032) *including* **1m @ 13.2g/t Au** from 141m
- **visible gold** in two parallel laminated quartz lodes from 166.68m to 167.12m and 169.03m to 169.77m within a strongly altered shear zone from 167.12m to 169.03m

[1] downhole widths, >0.3g/t Au including >1g/t Au, 2m max. internal waste, refer ASX announcements 24 February, 3 March and 7 July 2021
[2] refer ASX announcements 24 February and 3 March 2021
[3] downhole widths, >0.3g/t Au, 6m max. internal waste, including >0.3g/t Au, 2m max. internal waste, refer ASX announcements 7 & 26 July and 8 September 2021

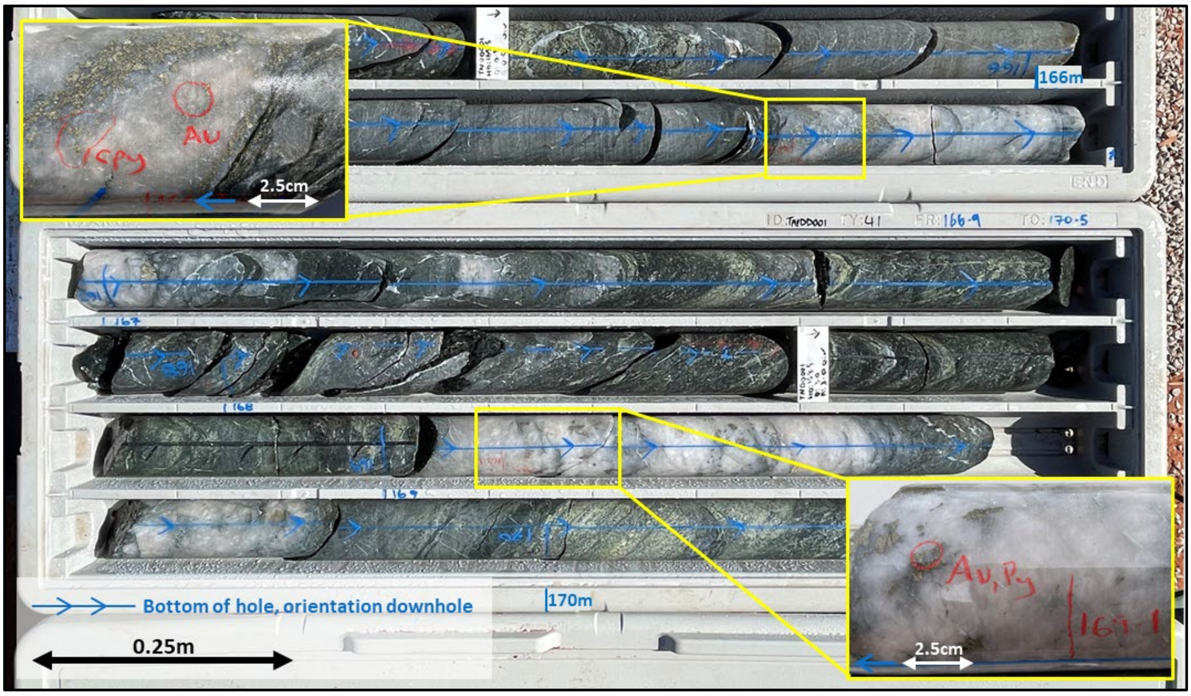


Figure 4: Coarse gold (circled "Au") in laminated quartz vein lodes, TNDD001, Hercules prospect.

Further results are expected from Hercules over the coming months, with drilling expected to continue through October 2021.

RC drilling at the Atlantis prospect, about 7km southwest of Hercules, returned significant intervals from the main trend, albeit at lower gold grades than the bonanza grades in historic drilling from a narrow plunging shoot within a central zone (Figure 5)[1]. Additional drilling is required to understand the orientation and controls on the Atlantis mineralisation and explore for additional zones of gold mineralisation where it remains open at depth, and for repetitions along strike.

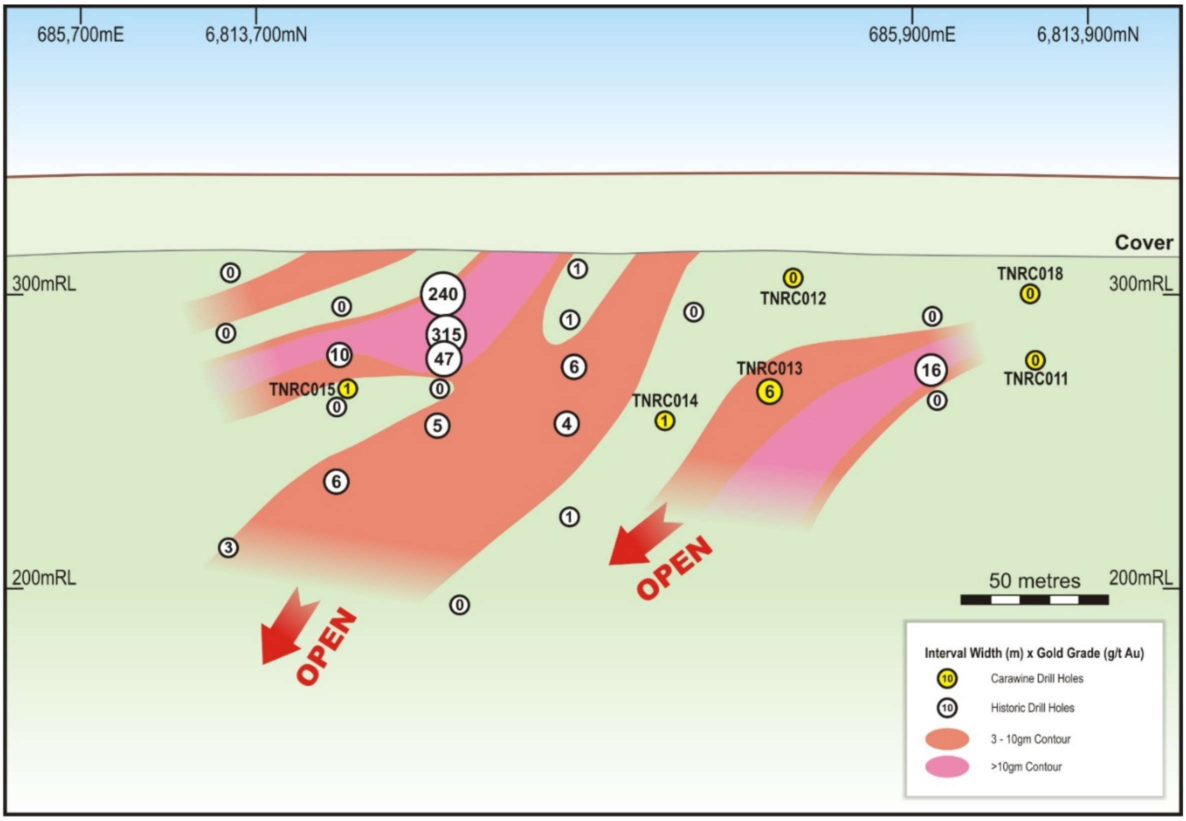


Figure 5: Atlantis prospect long section along the trend of the main lode.

The AC drilling program on the Neale and Don King tenements also proved to be highly successful, with the most significant results returned from drilling along the Hercules Shear Zone on the Neale tenement (Figure 6). In particular, a regionally significant +10ppb Au gold anomaly associated with the Hercules Shear Zone was extended in the new drilling to over 4km in strike length. Within this, a 900m long by up to 200m wide, +300ppb (+0.3g/t) gold anomaly was defined at the new "Big Freeze" prospect (Figure 6).

[1] refer ASX announcements 3 September 2020 and 17 March 2021

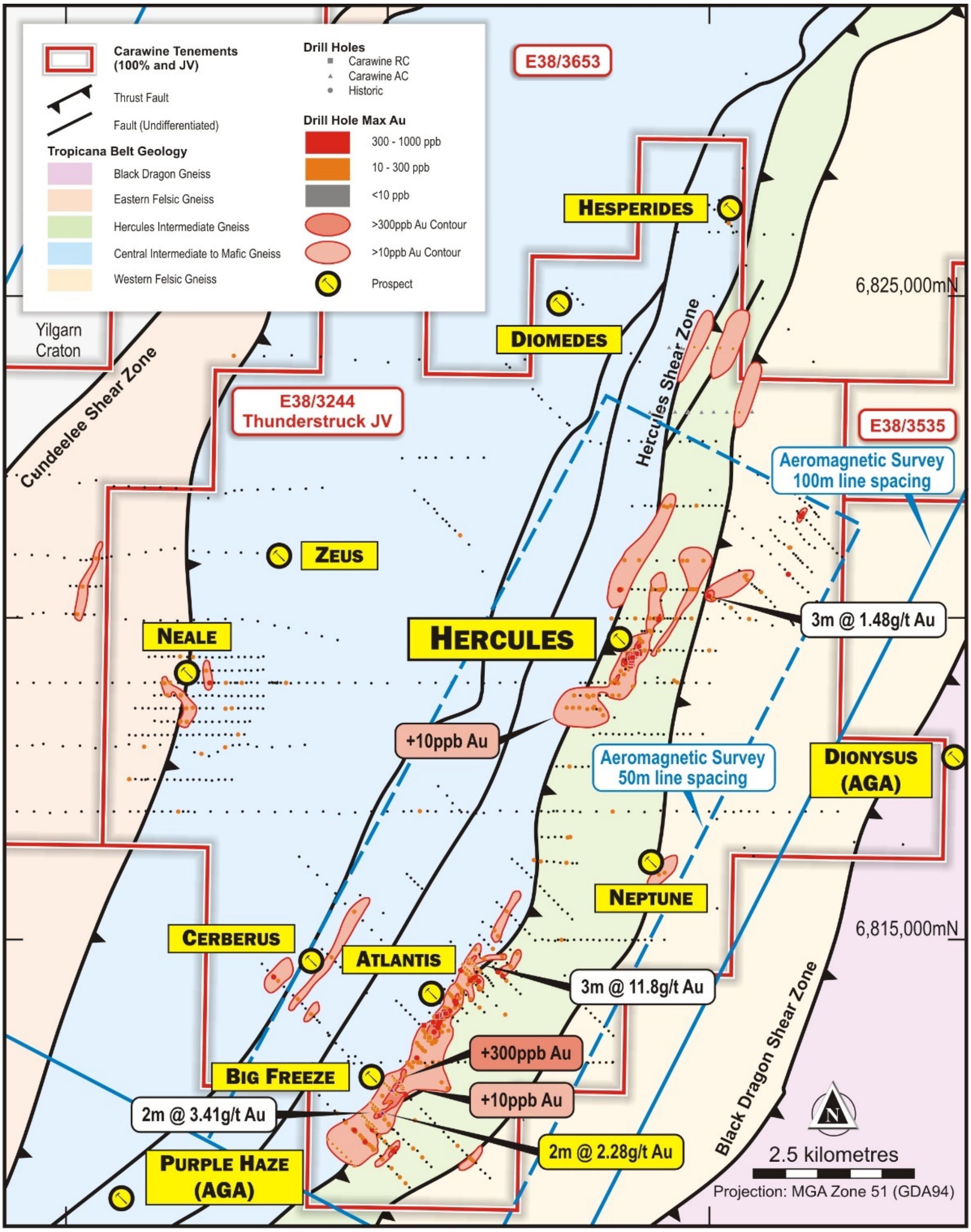


Figure 6: Neale tenement E38/3244 geology, drill holes and gold anomaly plan.

Significant results from Big Freeze include 2m @ 2.28g/t from 46m (drill hole TNAC0048), including 1m @ 3.92g/t Au from 46m associated with an intensely deformed northeast trending structure interpreted to splay off the north-northeast trending Hercules Shear Zone; and 1m @ 1.29g/t Au from 50m (drill hole TNAC0053) on the Hercules Shear Zone. In addition to the potential size and significant grades returned from Big Freeze, the drilling supports the interpretation of several second-order structures as splays off the main Hercules Shear Zone – a structural setting considered highly prospective for gold mineralisation in the Tropicana region[1].

An initial follow-up RC drilling program designed to test several regional targets including the Big Freeze prospect was completed after the end of the reporting period, with eight holes drilled for a total 1,302m. Assay results are pending.

The Company is looking forward to continuing the follow-up drilling program at Hercules, and receiving assay results from this and the regional RC follow-up drilling programs. The Company is also planning target generation activities throughout the Tropicana North project, which will include utilising data from a recently completed aeromagnetic survey covering parts of the Rason, Neale and Dyno tenements (Figures 2 & 6), as it looks to build on its early successes at the project.

[1] refer ASX announcement 15 April 2021

JAMIESON PROJECT

The Jamieson Project is located on unrestricted crown land within the Mt Useful Slate Belt geological province in northeast Victoria, Australia. The region was founded on gold in the 1850s, with several gold mines that have operated or are currently in production. Carawine is advancing two main prospect areas at the Jamieson Project: Hill 800 and Rhyolite Creek, and regionally searching for porphyry-related gold-copper mineralisation.

The project comprises granted exploration licences EL5523 and EL6622, which cover an area of 120km^2 over Ordovician and Silurian aged sediments and Cambrian age volcanic rocks in the Mt Useful Slate Belt geological province, part of the Lachlan Fold Belt. The focus of Carawine's work is the Jamieson Volcanics "window" comprising Cambrian-aged calc-alkaline volcanic rocks which have a genetic link with the Stavely Volcanics in western Victoria and the Mt Read Volcanics in western Tasmania, host to several world-class gold, copper and base metal deposits (Figures 7 & 8).

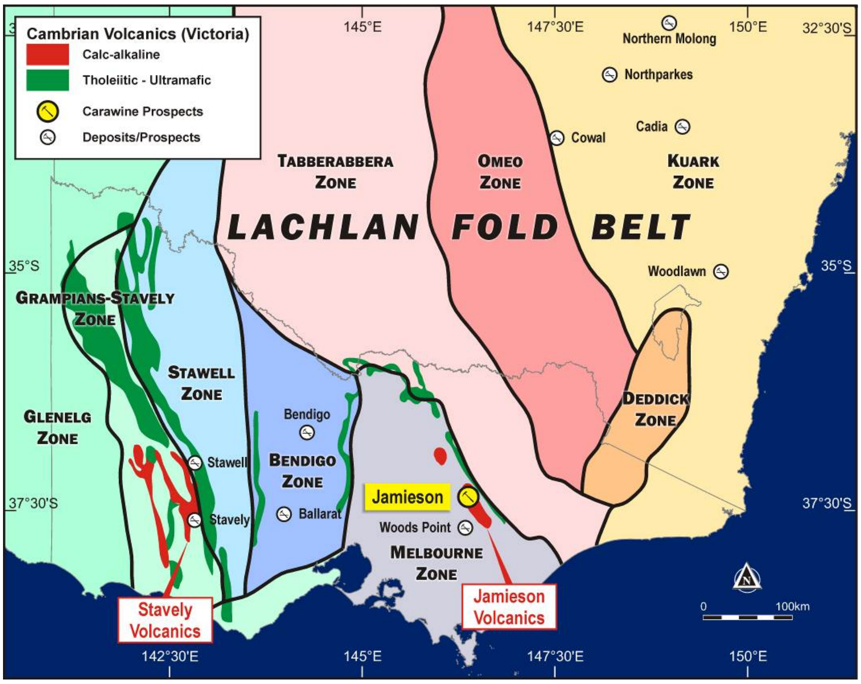


Figure 7: Location of the Jamieson project within the Lachlan Fold Belt of southeast Australia[1].

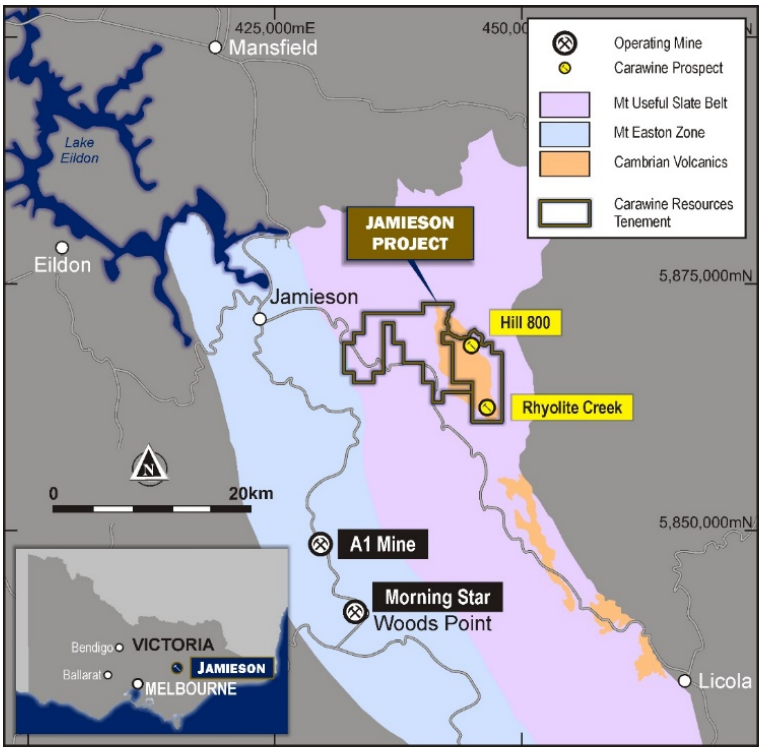


Figure 8: Jamieson project tenements and local geology.

[1] modified from: Huston, D.L., Champion, D.C., Mernagh, T.P., Downes, P.M., Jones, P., Carr, G., Forster, D. and David, V., 2016. Metallogenesis and geodynamics of the Lachlan Orogen: New (and old) insights from spatial and temporal variations in lead isotopes. Ore Geology Reviews 76 (2016) 257–267 and; VandenBerg, A.H.M., Willman, C.E., Maher, S., Simons, B.A., Cayley, R.A., Taylor, D.H., Morand, V.J., Moore, D.H. and Radojkovic, A., 2000. The Tasman Fold Belt System in Victoria. Geological Survey of Victoria Special Publication

Hill 800 is the most advanced prospect at Jamieson, with drilling to date returning outstanding widths and grades of gold and copper mineralisation, e.g., 93m @ 3.25g/t Au from 2m, including 31m @ 6.64g/t Au from 58m (H8DD006) and 11m @ 13.9g/t Au from 278m including 2m @ 74.8g/t Au, 0.4% Cu from 290m (H8DD022)[1] (Figure 9).

The Rhyolite Creek prospect is about five kilometres south of Hill 800 and includes a potential large tonnage, low-grade gold-copper target and a high-grade porphyry-related or seafloor position volcanogenic massive sulphide ("VMS") gold and base-metal target[2].

Exploration continued at Jamieson during the period, with a diamond drilling program targeting porphyry-related gold and copper mineralisation at and around the Hill 800 deposit, and the high-grade zinc-gold horizon at the Rhyolite Creek prospect. Four diamond drill holes H8DD023 to H8DD025 (at Hill 800 and surrounds) and RCD006 (at Rhyolite Creek) were completed in the program for a total 2,018.6m of core drilled.

The first drill hole of the program, H8DD023, was drilled to test the M2 copper-gold porphyry magnetic anomaly about 700m south of Hill 800. H8DD023 was previously drilled to 200m downhole depth, testing the M14 anomaly[3], with the recent drilling extending the hole depth to 662.8m. No significant gold or copper intervals were returned from the hole, however anomalous gold, copper and pathfinder element assays and petrographic work confirm that the drill hole did intersect alteration, vein types and sulphide mineralisation consistent with the outer "propylitic" zone of the Company's copper-gold porphyry exploration model[4]. This information will be used to refine the exploration model before designing and prioritising additional drill holes targeting the copper-gold porphyry source to the Hill 800 mineralisation.

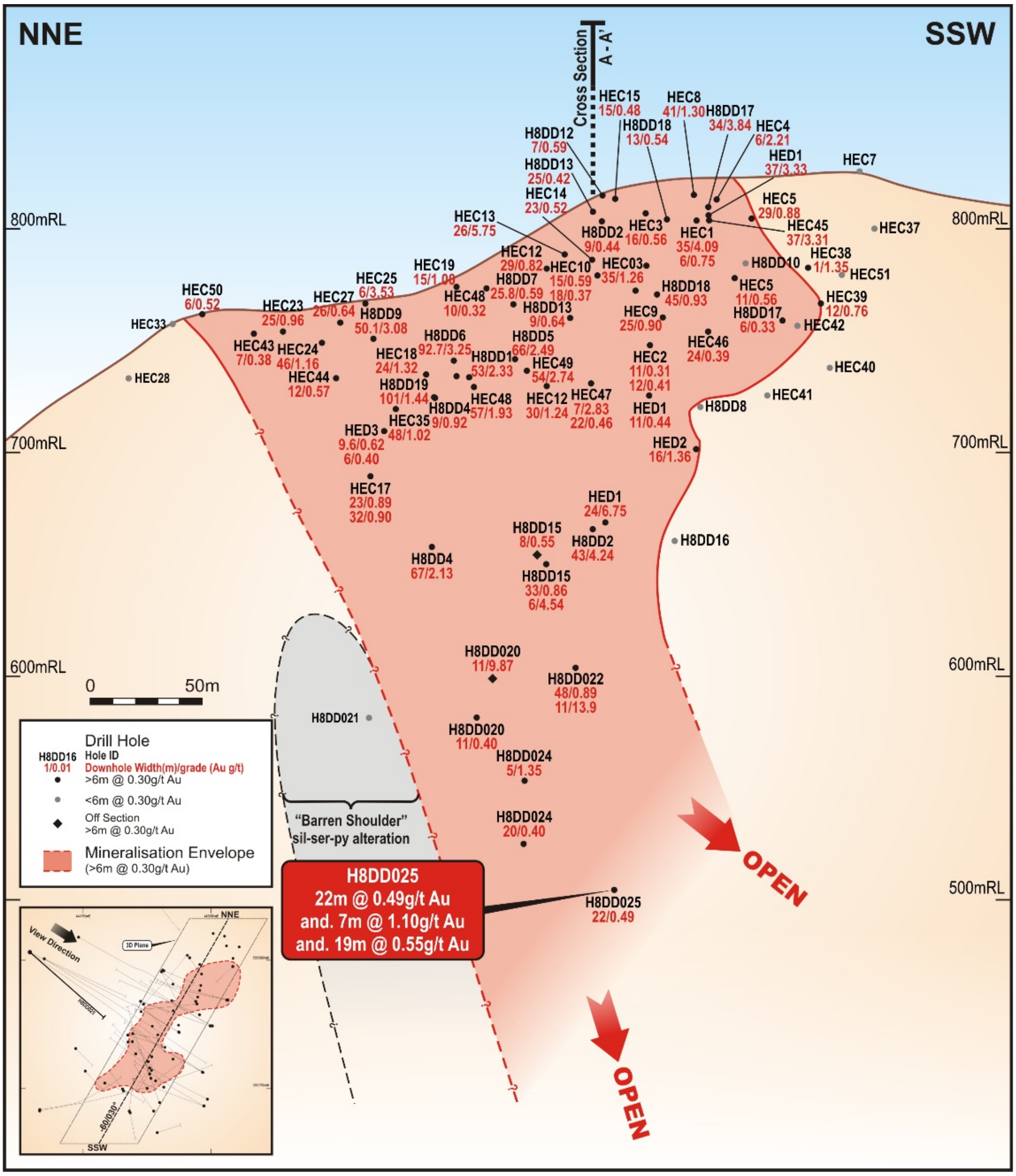


Figure 9: Hill 800 long projection in plane of mineralisation, looking southeast.

[1] refer ASX announcements 27 May 2019 and 14 May 2020
[2] refer ASX announcements 15 July 2019 and 29 January 2020
[3] refer ASX announcement 14 May 2020
[4] refer ASX announcements 3 December 2019 and 8 December 2020

The next two holes drilled in the program, H8DD024 and H8DD025, targeted the down-dip extent of Hill 800 main zone mineralisation with a number of significant intervals returned, including[1]:

- **20m @ 0.4g/t Au** from 291m (H8DD024); *including* 1m @ 1.27g/t Au, 0.4% Cu from 291m and 2m @ 1.55g/t Au from 299m
- **91m @ 0.34g/t Au** from 248m (H8DD025) (cut to geological boundaries), including:
  22m @ 0.49g/t Au from 248m *including* 1m @ 1.37g/t Au, 0.1% Cu from 256m and 1m @ 3.94g/t Au from 262m and 1m @ 1.02g/t Au from 268m; and,
  7m @ 1.10g/t Au from 294m *including* 1m @ 3.78g/t Au, 0.1% Cu from 299m; and,
  19m @ 0.55g/t Au from 320m *including* 1m @ 1.46g/t Au from 325m and 1m @ 1.38g/t Au from 330m; and,
  1m @ 1.82g/t Au from 338m (>1g/t Au cut-off).

These results extend the Hill 800 main zone mineralisation by more than 100m to 300m below surface, demonstrating the continuity of the system which remains open at depth and to the south (Figure 9).

The Company has previously established the source of the Hill 800 mineralisation is likely to be a fertile copper-gold porphyry[2]. The deepest hole drilled at Hill 800 to date (H8DD025), returned an interval of 91m @ 0.34g/t Au, 0.85ppm Bi, 8.30ppm Se and 9.72ppm Te, from 248m, when averaged across the alteration boundaries. The elevated concentrations of porphyry pathfinder elements selenium (Se) and tellurium (Te), and the drop in bismuth (Bi) concentration, compared with shallower drill holes may indicate a transition from the upper parts of the porphyry alteration system to the mid-levels, vectoring towards a potential copper-gold porphyry source at depth (Figure 10)[3].

Further work at Hill 800 is likely to comprise additional drilling to the south of H8DD022 and deeper drilling to target the porphyry source at depth below H8DD025. This work is expected to be planned and scheduled subject to results from the Company's current exploration program focussed on the Tropicana North project in Western Australia.

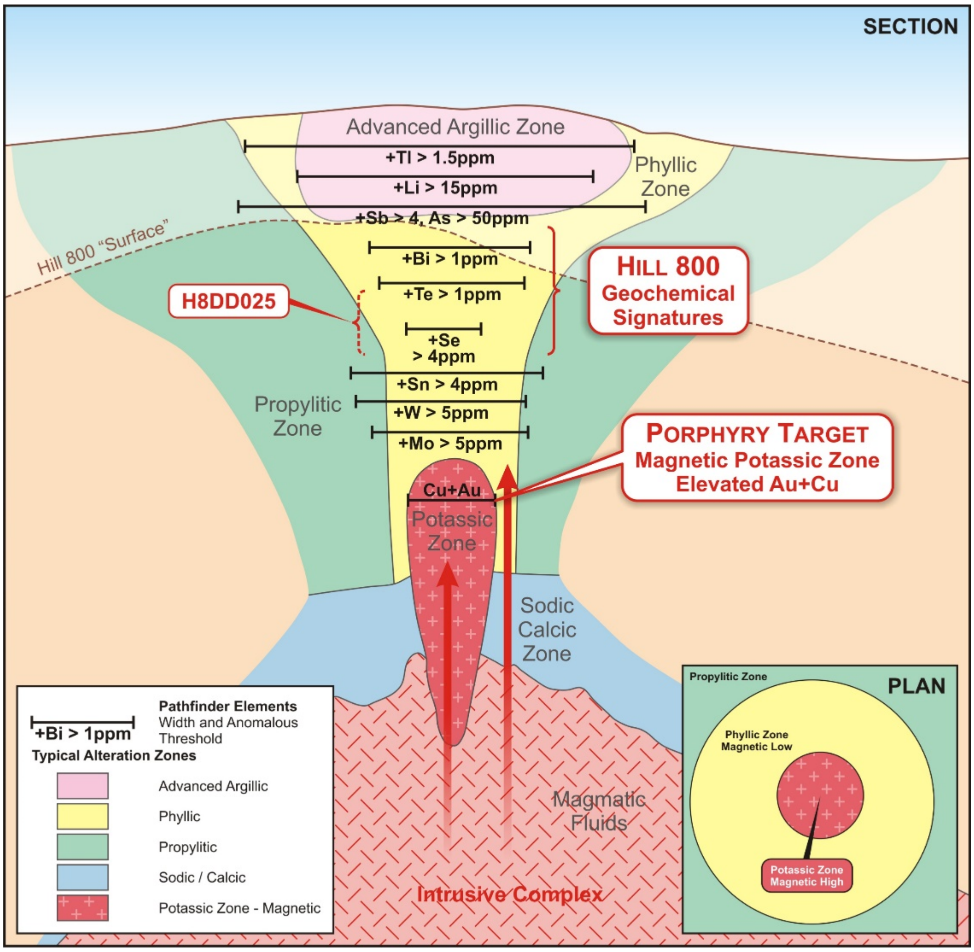


Figure 10: Schematic diagram showing typical porphyry copper-gold mineral system pathfinder geochemical and alteration patterns relative to observations at Hill 800[4].

At the Rhyolite Creek prospect, about 5km south of Hill 800, hole RCDD006 was drilled as an initial test of a prospective zinc and gold horizon identified by previous explorers. The targeted horizon is at and beneath a low-angle, west-dipping rhyolite-andesite contact, above a thick pile of altered intermediate lava and volcaniclastic rock units (a common setting for VMS deposits). Two magnetic anomalies M15 and M16 identified by Carawine also indicate the potential for a porphyry/intrusion-related source to the zinc mineralisation, with zinc concentrations common in the upper levels of these systems[5] (Figure 11).

[1] downhole widths, intervals defined using geological boundaries and/or nominally >0.3g/t Au, min 6m width, max. 6m internal waste *including* >1.00g/t Au, min. 1m width, max. 2m internal waste, refer ASX announcements 9 March and 17 May 2021
[2] refer ASX announcement 11 September 2019
[3] refer ASX announcement 17 May 2021
[4] refer ASX announcement 11 September 2019
[5] refer ASX announcements 15 July 2019 & 29 January 2020

RCDD006 was completed to a downhole depth of 458.9m, intersecting the targeted horizon at 255m downhole and returning an interval of 1m @ 1.45% Zn above a broad zone of anomalous zinc, including 32m @ 0.40% Zn from 309m within strongly altered andesitic volcaniclastics[1]. Between 270m and 305m downhole a magnetic, porphyritic intermediate intrusion appears to have stoped out the mineralised andesite volcaniclastic unit and much of the prospective horizon (as also occurred in historic drill hole RCD002). Mineralisation in RCDD006 is associated with white sphalerite and traces of chalcopyrite within sheared silica-sericite-pyrite ("SSP") altered andesitic volcaniclastics, occurring as stringer veins and disseminated blebs throughout. The setting, alteration and host rocks are consistent with both VMS and porphyry/intrusion-related mineralisation sources.

Despite the low zinc grades intersected in RCDD006, the potential for significant zinc mineralisation at Rhyolite Creek remains strong, with the mineralised horizon intersected in four widely spaced drill holes over 400m along strike, dipping approximately 10 degrees to the west, and cropping out 600m further east from RCDD006 where it is associated with a >300ppm zinc soil anomaly (Figure 11). Drilling to date remains very broadly spaced, therefore the mineralised horizon remains largely untested with RCDD006 just the first hole drilled by Carawine at the Rhyolite Creek prospect. Further work, including drilling, will be required to establish the potential of the prospect for zinc, gold and copper mineralisation.

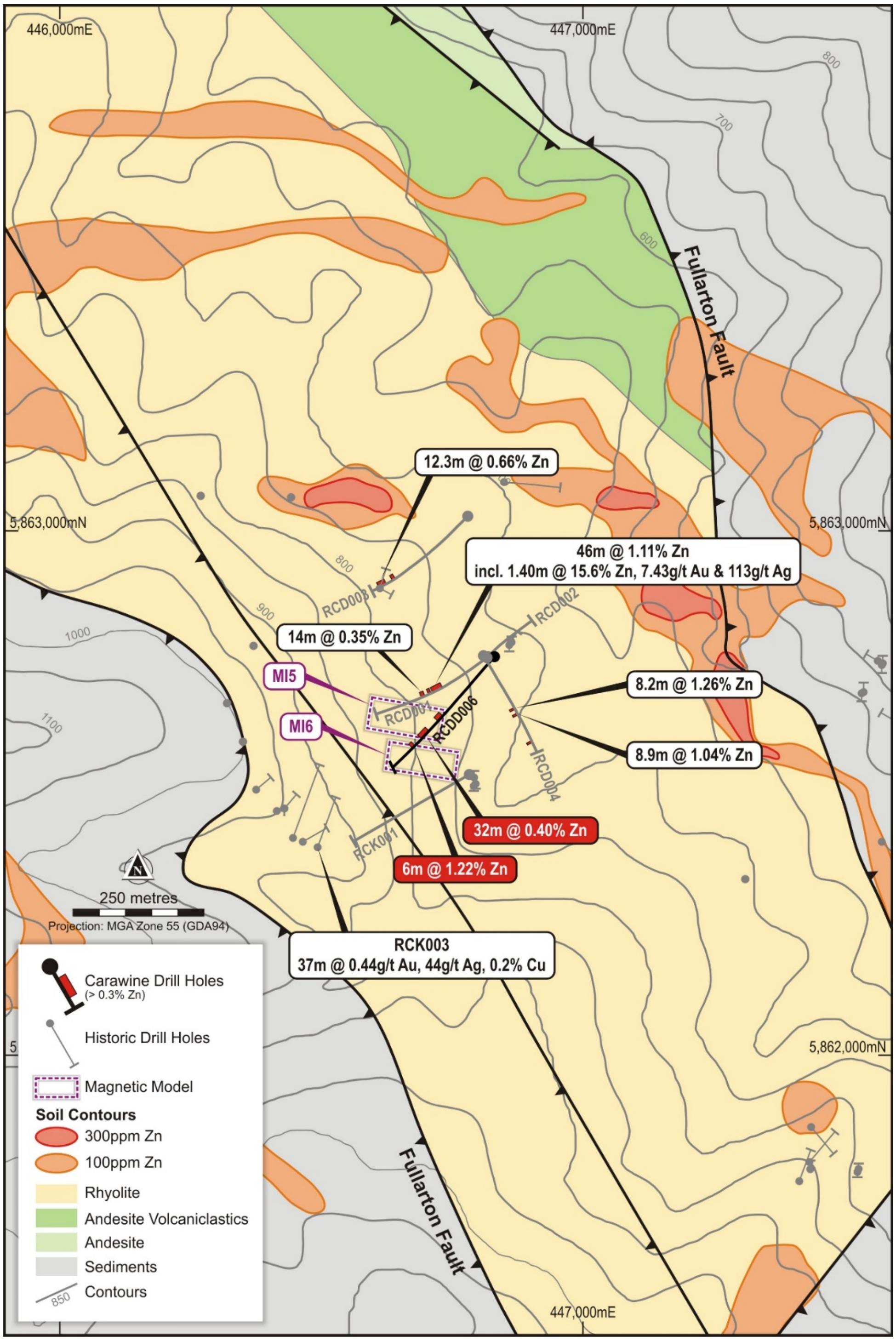


Figure 11: Rhyolite Creek prospect zinc anomaly and drill hole plan.

[1] refer ASX announcement 17 May 2021, downhole widths, intervals defined using geological boundaries and/or nominally >0.3% Zn, min. 6m width, max. 6m internal waste, including >1.0% Zn, min. 1m width, max. 2m internal waste

FRASER RANGE PROJECT

Carawine's Fraser Range Project includes six granted exploration licences in five areas named Red Bull, Bindii, Big Bullocks, Aries (within the Fraser Range Joint Venture) and Big Bang; and ten active exploration licence applications named Willow, Bullpen, Shackleton and Zanthus, plus six tenements subject to ballot in the Fraser Range region of Western Australia (Figure 12).

Carawine's Fraser Range Joint Venture with IGO comprises the 5 granted tenements at Red Bull (E69/3033, E69/3052), Bindii (E28/2374), Big Bullocks (E39/1733), and Aries (E28/2563). The remaining tenements are held 100% by Carawine.

The project is considered highly prospective for magmatic nickel-sulphide deposits such as IGO's Nova-Bollinger nickel-copper-cobalt deposit, and two recent significant discoveries in the Central Fraser region by Legend Mining Limited (ASX:LEG; "**Legend**") at their Mawson prospect, and Galileo Mining Limited (ASX:GAL; "**Galileo**") with their Lantern group of prospects.

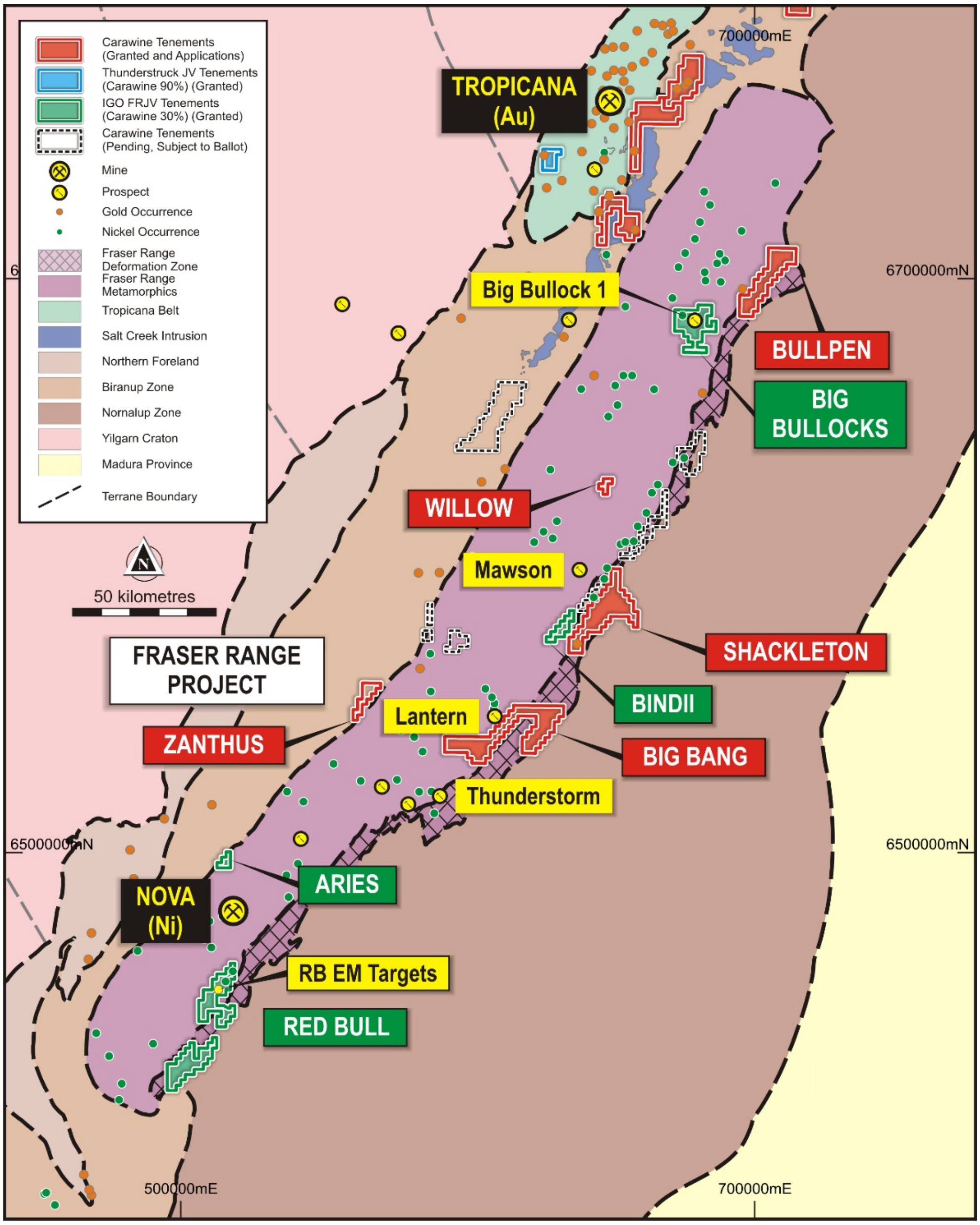


Figure 12: Fraser Range Project tenements.

Carawine 100%

During the reporting period, Carawine identified nine new prospects targeting nickel-copper, gold and iron oxide copper-gold ("**IOCG**") deposits within the Big Bang tenement, including seven targets considered prospective for magmatic nickel-copper sulphide mineralisation (Figure 13)[1]. An AC drilling program is proposed as a first-pass test of these targets, with planning for heritage survey work ahead of site preparation and drilling ongoing. The AC program is expected to follow completion of drilling programs at the Company's Tropicana North project.

The Company has also increased its tenement coverage in the region with nine new exploration licence applications (seven subject to ballot), including Shackleton and Zanthus in the Central Fraser Zone near Legend's Mawson nickel discovery. These tenements will be further assessed for prospectivity as they approach grant.

[1] refer ASX announcement 15 September 2020

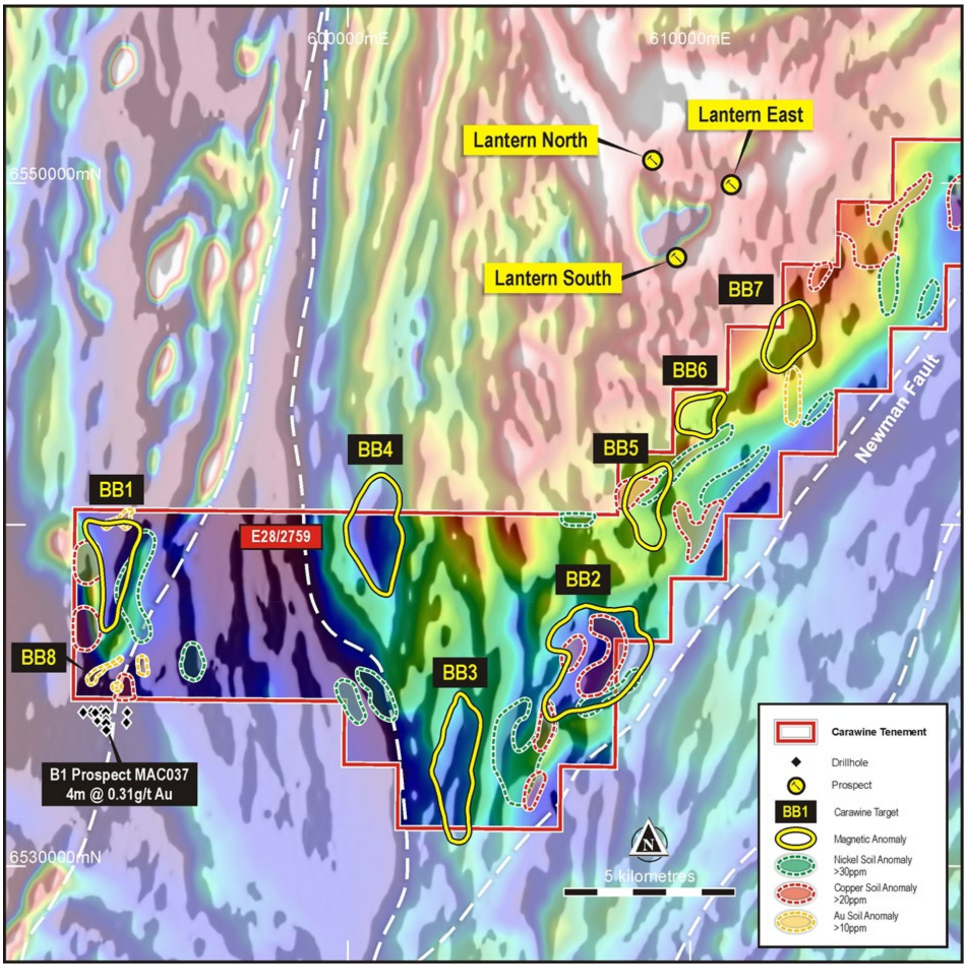


Figure 13: Big Bang Fraser Range Metamorphics, western targets on RTP magnetic image.

Fraser Range Joint Venture (IGO 70%, Carawine 30%)

On 30 June 2021, Carawine announced that IGO had satisfied its $5 million expenditure milestone to earn a 70% interest in the Fraser Range Joint Venture tenements. Since the commencement of the Joint Venture in November 2016, IGO has completed more than 14,800m of regional and targeted air core drilling, surveyed over 5,000 gravity and 900 MLEM stations, and completed more than 1,900 line-km of airborne electromagnetic surveys. This work generated several priority targets and target areas which have been selected for further exploration.

During the reporting period IGO completed an AC drilling program at Aries, MLEM surveys over parts of the Big Bullocks, Bindii and Red Bull tenements, and continued structural and geological interpretations at Big Bullocks. Subsequent to the end of the reporting period, Carawine announced the identification by IGO of two new, highly significant bedrock conductors from MLEM surveys at the northern Red Bull tenement E69/3052, about 30km south of IGO's Nova Operation named "RB_B" and "RB_C"[1] (Figures 12 & 14).

Conductor RB_C is a strong and discrete late-time basement anomaly identified across three survey lines. Modelling of the conductive source of the anomaly results in a highly conductive plate at ~5,500S, approximately 275m x 275m in size with a depth of approximately 320m to its top. The conductor exhibits characteristics which have the potential to indicate a sulphide source, and as such is considered a high priority target for follow up drill testing.

Conductor RB_B is a double peak anomaly identified across two survey lines about 2km to the northeast of RB_C. Modelling of this anomaly results in a moderately conductive plate at ~2,500S, approximately 300m x 255m in size with a depth of approximately 330m to its top. Despite its lower conductance levels, the location and geological setting of RB_B make it a significant target that also warrants drill testing.

Both conductors are within a tightly folded non-magnetic unit clearly defined in magnetic data and interpreted to be mafic intrusive rocks within the southern continuation of the "Snowys Dam Formation" (the lithostratigraphic package which hosts the Nova-Bollinger deposit). A 3D magnetic inversion completed by IGO supports this interpretation, with both conductors located in low-magnetic bodies most likely to be mafic intrusions. These factors further increase the likelihood that the conductive source of the anomalies is related to Nova-Bollinger-style nickel-copper sulphides, as opposed to graphitic metasediment.

Two, 600m length diamond drill holes have been designed to test the RB_B and RB_C conductors, with drilling planned to commence towards the end of Q3 2021.

The Joint Venture has proposed an approximate $1.3 million exploration work program and budget to 30 June 2022, with a significant component of MLEM, AC and diamond drilling focussed on the Big Bullocks and Red Bull tenements. Carawine has elected not to contribute towards the Joint Venture budget, instead prioritising its resources on its other exploration projects. If IGO completes the entire program as proposed, Carawine's interest will be diluted from 30% to approximately 24%.

[1] refer ASX announcement 19 July 2021

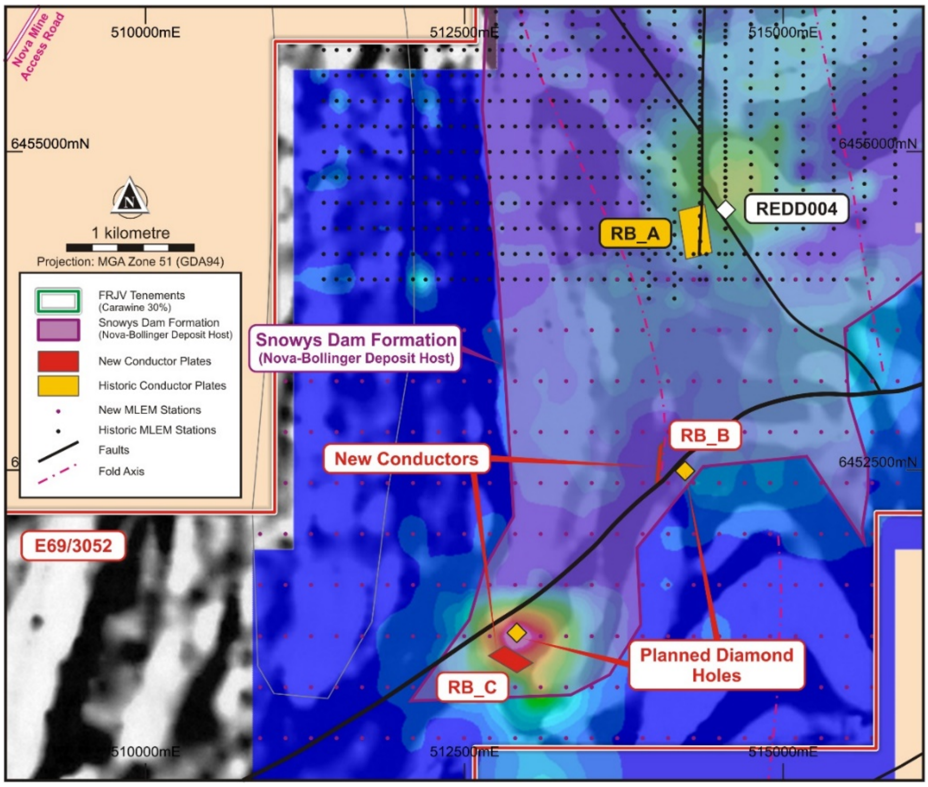


Figure 14: Red Bull conductor plates and MLEM survey grids (background image is late-time EM contours and greyscale regional magnetics).

PATERSON PROJECT

The Company's Paterson Project is located in the Paterson Province of Western Australia, host to the world-class Telfer gold and copper deposit (Newcrest Mining Ltd) and the Nifty copper and Maroochydore copper-cobalt deposits (Cyprium Metals Ltd). Recent discoveries in the region include Rio Tinto's Winu copper-gold deposit and Ngapakarra gold prospect, and Havieron, an intrusion-related gold and copper deposit discovered by AIM-listed Greatland Gold PLC, now being advanced in joint venture with Newcrest Mining Ltd (Figure 15).

The project comprises ten granted exploration licences and three active exploration licence applications (two subject to ballot) over an area of about 1,500km² across ten tenement groups. These are named Red Dog and Baton (West Paterson JV tenements); Lamil Hills, Trotman South, Eider and Sunday (Coolbro JV tenements), and; Cable, Puffer, Magnus and Three Iron (no third party rights or interests). These tenements contain host formations and structures common to the major mineral deposits in the area and were selected based on their proximity to known mineralisation, relatively shallow depth to basement, prospective stratigraphy and geophysical anomalies.

Carawine Tenements (100% - no third party rights or interests)

Carawine holds three granted exploration licences Puffer, Magnus and Cable in the Paterson region which are not subject to ballot, farm-in or joint venture agreements (Figure 15). Evaluation and target generation work continued on these tenements during the period, with the results to be used to enable the Company to assess whether to explore these tenements in its own right or seek exploration partners, as it has done for its other Paterson tenements.

Coolbro JV (Fortescue earning to 51%)

Carawine has a farm-in and joint venture agreement with Fortescue, which gives Fortescue as the right to earn up to 75% interest in the Lamil Hills, Trotman South, Sunday and Eider tenements by spending $6.1 million in seven years from November 2019 (the "**Coolbro JV**").

During the period, Fortescue completed initial interpretations of compiled surface and drilling data to assist with target generation, heritage and other access planning activities, and geological and logistical reconnaissance trips to the JV tenure. Fortescue also completed an airborne electromagnetic survey over the tenements, using the VTEM™ Max (Versatile Time Domain Electromagnetic, "**VTEM**") helicopter-borne electromagnetic system, comprising a total 1,777 line km. The aims of the survey are to define new conductive anomalies, identify anomalous resistive zones that may indicate alteration associated with mineralisation and provide important subsurface geological and structural information, all of which can be used to generate targets for direct drill testing. Data from this survey is expected to be received during Q3 CY2021, with interpretation to follow.

In September 2020, Carawine and Fortescue amended the Coolbro JV agreement to add the Eider tenement (E45/5528) to the Coolbro JV tenements in consideration for $50,000 cash and an increase in the Stage 1 earn-in amount for the Coolbro JV by $100,000 to $1.6 million, resulting in a revised total earn-in amount of up to $6.1 million to earn a 75% interest in the Coolbro JV tenements. A minimum of 60-line kilometres of airborne EM surveying, and a minimum of 1,000 metres of drilling must also be completed on Eider before earning a 51% interest as part of the amended agreement[1].

[1] refer ASX announcement 18 September 2020

Also during the reporting period, prior to completing the VTEM survey, Fortescue advised that it had completed the “Minimum Obligation” term of the Coolbro JV agreement by incurring exploration expenditure of more than $500,000 within the first eighteen months of the agreement before being able to withdraw. Completion of the VTEM survey over the Eider tenement (totalling 116 line-km) also satisfied one condition required for the addition of the Eider tenement to the Coolbro JV. Fortescue now has the right to earn a 51% interest in the Coolbro JV tenements during Stage 1 of the agreement, by spending a total of $1.6 million on exploration prior to 12 November 2022.

In addition to receipt and interpretation of the VTEM survey data, proposed work for the Coolbro JV includes further Native Title heritage and other access planning activities required for permitting of planned clearing and drilling works. Planning for regolith and surface mapping programs, orientation surveys for surface sampling programs and HVSR (passive seismic) surveying is also proposed.

West Paterson JV (Rio Tinto Exploration, earn-in right up to 80%)

Carawine has a farm-in and joint venture agreement with Rio Tinto, whereby Rio Tinto has the right to earn up to an 80% interest in the Baton and Red Dog tenements by spending $5.5 million in six years from October 2019 to earn 70% interest and then sole funding to a prescribed milestone.

During the reporting period planning for initial drill programmes and related earthworks to test targets on the Baton and Red Dog tenements continued. Due to more straightforward access arrangements and likely shallower cover, initial drilling of target areas on the Red Dog tenement is planned to be undertaken ahead of drilling on the Baton tenement, including the “Ghost” and “Zulu” targets. Both targets are geophysical anomalies located adjacent to interpreted granitoid intrusions under more recent cover sediments. Drilling is planned to commence late-September 2021.

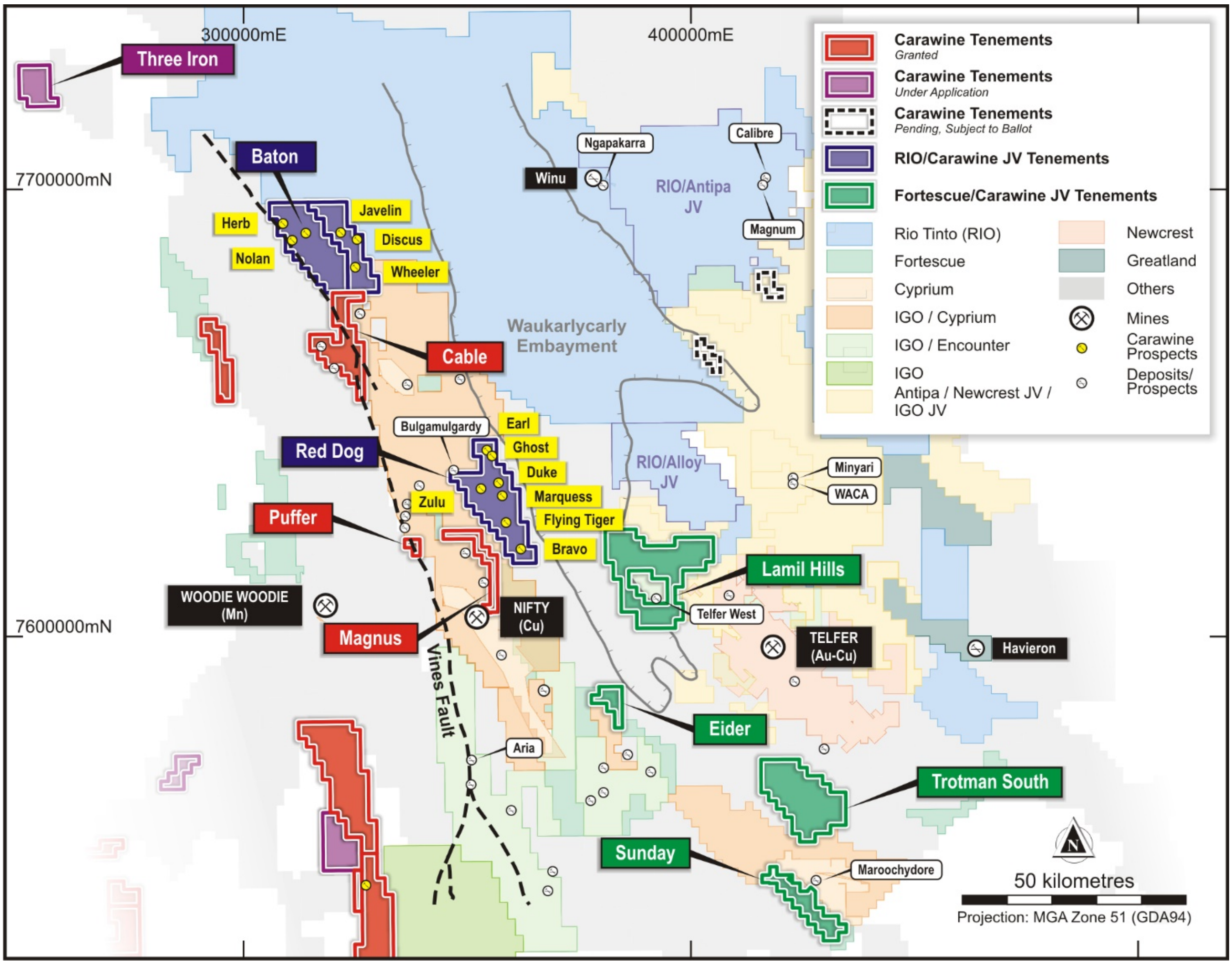


Figure 15: Carawine’s Paterson tenements in relation to selected other tenement holders in the region.

OAKOVER PROJECT

Neighbouring the Paterson Project and located about 200km northeast of Newman in the Eastern Pilbara region of Western Australia, the Oakover Project comprises eight granted exploration licences and two exploration licence applications with a total area of about 920km^2.

Along the eastern edge of the Oakover Basin, the tenement holding includes sediment-hosted copper occurrences at Bocrabee, and numerous high-grade “Woodie-Woodie” style manganese prospects (typical Mn >45%, Fe<5%) in the Fig Tree area (30km south of Consolidated Minerals’ Woodie Woodie mine). The western Oakover tenements are considered prospective for copper and “Balfour” style manganese deposits (medium grade Mn/Fe), including the Western Star copper prospect and historic Davis River manganese occurrences (Figure 16).

Oakover JV (Black Canyon earn-in right up to 75%)

Carawine entered into a farm-in and joint venture with Black Canyon over eight granted tenements in the Oakover Project during the reporting period (the "**Oakover JV**"). Black Canyon has the right to earn up to a 75% interest in the Oakover JV tenements by spending a total of $4 million in two stages in a five-year period from 14 May 2021. Stage 1 comprises earning a 51% interest by spending $1.5 million on exploration within the first two years of the agreement. Stage 2 comprises earning an additional 24% interest after spending a further $2.5 million on exploration within the following three years. Black Canyon must spend a minimum of $750,000 and complete 2,000m of drilling within the first 12 months of Stage 1 of the agreement.

The Oakover JV provides Black Canyon with a large tenement package in a world-class manganese district and allows Carawine to focus on gold, copper and nickel exploration at its other exploration projects, whilst also retaining exposure to the benefits of any discovery from the Oakover Project. Further details of the Agreement are contained within the Company's ASX announcement dated 23 December 2020 and Black Canyon's ASX announcement dated 17 May 2021.

Black Canyon commenced exploration during the quarter with a review of previous exploration and field assessment of the Flanagan Bore manganese prospect within the Oakover JV. This work confirmed the presence of extensive surface manganese mineralisation and historic RC drilling returning well-mineralised intercepts over a broad area (Figure 17)[1]. Subsequent to the end of the period, Black Canyon also announced the results of a field assessment and historic data review of the Fig Tree area, located 35km south of Consolidated Minerals' Woodie Woodie Operation, confirming outcropping surface manganese mineralisation associated with significant historic drill results, and a number of additional manganese targets which are considered not to have been adequately drill-tested[2].

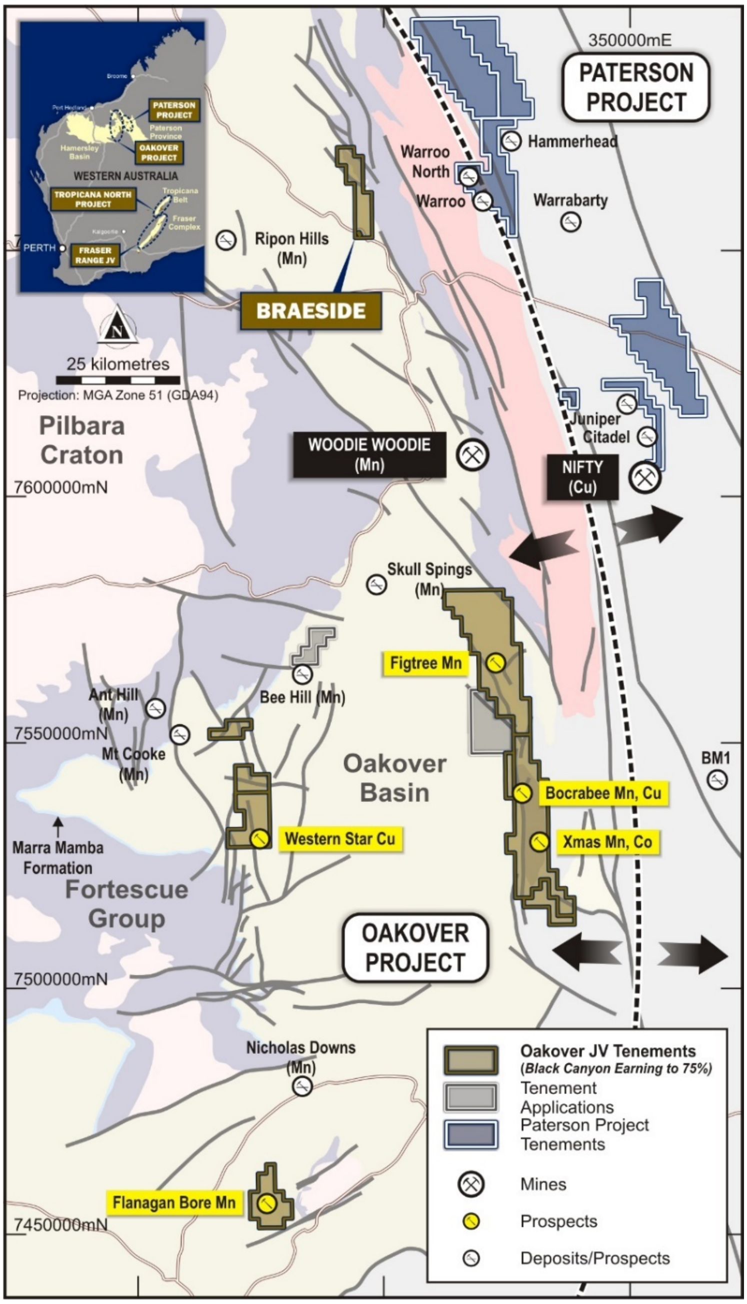


Figure 16: Oakover Project location and regional geology

[1] refer Black Canyon ASX announcements dated 17 May, 10 June and 1 July 2021
[2] refer Black Canyon's ASX announcement dated 15 July, 2021

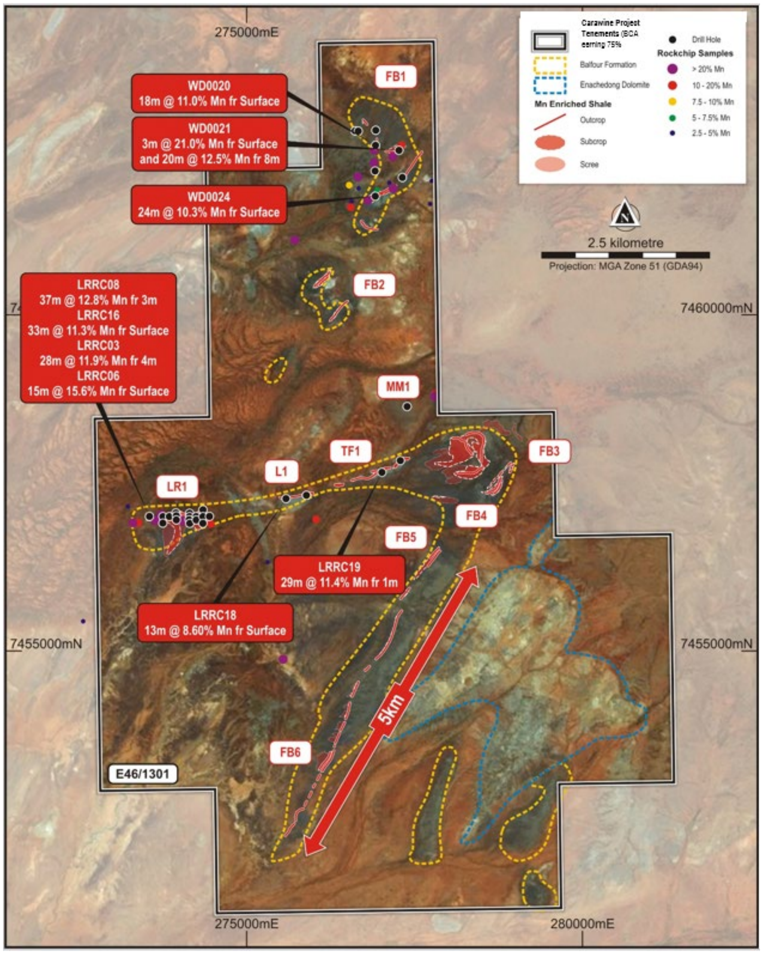


Figure 17: Flanagan Bore prospect areas (source Black Canyon).

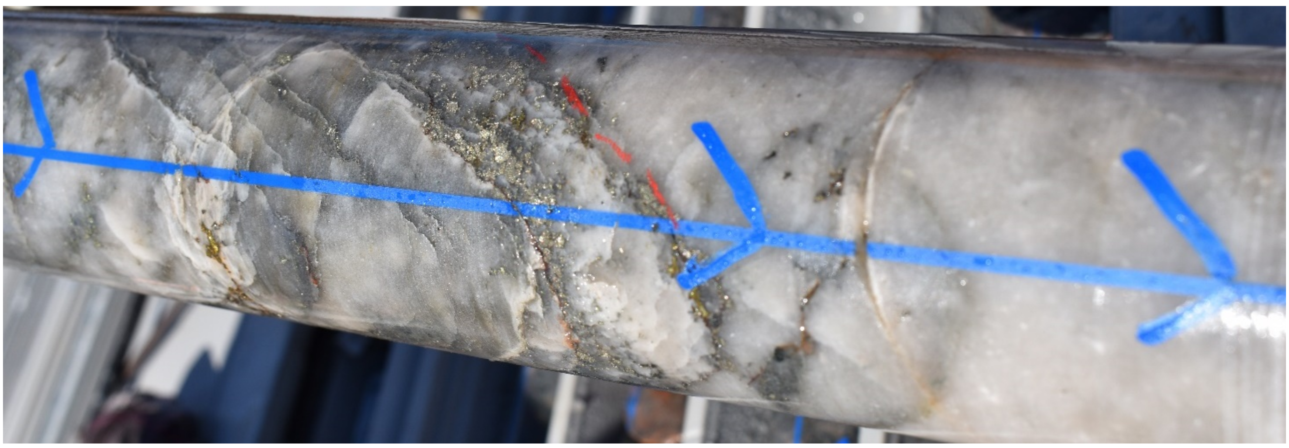
CORPORATE ACTIVITIES

On 28 September 2020, the Company announced a placement to raise a total of $6.0 million (before costs) through a two-tranche placement of approximately 30 million ordinary shares ("Shares") at an issue price of 20 cents per Share. The issue price represented a 13.2% discount on the 30-day volume weighted average price of the Company's traded shares prior to the announcement. The first tranche, comprising the issue of 18 million Shares to raise $3.6 million (before costs), was completed on 5 October 2020.

The second tranche, comprising the issue of 12 million Shares to raise $2.4 million (before costs), was completed on 26 November 2020, following approval at the Company's Annual General Meeting held on 17 November 2020. For further details refer to Carawine's ASX announcements dated 28 September 2020 and 26 November 2020.

Also announced during the period, Mr Sam Smart was appointed to the position of Company Secretary, replacing Ms Rebecca Broughton, effective 1 January 2021. Mr Smart holds a Bachelor of Laws and a Master of Business Administration and has considerable experience advising companies on all aspects of corporate law. Mr Smart has held both director and company secretary positions with ASX-listed companies.

On 14 April 2021, 500,000 ordinary shares which were subject to voluntary escrow arrangements in connection with the Thunderstruck JV were released from voluntary escrow.



COMPLIANCE STATEMENTS

Previously Reported Information

The information in this report that relates to Exploration Results is based on information compiled by Mr Michael Cawood, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Cawood holds shares and options in, and is a full-time employee of, Carawine Resources Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the "JORC Code (2012)"). Mr Cawood consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

This report includes information that relates to Exploration Results prepared and first disclosed under the JORC Code (2012) and extracted from the Company's previous ASX announcements, with the Competent Person for the relevant original market announcement indicated in brackets, as follows:

- Tropicana North: "High Grades Extended in Latest Hercules Results" 8 September 2021 (M Cawood)
- Tropicana North: "Visible Gold in First Drill Core from Hercules" 26 July 2021 (M Cawood)
- Fraser Range: "Two Compelling New Bedrock Conductors Identified at Red Bull, Fraser Range JV" 19 July 2021 (D Boyd)
- Oakover JV: "BCA: High-Grade Hydrothermal Manganese confirmed at the Oakover East Project" 15 July 2021 (B Cummins)
- Tropicana North: "Follow-Up Assay Results Extend Hercules Mineralisation" 7 July 2021 (M Cawood)
- Oakover JV: "BCA: Manganese mineralisation extended by 5km at Flanagan Bore in the Pilbara" 1 July 2021 (B Cummins)
- Oakover JV: "BCA: Widespread manganese confirmed at Flanagan Bore prospect in the Pilbara" 10 June 2021 (B Cummins)
- Oakover JV: "BCA: Exploration to commence at Pilbara manganese projects" 17 May 2021 (B Cummins)
- Jamieson: "Jamieson Assay Results Extend Hill 800 and Demonstrate Zinc Potential at Rhyolite Creek" 17 May 2021 (M Cawood)
- Tropicana North: "New Regionally Significant 'Big Freeze' Gold Prospect Defined at Tropicana North" 15 April 2021 (M Cawood)
- Tropicana North: "Assay Results Received from Atlantis RC Drilling" 17 March 2021 (M Cawood)
- Jamieson: "Jamieson Project Assay Results Received" 9 March 2021 (M Cawood)
- Tropicana North: "Outstanding Results Continue with Latest High-Grade Intersections at Hercules" 3 March 2021 (M Cawood)
- Tropicana North: "Multiple High-Grade Intersections Confirm Exciting New Gold Discovery at Hercules" 24 February 2021 (M Cawood)
- Jamieson: "Porphyry Alteration at Jamieson, Tropicana North Drilling Update" 8 December 2020 (M Cawood)
- Fraser Range: Nickel and Gold Targets Outlined at the Big Bang Project in the Fraser Range" 15 September 2020 (M Cawood)
- Tropicana: Carawine Acquires New Gold Project in Western Australia" 3 September 2020 (M Cawood)
- Jamieson: "High Gold Grades at Hill 800 Continue" 14 May 2020 (M Cawood)
- Jamieson: "Jamieson Project Drilling Progress Update" 29 January 2020 (M Cawood)
- Jamieson: "New Porphyry Copper-Gold Targets in Victoria" 3 December 2019 (M Cawood)
- Jamieson: "Copper-gold Porphyry Targets at Hill 800" 11 September 2019 (M Cawood)
- Jamieson: "New Gold Prospects Defined at Jamieson" 15 July 2019 (M.Cawood)
- Jamieson: "Gold Zone Extended with Latest Results from Hill 800" 27 May 2019 (M Cawood)

Copies of these announcements are available from the ASX Announcements page of the Company's website: www.carawine.com.au

The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements. Where the information relates to Exploration Results the Company confirms that the form and context in which the competent person's findings are presented have not been materially modified from the relevant original market announcements.

Forward Looking and Cautionary Statements

Some statements in this report regarding estimates or future events are forward-looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Forward-looking statements include, but are not limited to, statements preceded by words such as "planned", "expected", "projected", "estimated", "may", "scheduled", "intends", "anticipates", "believes", "potential", "predict", "foresee", "proposed", "aim", "target", "opportunity", "could", "nominal", "conceptual" and similar expressions. Forward-looking statements, opinions and estimates included in this report are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward-looking statements may be affected by a range of variables that could cause actual results to differ from estimated results and may cause the Company's actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward-looking statements. So, there can be no assurance that actual outcomes will not materially differ from these forward-looking statements.

The Directors present their report together with the consolidated financial statements of the Group comprising of Carawine Resources Limited ("**CWX**" or the "**Company**") and the entities it controlled (the "**Group**" or the "**consolidated entity**") for the year ended 30 June 2021. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the financial year were exploration for gold, copper and base metal deposits within Australia.

REVIEW OF OPERATIONS

Refer to pages 5-20 for the Review of Operations.

DIRECTORS

The Directors of the Group during or since the end of the financial year and until the date of this report are as follows:

Name	Period of Directorship
Mr Will Burbury Non-Executive Chairman	Director since 16 March 2016
Mr David Boyd Managing Director	Director since 26 October 2017
Mr David Archer Non-Executive Director	Director since 16 March 2016

The qualifications, experience and special responsibilities of the Directors of the Group during or since the end of the financial year are:

Mr Will Burbury (B.Comm, LLB)
Non-Executive Chairman

Mr Burbury practised as a corporate lawyer with a leading Australian law firm prior to entering the mining and exploration industry in 2003. During his career, he has been actively involved in the identification and financing of many Australian and African resources projects. He has held senior management positions and served on the boards of several private and publicly listed companies.

Mr Burbury was previously Chairman of ASX listed Warwick Resources Limited prior to its merger with Atlas Iron Limited in 2009 and was also formerly a director of Lucapa Diamond Group Limited. He was a founding director and non-executive chairman of Sheffield Resources Limited until 19 March 2020 and was a non-executive director of Sheffield Resources Limited until 12 March 2021.

Other Current Listed Directorships
None

Former Listed Directorships in the Last Three Years
Sheffield Resources Limited (ceased 12 March 2021)

Mr David Boyd (B.Sc (Hons), MAIG)
Managing Director

Mr Boyd is a highly experienced geologist with over 25 years' experience in the mining industry. During his career, he has worked in senior exploration roles with major gold-mining houses including RGC/Goldfields Limited, Placer Dome Asia Pacific. and Barrick Gold Corporation. Over this time, he was involved in a number of gold discoveries, including the Raleigh and Homestead Underground gold mines in the Eastern Goldfields of WA.

Most recently, Mr Boyd was Sheffield Resources Limited's Exploration Manager, part of the team responsible for the identification of the Thunderbird Mineral Sands Project. Prior to his role at Sheffield, he was the general manager of Geology with Consolidated Minerals Limited where he was responsible for managing exploration and resource development.

Other Listed Current Directorships
None

Former Listed Directorships in the Last Three Years
None

Mr David Archer (BSc (Hons))
Non-Executive Director

Mr Archer is a geologist with over 30 years' experience in exploration and mining in Australia. He has held senior positions with major Australian mining companies, including Renison Goldfields Consolidated Ltd and ten years as a Director of Archer Geological Consulting specialising in project generation, geological mapping and project evaluation.

Mr Archer was a consultant to ASX listed Atlas Iron Limited and Warwick Resources Limited and was responsible for significant iron ore discoveries for both companies in the Pilbara. Other major West Australian discoveries include the Raleigh and Paradigm gold mines and the Magellan lead mine.

Mr Archer was a founding director, and served as a non-executive director, of Sheffield Resources Limited until 12 March 2021.

Other Current Listed Directorships
None

Former Listed Directorships in the Last Three Years
Sheffield Resources Limited (ceased 12 March 2021)

COMPANY SECRETARY

Mr Sam Smart (LLB, MBA) – Appointed 1 January 2021

Mr Smart is a corporate lawyer who has considerable experience in advising companies on mergers, acquisitions, joint ventures and capital raisings in variety of sectors including mining, telecommunications and hotels. Mr Smart has advised companies in relation to equity offerings on ASX, the London Stock Exchange (both main board and AIM) and Euronext. Mr Smart holds a Bachelor of Laws and a Masters of Business Administration.

Ms Rebecca Broughton (BCom, CA) – Resigned 1 January 2021

Ms Broughton is a Chartered Accountant with over 20 years' experience gained in both public practice and commerce. Ms Broughton commenced her career with Ernst and Young and has since held finance positions in the mining industry. Ms Broughton was previously Group Secretary of DevEx Resources Limited.

DIRECTORS' MEETINGS

The following table sets out the number of Directors' meetings held during the financial year and the number of meetings attended by each Director. In addition to these formal meetings, during the year, the Directors considered and passed 6 Circular Resolutions pursuant to clause 15.11 of the Group's Constitution.

Director	Held	Attended
Mr W Burbury	5	5
Mr D Boyd	5	5
Mr D Archer	5	5

DIRECTORS' SHAREHOLDINGS

The relevant interest of each Director in the share capital of the Group as at the date of this report are:

Director	Balance 1 July 2020	Granted as remuneration	Other changes	Balance Report date
W Burbury	816,885	-	-	816,885
D Boyd	220,589	-	100,000	320,589
D Archer	1,052,134	-	200,000	1,252,134

DIRECTORS' OPTION HOLDINGS

The number of options held by each Director in the Group as at the date of this report are:

Director	Balance 1 July 2020	Issued	Exercised	Lapsed	Balance Report date	Vested & Exercisable	Unvested
W Burbury	272,293	-	-	(272,293)	-	-	-
D Boyd	790,196	-	-	(40,196)	750,000	750,000	-
D Archer	272,376	-	-	(272,376)	-	-	-

DIRECTORS' PERFORMANCE RIGHTS HOLDINGS

The number of performance rights held by each Director in the Group as at the date of this report are:

Director	Balance 1 July 2020	Issued	Exercised	Other changes	Balance Report date	Vested & Exercisable	Unvested
D Boyd	1,100,000	-	-	(550,000)	550,000	-	550,000

During the financial year, 550,000 performance rights lapsed without vesting as the relevant performance conditions were not achieved. Refer to Note 14 for further details.

SHARE OPTIONS

Employee options

The following options were issued under the Group's Employee Option Plan ('ESOP') and Performance Rights Plan ('Performance') and are in existence at the date of this report.

Number of ordinary shares under option	Exercise price $	Expiry date	Type
500,000	0.30	12/12/2021	ESOP
500,000	0.40	12/02/2022	ESOP
1,000,000[1]	0.18	26/08/2023	ESOP
750,000[1]	0.26	15/11/2023	ESOP
750,000	0.40	14/12/2023	ESOP
775,000	-	12/12/2021	Performance

[1]These options are subject to vesting conditions.

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the Group, body corporate or registered scheme. The issuing entity for all options was Carawine Resources Limited.

Options on issue at the date of this report

Number of ordinary shares under option	Grant date	Exercise price $	Expiry date	Type
500,000	12/12/2017	0.30	12/12/2021	ESOP
500,000	12/02/2018	0.40	12/02/2022	ESOP
1,000,000	26/08/2019	0.18	26/08/2023	ESOP
750,000	14/11/2019	0.26	15/11/2023	ESOP
750,000	14/12/2020	0.40	14/12/2023	ESOP

Performance rights on issue at the date of this report

Number of ordinary shares under option	Grant date	Exercise price $	Expiry date	Series/Tranche
550,000	12/12/2017	N/A	12/12/2021	S1, T4
225,000	12/02/2018	N/A	12/12/2021	S2, T4

Options and performance rights exercised or lapsed during the financial year

No unlisted loyalty options were exercised during the period. 10,229,845 unlisted loyalty options lapsed during the financial year ended 30 June 2021. 21,031 unlisted loyalty options were exercised and converted into shares during the financial year ended 30 June 2021. 775,000 performance rights lapsed without vesting due to not meeting vesting conditions. No performance rights were exercised during the financial year ended 30 June 2021. Further, 750,000 unlisted options were issued during the period. Refer to Note 14 for further details.

DIVIDENDS

No dividends have been paid or declared during the financial year ended 30 June 2021 and the Directors do not recommend the payment of a dividend in respect of the financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the company to the date of this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company. Therefore, this information has not been presented in this report.

CORPORATE GOVERNANCE STATEMENT

The Group's Corporate Governance Statement may be accessed from the Governance section of the Group's website, www.carawine.com.au. This document is regularly reviewed to address any changes in governance practices and the law.

ENVIRONMENTAL REGULATION

The Group's exploration activities are governed by environmental regulation. To the best of the Directors' knowledge, the Group believes it has adequate systems in place to ensure compliance with the requirements of applicable environmental legislation and is not aware of any material breach of those requirements during the financial year and up to the date of the Directors' Report.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Group has agreed to indemnify all the Directors and key management personnel of the Group for any liabilities to another person (other than the Group or related body corporate) that may arise from their designated position of the Group, except where the liability arises out of conduct involving a lack of good faith.

During the financial year, the Group paid a premium in respect of a contract insuring the Directors and Officers of the Group against any liability incurred in the course of their duties to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITOR

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor. During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

SUBSEQUENT EVENTS AFTER BALANCE DATE

The impact of the Coronavirus (COVID-19) pandemic is ongoing as at 30 June 2021 and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is constantly evolving and is dependent on measures imposed by the Australian Federal and State Governments and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than noted above, there have been no other matters or circumstances that have arisen after balance date that have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

REMUNERATION REPORT (AUDITED)

The Directors of Carawine Resources Limited present the Remuneration Report prepared in accordance with the requirements of the *Corporations Act 2001* for the Group for the financial year ended 30 June 2021.

For the purposes of this report, key management personnel ("KMP") are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company. This Remuneration Report forms part of the Directors' Report.

OVERVIEW

Remuneration levels for key management personnel are competitively set to attract the most qualified and experienced candidates. Details of the Group's remuneration strategy for the 2021 financial year are set out in this Remuneration Report.

This Remuneration Report:

- explains the Board's policies relating to remuneration of key management personnel;
- discusses the relationship between these policies and the Group's performance; and
- sets out remuneration details for each of the key management personnel.

Remuneration philosophy

The philosophy of the Group in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable KMP remuneration.

Non-Executive Director Remuneration

In accordance with best practice corporate governance, the structure of Non-executive Director and Executive remuneration is separate and distinct. The fees paid to Non-Executive Directors are set at levels that reflect both the responsibilities of, and the time commitments required from, each Non-Executive Director to discharge their duties and are not linked to the performance of the Group.

Remuneration of Key Management Personnel

In adopting a remuneration strategy for KMP's, at all times the Group strives to seek a balance between preservation of cash proceeds and an equitable remuneration structure. To align key management personnel interests with that of shareholders, some key management personnel have been awarded share options subject to market disclosure requirements upon appointment and the approval of shareholders on an annual basis.

In addition to the award of share options, the remuneration strategy comprises a fixed cash salary component, statutory superannuation contributions and where appropriate a potential merit-based performance bonus or other share-based incentives in the Group.

Performance milestones are carefully nominated and weighted according to the management role and its connection with the relevant performance milestone. This structure is intended to provide competitive rewards (subject to performance) to attract and retain high calibre executives.

Performance based share options are offered to KMP's at the discretion of the Board. Length of service with the Group, past and potential contribution of the person to the Group are also factors considered when awarding shares options to employees.

The award of discretionary performance bonuses are aligned with the ongoing performance assessment of the incumbent management team, following review and assessment by the Board of Directors.

Criteria used to determine potential merit-based performance bonus for the Managing Director and other KMP's, during the exploration phase, is the setting of key objectives for each KMP and measuring performance against these objectives. Key objectives will normally include specific criteria where performance will be measured against progress indicators. These key objectives will largely be determinable by the objective assessment of performance by the Managing Director.

The table below sets out summary information about the movements in shareholder wealth for the following financial periods:

	30 June 2021 $'000	30 June 2020 $'000
Revenue	20,790	120,759
Net (loss)/profit before tax	(1,304,327)	(1,501,368)
Net (loss)/profit after tax	(1,304,327)	(1,282,188)
Share price at start of year	0.175	0.10
Share price at end of year	0.26	0.175
Dividends	-	-
Basic loss per share (cents)	(0.01)	(0.02)
Diluted loss per share (cents)	(0.01)	(0.02)

KEY MANAGEMENT PERSONNEL

The following persons acted as key management personnel of the Group during or since the end of the financial year:

- Mr Will Burbury (Non-Executive Chairman)
- Mr David Boyd (Managing Director)
- Mr David Archer (Non-Executive Director)

REMUNERATION OF KEY MANAGEMENT PERSONNEL

The table below shows the fixed and variable remuneration for key management personnel.

Directors	Short-term benefits			Post-employment benefits	Share-based payment		Relative proportion of remuneration linked to performance	
	Salary & fees $	Annual Leave	Other $	Super-annuation $	Options & rights $	Total $	Fixed %	Performance based %
W Burbury								
2021	49,000	-	-	4,655	-	53,655	100	-
2020	49,000	-	-	4,655	-	53,655	100	-
D Boyd								
2021	260,000	7,560	5,589	24,700	87,146[1]	384,995	77	23
2020	260,000	12,402	5,639	24,700	145,202[2]	447,943	68	32
D Archer								
2021	45,000	-	-	4,275	-	49,275	100	-
2020	45,000	-	-	4,275	-	49,275	100	-
B McQuitty[3]								
2020	16,785	-	-	1,595	-	18,380	100	-
Total								
2021	**354,000**	**7,560**	**5,589**	**33,630**	**87,146**	**487,925**	**82**	**18**
2020	**370,785**	**12,402**	**5,639**	**35,225**	**145,202**	**569,253**	**74**	**26**

[1]During the year, 550,000 performance rights lapsed without vesting and $110,000 was reversed at the reporting date in relation to these, the amount is not included within the 87,146 amount.

[2]During the year, 350,000 performance rights lapsed without vesting and $8,861 was reversed at the reporting date in relation to these.

[3]Resigned on 14 November 2019

Refer to Note 14 for details of share-based payments.

NON-EXECUTIVE DIRECTOR AGREEMENTS

The amount of remuneration for all Directors including the full remuneration packages, comprising all monetary and non-monetary components of the Executive Directors and executives, are detailed in this Directors' Report. Non-Executive Directors may receive annual fees within an aggregate Directors' fee pool limited to an amount which is approved by shareholders.

Non-Executive Directors currently are paid an aggregate of $102,930 per annum. The maximum aggregate Non-Executive Directors' fee pool is set at $250,000 and was included in the Group's IPO Prospectus document.

EXECUTIVE EMPLOYMENT AGREEMENTS

Remuneration and other terms of employment for the following key management personnel are formalised in employment agreements. All contracts with executives may be terminated early by either party with notice, per individual agreement, and subject to the termination payments as detailed below:

Name	Position	Commencement Start Date	Base Salary (including superannuation)	Termination Benefit
D Boyd	Managing Director	12/12/2017	$284,700	3 months' notice

KEY MANAGEMENT PERSONNEL SHAREHOLDINGS

The relevant interests of each Director in the share capital (held directly or indirectly) of the Group at 30 June 2021 were:

Director	Balance 1 July 2020	Granted as remuneration	Other changes	Balance Report date
W Burbury	816,885	-	-	816,885
D Boyd	220,589	-	100,000	320,589
D Archer	1,052,134	-	200,000	1,252,134

There were no shares issued to key management personnel as part of remuneration during the financial year ended 30 June 2021.

KEY MANAGEMENT PERSONNEL OPTION HOLDINGS

The number of options held by each Director in the Group at 30 June 2021 were:

Director	Balance 1 July 2020	Issued	Exercised	Lapsed	Balance Report date	Vested & Exercisable	Unvested
W Burbury	272,293	-	-	(272,293)	-	-	-
D Boyd	790,196	-	-	(40,196)	750,000	750,000	-
D Archer	272,376	-	-	(272,376)	-	-	-

KEY MANAGEMENT PERSONNEL PERFORMANCE RIGHTS HOLDINGS

The number of performance rights held by each Director in the Group at 30 June 2021 were:

Director	Balance 1 July 2020	Issued	Exercised	Other changes	Balance Report date	Vested & Exercisable	Unvested
D Boyd	1,100,000	-	-	(550,000)	550,000	-	550,000

Performance Rights are offered to key management personnel having regard, among other things, to the past and potential contribution of the person to the Group. Performance Options are issued subject to specific performance criteria specific being met by the KMP.

There were no performance rights issued during the financial year to key management personnel. No rights previously issued had vested as at balance date.

TRANSACTIONS WITH OTHER RELATED PARTIES

During the period, Archer Geological Consulting, an entity associated with Director David Archer, invoiced the Group $58,872 for geological services outside the scope of Mr Archer's role as a Non-Executive Director, with $9,025 of the invoiced amount related to services rendered during the June 2020 financial year.

During the reporting period, following shareholder approval, 150,000 shares were issued to each of Ms Letitia Burbury and Ms Simone Archer in relation to the Company's acquisition of Phantom Resources Pty Ltd ("**Phantom**"). Ms Letitia Burbury and Ms Simone Archer are related parties by virtue of being the spouses of Directors, Mr Will Burbury and Mr David Archer respectively. Phantom was the holder of four exploration licence applications considered prospective for gold in the Tropicana and Yamarna regions of Western Australia, all of which were included in the generation of the Company's Tropicana North Project. Further details relating to this transaction are included in the Company's Notice of Annual General Meeting released on 16 October 2020.

Will Burbury and David Archer were directors of Phantom prior to its acquisition.

There were no other transactions entered into with related parties for the June 2021 financial year.

USE OF REMUNERATION CONSULTANTS

Due to the size of the Group's operations, the Group has engaged remuneration consultants to review and measure its remuneration policy and strategy. The Board reviews remuneration strategy periodically and may engage remuneration consultants in future to assist with this process.

END OF AUDITED REMUNERATION REPORT

NON-AUDIT SERVICES

There were no non-audit services performed during the year by the auditors (or by another person or firm on the auditor's behalf).

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the *Corporations Act 2001* requires our auditors, HLB Mann Judd, to provide the Directors of the Group with an Independence Declaration in relation to the audit of the annual report.

This Independence Declaration is set out on page 30 and forms part of this Directors' report for the year ended 30 June 2021.

Signed in accordance with a resolution of the Directors.

Mr David Boyd
Managing Director
Perth, 22 September 2021

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Carawine Resources Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
22 September 2021

D I Buckley
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 $	2020 $
Revenue and other income	2	20,790	120,759
Employee benefits expense		(225,202)	(230,847)
Depreciation expense		(23,758)	(18,842)
Other expenses	2	(535,085)	(495,973)
Share-based payments		(6,188)	(242,450)
Impairment of deferred exploration and evaluation expenditure	8	(534,884)	(634,015)
Loss before income tax		(1,304,327)	(1,501,368)
Income tax benefit	3	-	219,180
Loss for the year		**(1,304,327)**	**(1,282,188)**
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		**(1,304,327)**	**(1,282,188)**
Basic loss per share	4	(0.01)	(0.02)
Dilutive loss per share	4	(0.01)	(0.02)

The Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Notes	2021 $	2020 $
Current Assets			
Cash and cash equivalents	5	3,943,539	1,770,860
Trade and other receivables	6	128,272	157,097
Total Current Assets		4,071,811	1,927,957
Non-Current Assets			
Plant and equipment	7	98,881	27,201
Deferred exploration and evaluation expenditure	8	10,599,215	7,895,409
Right-of-use asset	9	39,640	-
Total Non-Current Assets		10,737,736	7,922,610
Total Assets		14,809,547	9,850,567
Current Liabilities			
Trade and other payables	10	266,271	147,163
Provisions	11	170,738	112,483
Lease liability	9	25,250	-
Total Current Liabilities		462,259	259,646
Non-Current Liabilities			
Lease liability	9	16,522	-
Total Non-Current Liabilities		16,522	-
Total Liabilities		478,781	259,646
Net Assets		**14,330,766**	**9,590,921**
Equity			
Issued capital	12	18,250,256	12,212,272
Reserves	13	498,563	492,375
Accumulated losses	13	(4,418,053)	(3,113,726)
Total Equity		**14,330,766**	**9,590,921**

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Issued capital	Accumulated losses	Reserves	Total
	$	$	$	$
Balance as at 1 July 2019	9,315,305	(1,870,738)	289,125	7,733,692
Loss for the year	-	(1,282,188)	-	(1,282,188)
Total comprehensive loss for the year	-	(1,282,188)	-	(1,282,188)
Shares issued during the year	3,000,412	-	-	3,000,412
Share issue costs	(110,305)	-	-	(110,305)
Unwinding of tax effect on share issue costs	6,860	-	-	6,860
Recognition of share-based payments	-	-	242,450	242,450
Transfer of lapsed performance rights	-	39,200	(39,200)	-
Balance at 30 June 2020	**12,212,272**	**(3,113,726)**	**492,375**	**9,590,921**

	Issued capital	Accumulated losses	Reserves	Total
	$	$	$	$
Balance as at 1 July 2020	12,212,272	(3,113,726)	492,375	9,590,921
Loss for the year	-	(1,304,327)	-	(1,304,327)
Total comprehensive loss for the year	-	(1,304,327)	-	(1,304,327)
Shares issued during the year	6,420,309	-	-	6,420,309
Share issue costs	(382,325)	-	-	(382,325)
Recognition of share-based payments	-	-	6,188	6,188
Balance at 30 June 2021	**18,250,256**	**(4,418,053)**	**498,563**	**14,330,766**

The Consolidated Statement of Changes in Equity should be read in conjunction with accompanying notes

Carawine Resources

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 $	2020 $
Cash flows from operating activities			
Payments to suppliers and employees		(784,908)	(660,090)
Payments for security deposits/bonds		(9,673)	(947)
Interest received		14,667	19,714
Interest & other finance costs		(1,033)	-
Government grants		50,000	50,000
Net cash (used in) operating activities	5	**(730,947)**	**(591,323)**
Cash flows from investing in activities			
Payments for exploration and evaluation expenditure		(2,717,713)	(2,050,954)
Refund of tenement applications		10,038	-
Acquisition of subsidiary, net of cash	20	(19,377)	-
Proceeds from JV agreements		100,000	325,000
Purchase of plant and equipment		(87,887)	(9,897)
Net cash (used in) investing activities		**(2,714,939)**	**(1,735,851)**
Cash flows from financing activities			
Proceeds from issue of shares		6,000,000	3,000,412
Proceeds from exercise of options		6,309	-
Payments for share issue costs		(382,325)	(110,305)
Payment of lease liability		(5,419)	-
Net cash provided by financing activities		**5,618,565**	**2,890,107**
Net increase/(decrease) in cash and cash equivalents		2,172,679	562,933
Cash and cash equivalents at beginning of year		1,770,860	1,207,927
Cash and cash equivalents at end of year	5	**3,943,539**	**1,770,860**

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(A) CORPORATE INFORMATION

The consolidated financial statements are for Carawine Resources Limited ("**Carawine**" or the "**Group**"). Carawine is a listed for-profit public company, incorporated and domiciled in Australia and listed on the Australian Securities Exchange ("**ASX**"). During the year ended 30 June 2021, the Group conducted operations in Australia. The Group's principal activity is exploration for gold, copper and base metals within Western Australia and Victoria.

These financial statements were authorised for issue in accordance with a resolution of the Directors on 22 September 2021.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

The principal accounting policies adopted in the preparation of these financial statements are set out below.

(B) BASIS OF PREPARATION

The results of the Group are expressed in Australian dollars, which are the functional and presentation currency for the financial report.

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and Interpretations and complies with other requirements of the law. The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

Historical Cost Convention

The financial report has also been prepared on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets.

(C) ADOPTION OF NEW AND REVISED STANDARDS

Standards and Interpretations applicable to 30 June 2021

In the year ended 30 June 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting periods beginning on or after 1 July 2020. As a result of this review, the Directors have determined that there is no material impact of new Standards and Interpretations issued and, therefore, no change is necessary to the Group's accounting policies.

Standards and Interpretations in issue not yet effective

The Directors have also reviewed all Standards and Interpretations in issue not yet effective for the year ended 30 June 2021. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to the Group's accounting policies.

(D) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events, which are believed to be reasonable under the circumstances. However, actual outcomes would differ from these estimates if different assumptions were used and different conditions existed.

The Group has identified the following areas where significant judgements, estimates and assumptions are required, and where actual results were to differ, may materially affect the financial position or financial results reported in future periods.

Share-based payment transactions:

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model, using the assumptions detailed in Note 13. As a performance incentive, senior employees were granted options during the financial year ended 30 June 2021, which contain assumptions of a real risk of forfeiture where performance targets are not achieved.

Exploration and evaluation expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely either from exploitation or sale or where activities have now reached a stage which permits a reasonable assessment of the existence of reserves. If, after having capitalised expenditure under this policy, it is concluded that the consolidated entity is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to profit and loss.

(E) GOING CONCERN

The financial report has been prepared on a going concern basis.

(F) SEGMENT REPORTING

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker, which has been identified by the Group as the Managing Director and other members of the Board of Directors.

(G) REVENUE RECOGNITION

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Revenue is recognised to the extent that control has passed on the goods and services provided and it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) Interest income - Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(ii) Grant revenue - grant revenue is recognised when it is received or when the right to receive payment is established. Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate

(H) INCOME TAX

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(I) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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

(J) BUSINESS COMBINATION

The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of:

a) fair value of consideration transferred;

b) the recognised amount of any non-controlling interest in the acquiree; and

c) acquisition-date fair value of any existing equity interest in the acquirer over the acquisition-date fair values of identifiable net assets.

If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

(K) IMPAIRMENT OF ASSETS

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

If that is the case, the carrying amount of the asset is increased to its recoverable amount unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(L) CASH AND CASH EQUIVALENTS

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(M) TRADE AND OTHER RECEIVABLES

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within15 days to 30 days.

The entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses

(N) PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms. They are recognised initially at fair value and subsequently at amortised cost.

(O) LEAVE BENEFITS

Wages, salaries, annual leave and sick leave
Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave expected to be settled within 12 months of the balance date are recognised as current liabilities in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave not expected to be settled within 12 months of the balance date are recognised in non-current liabilities in respect of employees' services up to the balance date. They are measured as the present value of the estimated future outflows to be made by the Group.

Long service leave
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance date. Consideration is given to expect future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the balance date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(P) EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

a) the rights to tenure of the area of interest are current; and
b) at least one of the following conditions is also met:

- the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount

The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

(Q) ISSUED CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(R) LEASES

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

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities. The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(S) PROVISIONS

Provisions for legal claims are recognised when the Group has a legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(T) SHARE BASED PAYMENTS

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or options over shares (“equity-settled transactions”).

The fair value of options is recognised as an expense with a corresponding increase in equity (share-based payments reserve). The fair value is measured at grant date and recognised over the period during which the holder becomes unconditionally entitled to the options. The fair value is determined by using a Black-Scholes model, further details of which are given in Note 14. In determining fair value, no account is taken of any performance conditions other than those related to the share price of the Group (“market conditions”).

The cumulative expense recognised between grant date and vesting date is adjusted to reflect the director’s best estimate of the number of options that will ultimately vest because of internal conditions of the options, such as the employees having to remain with the company until vesting date, or such that employees are required to meet internal sales targets. No expense is recognised for options that do not ultimately vest because a non-market condition was not met.

Where the terms of options are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, at the date of the modification, a further expense is recognised for any increase in fair value of the transaction as a result of the change. Where options are cancelled, they are treated as if vesting occurred on cancellation and any unrecognised expenses are taken immediately to the statement of comprehensive income. However, if new options are substituted for the cancelled options and designated as a replacement on grant date, the combined impact of the cancellation and replacement options are treated as if they were a modification.

(U) PLANT AND EQUIPMENT

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Motor vehicles	4 years
Plant and equipment	2-10 years

Impairment

The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income in the cost of sales line item.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(V) EARNINGS PER SHARE

Basic earnings per share is determined by dividing the operating loss after income tax by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of partly paid shares or options outstanding during the financial year.

(W) COMPARATIVES

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

NOTE 2: REVENUE AND EXPENSES

	2021 $	2020 $
(a) Revenue and other income		
Interest received	10,752	20,759
Refund of tenement application	10,038	-
Government grant income	-	100,000
	20,790	**120,759**
(b) Expenses		
Investor and public relations expense	13,880	33,295
Interest expense	1,519	-
Legal fees	102,356	48,700
Insurance expense	22,839	32,759
Stock exchange expenses	71,445	32,798
Office occupancy expense	14,850	26,208
Accounting and auditing fees	92,878	92,513
Other expenses	215,318	229,700
	535,085	**495,973**

NOTE 3: INCOME TAX

	2021 $	2020 $
The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:		
Accounting loss before income tax	1,304,327	1,501,368
Income tax benefit calculated at 30% (2020: 30%)	(391,298)	(450,410)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	1,856	72,735
Other non-deductible expenses	530	645
Other non-assessable income	-	(30,000)
Adjustments recognised in the current year in relation to the current tax of previous years	583,701	-
Deferred tax assets and liabilities not recognised	(80,091)	187,850
Effect of temporary differences that would be recognised directly in equity	(114,698)	-
Income tax (benefit)/expense reported in the statement of comprehensive income	**-**	**(219,180)**
Income tax charged/(credited) directly to equity		
Share issue costs	(114,698)	(33,092)
Amount not recognised	114,698	33,092
Income tax charged/(credited) directly to equity	-	-

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. The tax rate used in the previous reporting period was 30%.

At 30 June 2021, net deferred tax assets of $139,352 have not been recognised in terms of AASB112 Income Taxes. The Group does not currently have foreseeable future taxable profits against which the deductible temporary differences and unused tax losses comprising this net deferred tax amount may be utilised.

NOTE 3: INCOME TAX (CONTINUED)

Deferred tax assets and (liabilities)

A breakdown of the components of deferred tax assets and (liabilities) is provided below:

	2021 $	2020 $
Deductible temporary differences	68,430	38,095
Tax losses	3,009,877	2,420,379
Share issue costs	168,009	124,232
Exploration and evaluation expenditure	(3,106,964)	(2,368,622)
	139,352	**214,084**

In addition to the assessed loss and other net future income tax deductions on which deferred tax has not been recognised at 30 June 2021 as set out in the table above, the Group also has accumulated capital losses of $20,000 on which deferred tax has not been recognised. Such capital losses may only be utilised against potential future capital gains.

NOTE 4: EARNINGS/LOSS PER SHARE

	2021 $	2020 $
Basic loss per share:		
Continuing operations	(0.01)	(0.02)
Total basic loss per share	**(0.01)**	**(0.02)**
The loss and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:		
Loss from continuing operations	(1,304,327)	(1,282,188)
	Number	Number
Weighted average number of ordinary shares for the purposes of basic earnings per share	98,793,234	70,993,879
Dilutive loss per share:	$	$
Continuing operations	(0.01)	(0.02)
Total dilutive loss per share	**(0.01)**	**(0.02)**

As the Group is in a loss position the conversion of options to shares is not considered dilutive because conversion would cause the loss per share to decrease.

NOTE 5: CASH AND CASH EQUIVALENTS

	Consolidated	
	2021 $	2020 $
Cash at bank and on hand	1,943,539	270,860
Short-term deposits	2,000,000	1,500,000
	3,943,539	**1,770,860**

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

NOTE 5: CASH AND CASH EQUIVALENTS (CONTINUED)

	2021 $	2020 $
(i) Reconciliation of loss after tax for the year to net cash flows from operating activities		
Loss after tax for the year	(1,304,327)	(1,282,188)
Share based payment expense	6,188	242,450
Depreciation	23,758	18,842
Write off exploration expenditure	534,884	634,015
Other Income	(10,038)	-
Deferred tax asset recognised directly in equity	-	6,860
(Increase)/decrease in assets:		
Current receivables	28,828	44,951
Increase/(decrease) in liabilities:		
Current trade and other payables	(68,494)	(79,568)
Provision for employee benefits	58,254	28,488
Deferred tax liabilities	-	(205,173)
Net cash (used in) /from operating activities	**(730,947)**	**(591,323)**

Refer to note 20 for non-cash investing activities

NOTE 6: TRADE AND OTHER RECEIVABLES

GST recoverable	23,443	9,923
Prepaid expenses	14,455	8,626
Bank guarantees[1]	70,000	70,000
Government grant income	-	50,000
Accrued interest	634	4,549
Other receivables	19,740	13,999
	128,272	**157,097**

[1]$70,000 is held as security for the credit card facility and bears 0.20% interest

In determining the recoverability of a trade receivable, the Group considers any changes in the credit quality of the trade receivable from the date credit was initially granted up to the balance date. The directors believe that there is no expected credit loss provision required. There are no past due receivables.

NOTE 7: PLANT AND EQUIPMENT

	2021 $	2020 $
Non-Current Assets		
Opening balance, net of accumulated depreciation	27,201	36,826
Additions	87,887	9,217
Depreciation charge for the year	(16,207)	(18,842)
Closing balance, net of accumulated depreciation	**98,881**	**27,201**
Non-Current Assets		
Cost	158,847	70,960
Accumulated depreciation and impairment	(59,966)	(43,759)
Net carrying amount	**98,881**	**27,201**

NOTE 7: PLANT AND EQUIPMENT (CONTINUED)

The carrying value of any plant and equipment held under finance leases and hire purchase contracts at 30 June 2021 is nil (2020: nil).

NOTE 8: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	2021 $	2020 $
Costs carried forward in respect of:		
Exploration and evaluation phase – at cost		
Balance at beginning of year	7,895,409	6,910,913
Expenditure incurred	3,338,690	1,943,511
JV payments for Paterson tenements[1]	(50,000)	(325,000)
JV payments for Oakover tenements[2]	(50,000)	-
Expenditure written off[3]	(534,884)	(634,015)
Total exploration and evaluation expenditure	**10,599,215**	**7,895,409**

[1]The Group entered into farm-in and joint venture agreements (Agreements) with FMG Resources Pty Ltd (FMG) and Rio Tinto Exploration Pty Ltd (Rio) for its Paterson tenements. During the year ended 30 June 2021, FMG and Rio each paid a cash payment to the Group upon execution of the Agreements.

[2]The Group entered into farm-in and joint venture agreement (Agreement) with Black Canyon Limited (Black Canyon) for its Oakover tenements. During the year ended 30 June 2021, Black Canyon paid a cash payment to the Group upon execution of the Agreement.

[3]Capitalised exploration expenditure relating to the surrender of exploration licences or where rights to tenure is not current, have been written off in full during the year.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

NOTE 9: LEASES

	2021 $	2020 $
Amounts recognised in the balance sheet		
Rights-of-use asset		
Balance as at 1 July	-	-
Right-of-use assets recognised	47,191	-
Less: Depreciation	(7,551)	-
Closing balance, net of accumulated depreciation	**39,640**	**-**
Lease liabilities		
Balance as at 1 July	-	-
Lease liabilities recognised	47,191	-
Add: Interest	1,033	-
Less: Interest Expense per Consolidated Statement of Cash Flows	(1,033)	
Less: Payment per Consolidated Statement of Cash Flows	(5,419)	-
Closing balance	**41,772**	**-**
Current	25,250	-
Non-Current	16,522	-
Closing balance	**41,772**	**-**

NOTE 9: LEASES (CONTINUED)

The Company leases a property at Unit 3, 38 Industry Street, Malaga. The lease of the property commenced on 29 March 2021 and remains in force until 28 March 2022, with the possibility that the lease will be extended.

NOTE 10: TRADE AND OTHER PAYABLES

	2021 $	2020 $
Trade creditors	206,882	80,106
Accruals	40,291	27,673
Other creditors	19,098	39,384
	266,271	**147,163**

Trade payables are non-interest bearing and are normally settled on 30-day terms. Information regarding the interest rate and liquidity risk exposure is set out in Note 14.

NOTE 11: PROVISIONS

Employee benefits	170,738	112,483

The provision for employee benefits represents annual leave and long service leave payable.

NOTE 12: ISSUED CAPITAL

108,889,902 (2020: 77,268,871) Ordinary shares issued and fully paid	18,250,256	12,212,272

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

	2021		2020	
	No.	$	No.	$
Movement in ordinary shares on issue				
Balance at beginning of financial year	77,268,871	12,212,272	55,838,926	9,315,305
Issue of fully paid ordinary shares at $0.14 each	-	-	21,428,572	3,000,000
Exercise of unlisted options at $0.30 each	21,031	6,309	1,373	412
Issue of fully paid ordinary shares at $0.20 each	30,000,000	6,000,000	-	-
Issue of fully paid ordinary shares at $0.24 each	1,000,000	240,000	-	-
Issue of fully paid ordinary shares at $0.29 each	600,000	174,000	-	-
Share issue costs	-	(382,325)	-	(110,305)
Unwinding on deferred tax benefit of share issue costs	-	-	-	6,860
Balance at end of financial year	**108,889,902**	**18,250,256**	**77,268,871**	**12,212,272**

NOTE 12: ISSUED CAPITAL (CONTINUED)

	2021 No.	2020 No.
Movements in options and rights over ordinary shares on issue		
Number at beginning of financial year	**14,550,876**	**13,152,249**
Issue of unlisted options exercisable at $0.18 each expiring on 27/08/2023	-	1,000,000
Issue of unlisted options exercisable at $0.26 each expiring on 15/11/2023	-	750,000
Issue of unlisted options exercisable at $0.40 each expiring on 14/12/2023	750,000	-
Exercise of unlisted loyalty options at $0.30 each	(21,031)	(1,373)
Lapsing of loyalty options	(10,229,845)	
Lapsing of performance rights	(775,000)	(350,000)
Number at end of financial year	**4,275,000**	**14,550,876**

Employee Share options
The company has an Employee Share Option Plan under which options to subscribe for the Group's shares have been granted to certain employees (refer to Note 14).

NOTE 13: ACCUMULATED LOSSES AND RESERVES

	2021 $	2020 $
Accumulated losses		
Balance at beginning of financial year	(3,113,726)	(1,870,738)
Loss for the year	(1,304,327)	(1,282,188)
Transfer on lapsing of performance rights	-	39,200
Balance at end of financial year	**(4,418,053)**	**(3,113,726)**
Share-based payments reserve		
Balance at beginning of financial year	492,375	289,125
Share based payments	6,188	242,450
Transfer on lapsing of performance rights	-	(39,200)
Balance at end of financial year	**498,563**	**492,375**

Nature and purpose of reserves
Share-based payments reserve
This reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration.

NOTE 14 : SHARE BASED PAYMENT

Options

Employees (including Directors) may be issued with options over ordinary shares of the Group. Options are issued for nil consideration and are subject to vesting criteria established by the Directors of the Group. Options may be exercised at any time from the date of vesting to the date of expiry. The exercise price for employee options granted under the Group's ESOP will be fixed by the Directors prior to the grant of the option. Each employee share option converts to one fully paid ordinary share of Carawine. The options do not provide any dividend or voting rights and are not quoted on the ASX

The following share-based arrangements were issued in accordance with the Employee Share Option Plan (ESOP) of the Group:

	Number	Grant date	Expiry date	Exercise price	Fair value at grant date	Vesting date
SERIES 1	500,000	12/12/2017	12/12/2021	$0.30	$56,747	12/12/2018
SERIES 2	500,000	12/02/2018	12/02/2022	$0.40	$59,012	12/02/2019
SERIES 3	1,000,000	26/08/2019	26/08/2023	$0.18	$77,667	27/08/2020
SERIES 4	750,000	14/11/2019	15/11/2023	$0.26	$115,156	14/11/2020
SERIES 5	375,000	14/12/2020	14/12/2023	$0.40	$57,464	14/12/2021
SERIES 6	375,000	14/12/2020	14/12/2023	$0.40	$57,464	14/12/2022

The fair value of the equity-settled share options granted under the Group's ESOP is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted.

	SERIES 1	SERIES 2	SERIES 3	SERIES 4	SERIES 5	SERIES 6
Dividend yield (%)	-	-	-	-	-	-
Expected volatility (%)	90	90	84	84	114	114
Risk-free interest rate (%)	2.11	2.26	0.85	0.85	0.12	0.12
Expected life of option (years)	4	4	4	4	3	3
Exercise price (cents)	30	40	18	26	40	40
Grant date share price (cents)	20	23	14	25.5	25	25

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value. There were no share options exercised during the year.

Performance Rights

The following performance rights were in place in the current period and were subject to the Group's Performance Rights plan:

	Number	Number lapsed during the year	Grant date	Expiry date	Fair value at grant date	Share price at grant date
SERIES 1	550,000	550,000	12/12/2017	12/12/2020	$288,450	$0.20
SERIES 2	225,000	225,000	12/02/2018	12/12/2021	$103,500	$0.23

SERIES 1

During the year ended 30 June 2021, 550,000 performance rights lapsed without vesting due to not meeting vesting conditions. This expense of $110,000 was then reversed through Profit and Loss. The remaining 550,000 performance rights have the following conditions attached:

I. 550,000 Rights: the achievement of a JORC Inferred Resources of >250,000oz gold equivalent across any of the Group's Projects (for a total resource inventory of at least 500,000oz gold equivalent) within 3 years of the grant date.

NOTE 14: SHARE BASED PAYMENT PLANS (CONTINUED)

SERIES 2

During the year ended 30 June 2021, 225,000 performance rights lapsed without vesting due to not meeting vesting conditions. This expense was then reversed through Profit and Loss. The remaining 225,000 performance rights have the following conditions attached:

I. 225,000 Rights: the achievement of an additional JORC Inferred Resources of >250,000oz gold equivalent across any of the Group's Projects (for a total resource inventory of at least 500,000oz gold equivalent) within 4 years of the grant date.

On 22 September 2020, the company issued 1,000,000 shares at a deemed share price of $0.24, and the $240,000 was used for the acquisition of Tropicana North (refer to Note 20).

On 20 November 2020, the company issued 600,000 shares at a deemed share price of $0.29, and the $174,000 was used for the acquisition of Phantom Resources (refer to Note 20).

The following table illustrates the number (No.), weighted average exercise prices of, and movements in options in existence during the year:

	2021 No.	2021 Weighted average exercise price	2020 No.	2020 Weighted average exercise price
Outstanding at the beginning of the year	2,750,000	0.26	1,000,000	0.35
Granted during the year	750,000	0.40	1,750,000	0.21
Exercised during the year	-	-	-	-
Lapsed during period	-	-	-	-
Outstanding at the end of the year	**3,500,000**	**0.29**	**2,750,000**	**0.26**
Exercisable at the end of the year	2,750,000	0.26	1,000,000	0.35

The 2,750,000 options over ordinary shares with a weighted average exercise price of $0.26 each are exercisable until the relevant expiry dates.

The weighted average remaining contractual life for the share options outstanding as at 30 June 2021 is 1.81 years (2020: 2.63 years).

The range of exercise prices for options outstanding at the end of the year is $0.18 - $0.40 (2020: $0.18 - $0.40).

NOTE 15: FINANCIAL INSTRUMENTS

(a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2020.

The capital structure of the Group consists of cash and cash equivalents, debt, and equity attributable to equity holders of the Group, comprising issued capital, reserves and retained earnings. None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings.

	2021 $	2020 $
(b) Categories of financial instruments		
Financial assets		
Trade and other receivables	128,272	157,097
Cash and cash equivalents	3,943,539	1,770,860
Financial liabilities		
Trade and other payables	266,271	147,163

NOTE 15: FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives

The main risks arising from the Group's financial instruments are interest risk, credit risk and liquidity risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(d) Interest rate risk management

The Group's exposure to risks of changes in market interest rates relates primarily to the Group cash balances. The Group constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates. As the Group has no interest bearing borrowing, its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits.

	2021					2020				
	Weighted Average Interest Rate %	≤6 months $	6-12 months $	1-5 Years $	Total $	Weighted Average Interest Rate %	≤6 months $	6-12 months $	1-5 Years $	Total $
Financial assets										
Variable interest rate instruments	-	-	-	-	-	-	-	-	-	-
Fixed Interest bearing	0.10	2,000,000	-	-	2,000,000	1.25	1,500,000	-	-	1,500,000
Non-interest bearing	-	1,943,539	128,272	-	2,071,811	-	270,860	157,097	-	427,957
Total Financial Assets		**3,943,539**	**128,272**		**4,071,811**		**1,770,860**	**157,097**	**-**	**1,927,957**
Financial liabilities										
Non-interest bearing		266,271	-	-	266,271		147,163	-	-	147,163
Total Financial Liabilities		**266,271**	**-**	**-**	**266,271**		**147,163**	**-**	**-**	**147,163**

Interest rate risk sensitivity analysis

Exposure arises predominantly from assets and liabilities bearing variable interest rates as the Group intends to hold fixed rate assets and liabilities to maturity. Interest rate risk is considered immaterial.

(e) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses publicly available financial information and its own trading record to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Board of Directors periodically.

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 derivative 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 allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

(f) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

NOTE 15: FINANCIAL INSTRUMENTS (CONTINUED)

(f) Liquidity risk management (continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

2021	Carrying amount	Total Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	$	$	$	$	$	$	$
Trade and other payables	266,271	266,271	266,271	-	-	-	-
	266,271	266,271	266,271	-	-	-	-

2020	Carrying amount	Total Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	$	$	$	$	$	$	$
Trade and other payables	147,163	147,163	147,163	-	-	-	-
	147,163	147,163	147,163	-	-	-	-

(g) Fair Value

The fair value of financial assets and financial liabilities for investment not measured at fair value on a recurring basis, approximates their carrying value at balance date.

NOTE 16: COMMITMENTS AND CONTINGENCIES

Exploration commitments

The Group has certain obligations to perform minimum exploration work and to spend minimum amounts on exploration tenements. The obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Group.

Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature and amount of future expenditure beyond the next year. Expenditure may be reduced by seeking exemption from individual commitments, by relinquishing of tenure or any new joint venture agreements. Expenditure may be increased when new tenements are granted.

Commitment contracted for at balance date but not recognised as liabilities are as follows:

	2021	2020
	$	$
Within one year	387,500	588,652

Other commitments

Carawine Resources Limited has a bank guarantee of $70,000 (see details per Note 6) at 30 June 2021 (2020: $70,000).

NOTE 17: RELATED PARTY DISCLOSURE

Subsidiary Entity

The consolidated financial statements include the financial statements of Carawine Resources Limited and its wholly owned subsidiary Phantom Resources Pty Ltd.

Carawine Resources Limited is the ultimate Australian parent entity and ultimate parent of the Group. Loans made by Carawine Resources Limited to its wholly-owned subsidiary are contributed to meet required expenditure payable on demand and are not interest bearing.

Transactions with other Related Parties

During the period, Archer Geological Consulting, an entity associated with Director David Archer, invoiced the Group $58,872 for geological services outside the scope of Mr Archer's role as a Non-Executive Director, with $9,025 of the invoiced amount related to services rendered during the June 2020 financial year.

During the reporting period, following shareholder approval, 150,000 shares were issued to each of Ms Letitia Burbury and Ms Simone Archer in relation to the Company's acquisition of Phantom Resources Pty Ltd ("**Phantom**"). Ms Letitia Burbury and Ms Simone Archer are related parties by virtue of being the spouses of Directors, Mr Will Burbury and Mr David Archer respectively.

NOTE 17: RELATED PARTY DISCLOSURE (CONTINUED)

Phantom was the holder of four exploration licence applications considered prospective for gold in the Tropicana and Yamarna regions of Western Australia, all of which were included in the generation of the Company's Tropicana North Project. Further details relating to this transaction are included in the Company's Notice of Annual General Meeting released on 16 October 2020.

Will Burbury and David Archer were directors of Phantom prior to its acquisition.

There were no other transactions entered into with related parties for the June 2021 financial year.

NOTE 18: DIRECTORS AND EXECUTIVES DISCLOSURES

(A) DETAILS OF KEY MANAGEMENT PERSONNEL

The following persons acted as Directors of the Group during the financial year:

- Mr Will Burbury (Non-Executive Chairman)
- Mr David Boyd (Managing Director)
- Mr David Archer (Non-Executive Director)

(B) KEY MANAGEMENT PERSONNEL COMPENSATION

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

	2021 $	2020 $
Short-term employee benefits	367,149	388,826
Post-employment benefits	33,630	35,225
Options & rights	87,146	145,202
Total	**487,925**	**569,253**

Detailed remuneration disclosures are provided in the Remuneration Report.

(C) EQUITY HOLDINGS

Number of shares and options held by Directors and Key Management Personnel are set out in the Remuneration Report.

NOTE 19: AUDITOR'S REMUNERATION

The auditor of Carawine Resources Limited is HLB Mann Judd.

	2021 $	2020 $
Amounts received or due and receivable by HLB Mann Judd for:		
An audit or review of the financial report of the entity	28,730	28.316
Other assurance services	-	-
	28,730	**28,316**

NOTE 20: ASSET ACQUISITION

On 19 November 2020, Carawine Resources Ltd acquired Phantom Resources Pty Ltd ("**Phantom**"). Phantom is the holder of 100% of four exploration license applications being tenements E39/2150, E69/3756, E69/3757 and E69/3769. These tenements are located within the Tropicana Belt or the Biranup Zone. The acquisition involved Carawine purchasing all shares in Phantom from the shareholders of Phantom in consideration for the issue of 600,000 Carawine shares to the Phantom shareholders, and repayment of a $20,000 loan to one Phantom shareholder who is not a related party of Carawine. This transaction was approved by Carawine shareholders on 17 November 2020 at the Group's Annual General Meeting. The acquisition of Phantom by Carawine has been treated as an asset acquisition, therefore, no goodwill has been recognised. The excess consideration over net assets acquired at balance date were recognised in profit or loss as the applications cannot be capitalised under AASB 6 *Exploration for and Evaluation of Mineral Resources*.

NOTE 20: ASSET ACQUISITION (CONTINUED)

Purchase consideration	**$**
Shares in Carawine Resources Ltd (600,000 shares at $0.29 per share)	174,000
Cash paid	20,000
	194,000

The identifiable assets and liabilities recognised as a result of the acquisition are as follows:

Fair value of identifiable assets and liabilities at acquisition	**$**
Cash and cash equivalents	623
Net asset	623

Purchase consideration - outflow of cash to acquire subsidiary, net of cash	**$**
Cash consideration	20,000
Less: Cash acquired	(623)
Net outflow of cash – investing activities	19,377

NOTE 21: SEGMENT REPORTING

The Group's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision maker to make decisions regarding the Group's operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Decision Maker.

During the period, the Group operated predominantly in one segment being the minerals exploration sector in Australia. Accordingly, under the "management approach" outlined, only one operating segment has been identified and no further disclosure is required in the notes to the financial statements

NOTE 22: EVENTS AFTER THE REPORTING PERIOD

The impact of the Coronavirus (COVID-19) pandemic is ongoing as at 30 June 2021 and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is continually evolving and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than noted above, there have been no other matters or circumstances that have arisen after balance date that have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

NOTE 23: PARENT ENTITY INFORMATION

	2021	2020
	$	$
Financial Position		
Assets		
Current assets	4,059,732	1,927,957
Non-current assets	10,737,736	7,922,610
Total assets	**14,797,468**	**9,850,567**
Liabilities		
Current liabilities	462,259	259,646
Non-current liabilities	16,522	-
Total liabilities	**478,781**	**259,646**
Net Assets	**14,318,687**	**9,590,921**
Equity		
Issued capital	18,250,256	12,212,272
Reserves	498,563	492,375
Accumulated losses	(4,430,132)	(3,113,726)
Total equity	**14,318,687**	**9,560,921**
Financial Performance		
Net loss for the year	(1,316,406)	(1,282,188)
Other comprehensive income	-	-
Total comprehensive loss	**(1,316,406)**	**(1,282,188)**

1. In the opinion of the directors of Carawine Resources Limited (the 'Group'):

   a. the accompanying consolidated financial statements and notes are in accordance with the *Corporations Act 2001* including:

      i. giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year then ended; and

      ii. complying with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.

   b. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2021.

This declaration is signed in accordance with a resolution of the Board of Directors.

Mr David Boyd
Managing Director

22 September 2021

INDEPENDENT AUDITOR'S REPORT
To the members of Carawine Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Carawine Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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 the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of exploration and evaluation expenditure Refer to Note 8	
The carrying amount of exploration and evaluation expenditure as at 30 June 2021 is $10,599,215.	Our procedures included but were not limited to the following:

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of exploration and evaluation expenditure Refer to Note 8	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Company capitalises all exploration and evaluation expenditure, including acquisition costs and subsequently applies the cost model after recognition. Our audit focussed on the Company's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Company. We planned our work to address the audit risk that the capitalised expenditure may no longer meet the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of the exploration and evaluation asset may exceed its recoverable amount.	• We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest; • We considered the Directors' assessment of potential indicators of impairment; • We obtained evidence that the Company has current rights to tenure of its areas of interest; • We discussed with management the nature of planned ongoing activities; • We substantiated a sample of expenditure by agreeing to supporting documentation; and • We examined the disclosures made in the financial report.

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

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Carawine Resources Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
22 September 2021

D I Buckley
Partner

The Group was admitted to the official list of ASX on 14 December 2017. Since Listing, the Group has used its cash (and assets in a form readily convertible to cash) in a manner consistent with its business objectives. In accordance with the ASX Listing Rules, the Group is required to disclose the following information, which was prepared, based on share registry information processed up to 14 September 2021.

Ordinary Share Capital

- At 14 September 2021, 108,889,902 fully paid ordinary shares are held by 2,254 individual shareholders.

Spread of Holdings			Total Holders	Ordinary Shares
1	-	1,000	443	185,424
1,001	-	5,000	728	2,017,254
5,001	-	10,000	301	2,345,925
10,001	-	100,000	637	23,217,988
100,001	-	and over	145	81,123,311
Number of Holders/Shares			2,254	108,889,902

There number of shareholders holding less than a marketable parcel at 14 September 2021 was 787 with 789,769 shares.

Substantial Shareholders

Ordinary Shareholders	Fully Paid Ordinary Shares	
	Number	Percentage
Mr Christopher Ian Wallin & Ms Fiona Kay McLoughlin & Mrs Sylvia Fay Bhatia <Chris Wallin Super Fund A/C>	10,626,406	9.76

Voting rights

All ordinary shares carry one vote per share without restriction. Options for ordinary shares do not carry any voting rights.

Statement of Quotation and Restrictions

- Listed on the ASX are 108,889,902 fully paid shares; all of which are free of escrow conditions.
- All 3,500,000 options are not quoted on the ASX.
- All 775,000 performance rights are not quoted on the ASX.

Twenty Largest Shareholders

Details of the 20 largest shareholders by registered shareholding as 14 September 2021 are:

Ordinary Shareholders	Fully Paid Ordinary Shares	
	Number	Percentage
MR CHRISTOPHER IAN WALLIN & MS FIONA KAY MCLOUGHLIN & MRS SYLVIA FAY BHATIA	10,626,406	9.76
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,422,279	8.65
CITICORP NOMINEES PTY LIMITED	8,279,573	7.60
MR LEIGH DAVID KALAZICH	2,202,818	2.02
ITA VERO PTY LTD	2,000,000	1.84
SATORI INTERNATIONAL PTY LTD	2,000,000	1.84
MR WALTER MICK GEORGE YOVICH & MRS JEANETTE JULIA YOVICH	1,919,260	1.76
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	1,829,365	1.68
INVESTMENT HOLDINGS PTY LTD	1,500,000	1.38
CHEMCO SUPERANNUATION FUND PTY LTD	1,042,858	0.96
MISS MARGARET KATE KIRK	1,037,857	0.95
THUNDERSTRUCK INVESTMENTS PTY LTD	1,000,000	0.92
EQUITY TRUSTEES LIMITED	925,000	0.85
BNP PARIBAS NOMINEES PTY LTD	919,965	0.84
MR CRAIG MICHAEL LAKE & MRS JUDITH MAY LAKE	890,105	0.82
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD	817,944	0.75
ANDREW LOCKHART SUPER PTY LTD	800,000	0.73
MR DAVID LINDSAY ARCHER & MRS SIMONE ELIZABETH ARCHER	744,343	0.68
MR WALTER MICK GEORGE YOVICH	702,795	0.65
MS YUNHUA JIN	700,000	0.64
SWANCAVE PTY LTD	700,000	0.64
A M VAN HEYST SUPERANNUATION	700,000	0.64
COSPIQUA PTY LTD	686,698	0.63
TOTAL	**51,447,266**	**47.25**

Options

Outstanding as at 14 September 2021 were 3,500,000 unquoted options. Details are set out below:

- 500,000 options over ordinary shares with exercise price $0.30 each, expiring on 12 December 2021.
- 500,000 options over ordinary shares with exercise price $0.40 each, expiring on 12 February 2022.
- 1,000,000 options over ordinary shares with exercise price $0.18 each, expiring on 27 August 2023.
- 750,000 options over ordinary shares with exercise price $0.26 each, expiring on 15 November 2023.
- 750,000 options over ordinary shares with exercise price of $0.40 each, expiring on 14 December 2023

Outstanding as at 14 September 2021 were 775,000 unquoted performance rights. Details are set out below:

- 775,000 performance rights, expiring on 12 December 2021.

All performance rights are subject to vesting conditions.

Interests in Mining Tenements
(as of 30 June 2021)

Project	Tenement	Holder	Interest	Location	Status
Fraser Range	E28/2759	Carawine Resources Ltd	100%	Western Australia	LIVE
Fraser Range JV	E28/2374-I	IGO Newsearch Pty Ltd & Carawine Resources Ltd	30%	Western Australia	LIVE
Fraser Range JV	E28/2563	IGO Newsearch Pty Ltd & Carawine Resources Ltd	30%	Western Australia	LIVE
Fraser Range JV	E39/1733	IGO Newsearch Pty Ltd & Carawine Resources Ltd	30%	Western Australia	LIVE
Fraser Range JV	E69/3033	IGO Newsearch Pty Ltd & Carawine Resources Ltd	30%	Western Australia	LIVE
Fraser Range JV	E69/3052	IGO Newsearch Pty Ltd & Carawine Resources Ltd	30%	Western Australia	LIVE
Jamieson	EL 5523	Carawine Resources Ltd	100%	Victoria	LIVE
Jamieson	EL 6622	Carawine Resources Ltd	100%	Victoria	LIVE
Oakover JV	E45/4958	Carawine Resources Ltd	100%	Western Australia	LIVE
Oakover JV	E45/5145	Carawine Resources Ltd	100%	Western Australia	LIVE
Oakover JV	E46/1069-I	Carawine Resources Ltd	100%	Western Australia	LIVE
Oakover JV	E46/1099-I	Carawine Resources Ltd	100%	Western Australia	LIVE
Oakover JV	E46/1116-I	Carawine Resources Ltd	100%	Western Australia	LIVE
Oakover JV	E46/1119-I	Carawine Resources Ltd	100%	Western Australia	LIVE
Oakover JV	E46/1245	Carawine Resources Ltd	100%	Western Australia	LIVE
Oakover JV	E46/1301	Carawine Resources Ltd	100%	Western Australia	LIVE
Coolbro JV	E45/4847	Carawine Resources Ltd	100%	Western Australia	LIVE
West Paterson JV	E45/4871	Carawine Resources Ltd	100%	Western Australia	LIVE
West Paterson JV	E45/4881	Carawine Resources Ltd	100%	Western Australia	LIVE
West Paterson JV	E45/4955	Carawine Resources Ltd	100%	Western Australia	LIVE
Coolbro JV	E45/5229	Carawine Resources Ltd	100%	Western Australia	LIVE
Coolbro JV	E45/5326	Carawine Resources Ltd	100%	Western Australia	LIVE
Paterson	E45/5510	Carawine Resources Ltd	100%	Western Australia	LIVE
Paterson	E45/5520	Carawine Resources Ltd	100%	Western Australia	LIVE
Paterson	E45/5526	Carawine Resources Ltd	100%	Western Australia	LIVE
Coolbro JV	E45/5528	Carawine Resources Ltd	100%	Western Australia	LIVE
Thunderstruck JV	E38/3244	Carawine Resources Ltd & Thunderstruck Investments Pty Ltd	90%	Western Australia	LIVE
Thunderstruck JV	E39/1845	Carawine Resources Ltd & Thunderstruck Investments Pty Ltd	90%	Western Australia	LIVE
Fraser Range	E28/2964	Carawine Resources Ltd	100%	Western Australia	PENDING
Fraser Range	E28/2969#	Carawine Resources Ltd	100%	Western Australia	PENDING
Fraser Range	E28/3043	Carawine Resources Ltd	100%	Western Australia	PENDING
Fraser Range	E28/3112^	Carawine Resources Ltd	100%	Western Australia	PENDING
Fraser Range	E28/3116^	Carawine Resources Ltd	100%	Western Australia	PENDING
Fraser Range	E28/3119^	Carawine Resources Ltd	100%	Western Australia	PENDING
Fraser Range	E28/3144^	Carawine Resources Ltd	100%	Western Australia	PENDING
Fraser Range	E28/3146^	Carawine Resources Ltd	100%	Western Australia	PENDING
Fraser Range	E28/3147^	Carawine Resources Ltd	100%	Western Australia	PENDING
Fraser Range	E69/3788	Carawine Resources Ltd	100%	Western Australia	PENDING
Oakover	E45/5836	Carawine Resources Ltd	100%	Western Australia	PENDING
Oakover	E46/1375	Carawine Resources Ltd	100%	Western Australia	PENDING

Project	Tenement	Holder	Interest	Location	Status
Oakover	E46/1376	Carawine Resources Ltd	100%	Western Australia	PENDING
Paterson	E45/5517#	Carawine Resources Ltd	100%	Western Australia	PENDING
Paterson	E45/5629^	Carawine Resources Ltd	100%	Western Australia	PENDING
Paterson	E45/5639^	Carawine Resources Ltd	100%	Western Australia	PENDING
Paterson	E45/5688	Carawine Resources Ltd	100%	Western Australia	PENDING
Tropicana North	E38/3521	Carawine Resources Ltd	100%	Western Australia	PENDING
Tropicana North	E38/3535^	Carawine Resources Ltd	100%	Western Australia	PENDING
Tropicana North	E39/2150	Phantom Resources Pty Ltd	100%	Western Australia	PENDING
Tropicana North	E39/2180	Carawine Resources Ltd	100%	Western Australia	PENDING
Tropicana North	E39/2200	Carawine Resources Ltd	100%	Western Australia	PENDING
Tropicana North	E69/3756	Phantom Resources Pty Ltd	100%	Western Australia	PENDING
Tropicana North	E69/3757	Phantom Resources Pty Ltd	100%	Western Australia	PENDING
Tropicana North	E69/3769	Phantom Resources Pty Ltd	100%	Western Australia	PENDING
Tropicana North	E69/3798	Carawine Resources Ltd	100%	Western Australia	PENDING
Tropicana North	E69/3799	Carawine Resources Ltd	100%	Western Australia	PENDING
Tropicana North	E69/3807	Carawine Resources Ltd	100%	Western Australia	PENDING

Notes: ^ tenement applications subject to ballot; # tenement applications subject to ballot, ballot held, Carawine not priority. Changes to the Group's tenement holdings in Western Australia between 30 June 2021 and the date of this report are as follows: Exploration licences granted to Carawine Resources Ltd: E38/3535, E69/3807, E28/2759, E39/2180, E38/3521; Exploration licences granted to Phantom Resources Pty Ltd: E69/3756, E39/2150; Exploration licence applications withdrawn by the Group: E45/5836, E69/3757, E69/3769, E69/3798, E69/3799; Exploration licence applications made by the Group: E69/3933, E69/3934, E38/3653, E46/1408, E28/3160, E28/3163.

Carawine Resources

Unit 3 38 Industry Street
Malaga WA 6090

PO Box 2205
Malaga WA 6944

T +61 8 9209 2703
E info@carawine.com.au
www.carawine.com.au