



ABN 83 609 594 005

**FINANCIAL REPORT**  
FOR THE YEAR ENDED  
30 June 2021

# FINANCIAL REPORT

for the year ended 30 June 2021

CORPORATE DIRECTORY .....	1
DIRECTORS' REPORT .....	2
AUDITOR'S INDEPENDENCE DECLARATION .....	22
INDEPENDENT AUDITOR'S REPORT .....	23
DIRECTORS' DECLARATION .....	27
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME...	28
CONSOLIDATED STATEMENT OF FINANCIAL POSITION .....	29
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....	30
CONSOLIDATED STATEMENT OF CASH FLOWS .....	31
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS .....	32
ASX ADDITIONAL INFORMATION .....	54

# CORPORATE DIRECTORY

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## DIRECTORS

David Prentice (Non-Executive Chairman)  
Piers Lewis (Non-Executive Director)  
James Thompson (Executive Director)  
Mr Robert Klug (Non-Executive Director)

## COMPANY SECRETARY

Sebastian Andre

## REGISTERED OFFICE

295 Rokeby Road  
Subiaco WA 6008

## POSTAL ADDRESS

PO Box 866  
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## PRINCIPAL PLACE OF BUSINESS

Suite 1, 295 Rokeby Road  
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## CONTACT INFORMATION

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## AUDITORS

HLB Mann Judd (WA) PARTNERSHIP  
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Perth WA 6000

## SHARE REGISTRY

Automic Share Registry  
Level 2, 267 St Georges Terrace  
Perth WA 6000

1300 288 664 (Local)  
+61 2 9698 5414 (International)  
[www.automic.com.au](http://www.automic.com.au)

## BANKER

National Australia Bank  
Level 1 / 1238 Hay Street  
West Perth WA 6005

## SECURITIES EXCHANGE LISTING

Australian Securities Exchange (**ASX**)  
Level 40, Central Park  
152-158 St George's Terrace  
Perth WA 6000

**ASX CODE: NRX**

# DIRECTORS' REPORT

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The directors of Noronex Limited (formerly known as Lustrum Minerals Limited) (**ASX:NRX**) (**Company** or **Noronex**) and its controlled entities (**Group**) submit here with the financial report of the Company for the financial year ended 30 June 2021 (**year**). In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

The names, appointment periods and particulars of the Company directors who held office during the year are:

Director	Position
Mr David Prentice	Non-Executive Chairman
Mr Robert Klug	Non-Executive Director (Appointed 5 November 2020)
Mr Luke Hall	Non-Executive Director (Resigned 13 May 2021)
Mr Piers Lewis	Non-Executive Director
Mr James Thompson	Executive Director (Appointed 13 May 2021)

The names of the secretaries in office at any time during or since the end of the year are:

Company Secretaries	Position
Mrs Loren Anne King	Company Secretary (Resigned 30 November 2020)
Mr Sebastian Andre	Company Secretary (Appointed 30 November 2020)

## INFORMATION ON DIRECTORS AND KEY MANAGEMENT PERSONNEL

Information on Directors as at the date of this report is as follows:

### MR DAVID PRENTICE NON-EXECUTIVE CHAIRMAN

David is a senior resources executive with 28 plus years domestic and international experience. David started his career working in commercial and business development roles within the resources sector working for some of Australia's most successful gold and nickel exploration and production companies.

During the last 15 years David has gained international oil and gas exploration and production sector experience (with a specific focus on the Mid-Continent region of the United States) working in both executive and non-executive director roles with Australian publicly traded companies. David is currently Managing Director of Brookside Energy Limited (ASX: BRK), a non-executive director of Comet Resources Limited (ASX: CRL) and a director of Oklahoma unlisted company Black Mesa Production, LLC.

### MR PIERS LEWIS NON-EXECUTIVE DIRECTOR

Piers Lewis has over 20 of years corporate advisory experience with various ASX and AIM listed companies and is a fellow of the Governance Institute of Australia. Piers completed a Bachelor of Commerce at the University of Western Australia and is a member of Chartered Secretaries Australia. In 2001 he qualified as a Chartered Accountant with Deloitte (Perth), and brings extensive and diverse financial and corporate experience from previous senior management roles with Credit Suisse (London); Mizuho International, ABN Amro and NAB Capital and in 2011 Piers founded Smallcap Corporate, a Corporate Advisory services company.

Piers currently serves as chairman of Aurumin Limited and previously served as a director of Cycliq Group (ASX:CYQ), eSense Labs (ASX:ESE), Ultima United Limited (ASX: UUL) and Manalato Limited (ASX:MTL).

# DIRECTORS' REPORT

## MR LUKE HALL

NON-EXECUTIVE DIRECTOR (resigned 13 May 2021)

## MR ROBERT KLUG

NON-EXECUTIVE DIRECTOR (appointed 5 November 2020)

Mr Klug is an experienced resources executive with a career spanning more than 20 years in corporate development, legal and commercial roles. Mr Klug has worked in small to mid-cap mining and exploration companies with his most recent role as Chief Commercial Officer and General Counsel of Sandfire Resources (Sandfire). At Sandfire, Mr Klug oversaw copper sales and marketing and was a key part of Sandfire's successful acquisition of MOD Resources in Botswana.

Mr Robert Klug has not been a director of any ASX listed Company for the last 3 years.

## MR JAMES THOMPSON

EXECUTIVE DIRECTOR (appointed 13 May 2021)

James has been a founder and director of numerous ASX-listed and private resource companies over the last decade in the base, precious and battery metals sectors. His involvement has encompassed multiple phases of the junior resources company life cycle, from project generation, capital raising M&A and operations through to exit. James is familiar with the Company's projects – since 2018 he has been a director of the recently acquired subsidiaries which hold the copper projects.

His 25-year career includes significant investment experience with firms including Macquarie Bank, Quadrant Private Equity and Viburnum Funds. James has a Bachelor of Commerce and Bachelor of Laws and commenced his career as a chartered accountant with KPMG.

Mr James Thompson has not been a director of any ASX listed Company for the last 3 years.

## DIRECTOR MEETINGS

The following table sets out information in relation to Board meetings held during the year:

Director	Eligible to Attend	Attended
Mr David Prentice	6	6
Mr Luke Hall	4	4
Mr Piers Lewis	6	6
Mr James Thompson	2	2
Mr Robert Klug	6	6

## DIRECTORS' SHAREHOLDINGS

At the date of this report the following table sets out the current directors' relevant interests in shares and options of the Company and the changes during the year ended 30 June 2021:

Director	Ordinary Shares	
	Current holding	Net increase/(decrease)
Mr David Prentice	1,000,000	-
Mr James Thompson	24,968,226	-
Mr Piers Lewis	1,150,000	-
Mr Robert Klug	400,000	-

## DIRECTORS' REPORT

Director	Options	
	Current holding	Net increase/(decrease)
Mr David Prentice	3,000,000	-
Mr James Thompson	-	-
Mr Piers Lewis	3,000,000	-
Mr Robert Klug	3,000,000	-

## OPERATING RESULTS

The Group has incurred a net loss after tax for the year ended 30 June 2021 of \$2,174,072 (30 June 2020: \$695,493).

## REVIEW OF OPERATIONS

Noronex Ltd is an ASX listed mineral exploration company. Its target commodities include base and precious metals with a focus on copper. In November 2020 the Company acquired a portfolio of copper projects that are located in Namibia on the Kalahari Copper Belt and in Ontario, Canada and raised \$4.3m to progress its exploration programs. The projects range from advanced deposits with JORC (2012) compliant resources to early stage exploration prospects.

Noronex's strategy is to target district-scale copper projects, where modern technology and updated geological interpretations can be used to rapidly expand existing high grade JORC (2012) resources and find new ore bodies.

## PROJECT AND EXPLORATION SUMMARY

### Copper Projects in Namibia and Canada

#### Namibia

The Namibian Projects comprise three exclusive prospecting licences (Prospecting Licences) covering 78,000Ha that are prospective for sedimentary Cu-Ag mineralisation along the prolific Kalahari Copper Belt that spans Namibia and Botswana. The Namibian Projects have seen over 150,000m of historic RC and diamond drilling that has delineated extensive copper mineralization and numerous deposits. The belt also hosts the Zone 5 deposit (owned by private equity backed Cupric Canyon) and Sandfire Resources' (ASX:SFR) Motheo/ T3 deposit (acquired in the MOD Resources (ASX:MOD) acquisition in 2019).

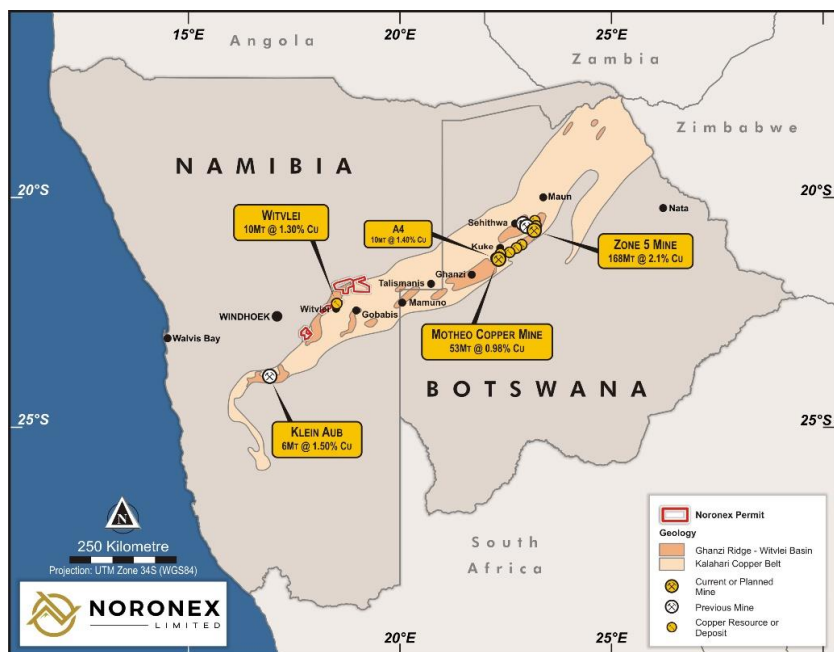


Figure 1: Property Location Map showing claim locations in central Namibia

The Namibian Project areas are located in central Namibia (see figure 1 above) on the Kalahari Copper belt, 150kms east and 100kms south-east respectively of the capital, Windhoek. Key infrastructure includes an airport (one hour), paved road and rail which intersects the Witvlei properties. There are other mines in similar proximity to Windhoek including copper, gold, and uranium mines. The Namibian Projects consist of the flagship Witvlei Project (EPLs 7028 and 7029) and also the Dordabis Project (EPL 7030) (see figure 2 below).

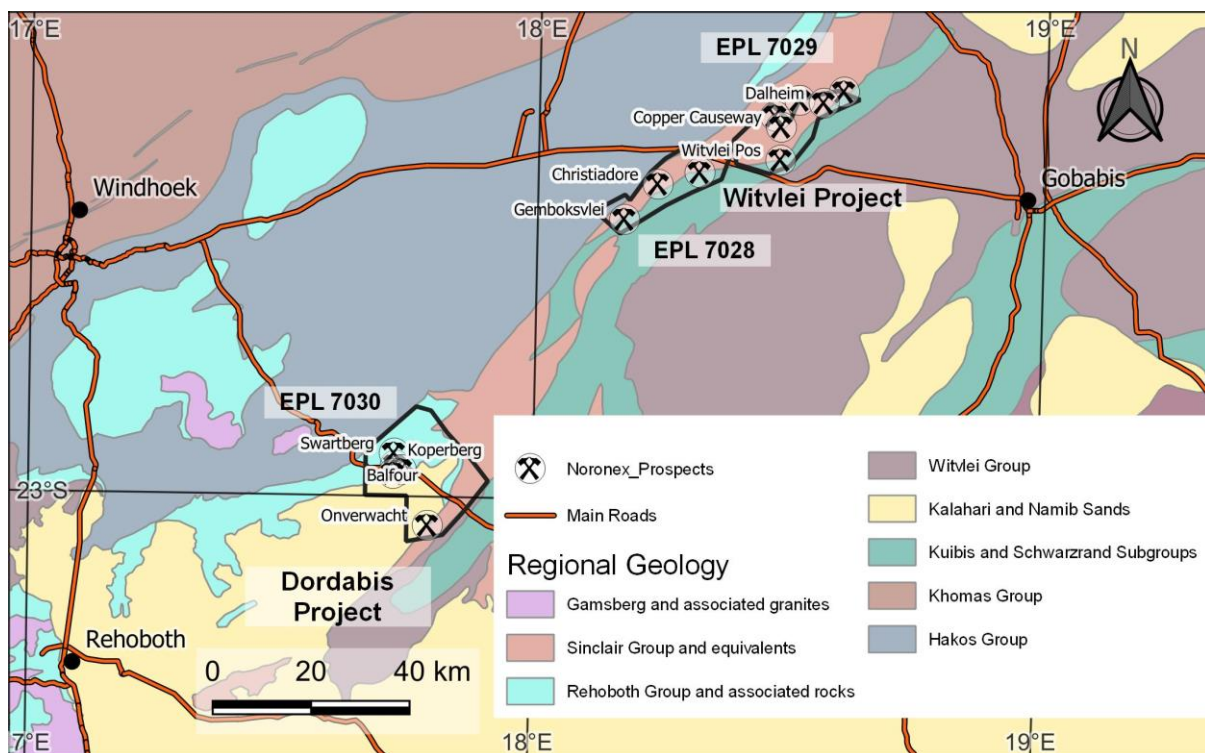


Figure 2 Map showing Noronex's Witvlei and Dordabis project areas in the Kalahari Copper Belt

# DIRECTORS' REPORT

## Namibian Mineral Resources

During the year the company engaged The MSA Group (Pty) Ltd (MSA) to report the Mineral Resources for the DorWit copper deposits in accordance with the JORC Code, 2012 Edition.

The Namibian Projects (The Projects) consist of the Witvlei (EPLs 7028 and 7029) and Dordabis Projects (EPL 7030). The Namibian Projects have 150,000 metres of reverse circulation and diamond drilling, the majority of which was drilled between 2005 and 2008 by a previous company West African Gold Exploration (Namibia) (Pty) (WAGE), which have identified extensive copper mineralisation within the Kalahari Copper Belt.

Malachite Pan, Okasewa and Christiadore deposits form part of the Witvlei Project, which is located within a 30 kilometre north easterly trending belt of Mesoproterozoic sediments of the Eskadron Formation comprising altered andesitic breccias, red to grey siltstones and minor limestone (2).

The Koperberg deposit forms part of the Dordabis project area, which is characterised by a series of north-easterly trending belts of Mesoproterozoic Sinclair-age volcanoclastic sediments and Damaran age metasediments (2).

## Annual Mineral Resource Statement

The consolidated Mineral Resource for the DorWit Project, reported in accordance with the guidelines of the JORC Code (2012), is shown in Table 1. There have been no changes to these minerals resources since the Company announced the resource on 8 March 2021

**Table 1:** DorWit Consolidated Mineral Resources at a cut-off grade of 0.5% Cu as at 01 March 2021

Deposit	Oxidation State	Classification Category	Tonnes (Millions)	Cu (%)	Ag (ppm)	Cu content (kilo tonnes)
Malachite Pan	Oxide	Indicated	0.11	1.30	7	1.4
		Inferred	0.04	1.19	7	0.4
		<b>Total</b>	<b>0.15</b>	<b>1.27</b>	<b>7</b>	<b>1.8</b>
	Fresh	Indicated	2.81	1.39	8	39.2
		Inferred	0.51	1.17	6	6.0
		<b>Total</b>	<b>3.32</b>	<b>1.36</b>	<b>8</b>	<b>45.2</b>
	<b>All</b>	<b>Total</b>	<b>3.47</b>	<b>1.36</b>	<b>7</b>	<b>47.0</b>
Okasewa	Oxide	Inferred	0.09	1.24	4	1.1
	Fresh	Inferred	4.28	1.15	4	49.2
	<b>All</b>	<b>Total</b>	<b>4.36</b>	<b>1.15</b>	<b>4</b>	<b>50.3</b>
Christiadore	Oxide	Inferred	0.02	0.98	-	0.2
	Fresh	Inferred	0.93	1.62	-	15.0
	<b>All</b>	<b>Total</b>	<b>0.95</b>	<b>1.61</b>	<b>-</b>	<b>15.2</b>
<b>Total Witvlei (Malachite Pan Okasewa Christiadore)</b>	Oxide	Indicated	0.11	1.30	7	1.4
		Inferred	0.14	1.19	-	1.7
		<b>Total</b>	<b>0.25</b>	<b>1.24</b>	<b>-</b>	<b>3.1</b>
	Fresh	Indicated	2.81	1.39	8	39.2
		Inferred	5.72	1.23	-	70.3



## DIRECTORS' REPORT

		<b>Total</b>	<b>8.53</b>	<b>1.28</b>	<b>-</b>	<b>109.4</b>
	<b>All</b>	<b>Total</b>	<b>8.78</b>	<b>1.28</b>	<b>-</b>	<b>112.5</b>
Koperberg	Oxide	Inferred	0.29	1.05	-	3.0
	Fresh	Inferred	0.91	1.10	-	10.0
	<b>All</b>	<b>Total</b>	<b>1.19</b>	<b>1.09</b>	<b>-</b>	<b>13.0</b>
<b>Total DorWit</b>	Oxide	Indicated	0.11	1.30	7	1.4
		Inferred	0.43	1.10	-	4.7
		<b>Total</b>	<b>0.54</b>	<b>1.14</b>	<b>-</b>	<b>6.2</b>
	Fresh	Indicated	2.81	1.39	8	39.2
		Inferred	6.62	1.21	-	80.2
		<b>Total</b>	<b>9.43</b>	<b>1.27</b>	<b>-</b>	<b>119.4</b>
	<b>All</b>	Indicated	2.92	1.39	-	40.6
		Inferred	7.05	1.20	-	85.0
		<b>Total</b>	<b>9.97</b>	<b>1.26</b>	<b>-</b>	<b>125.6</b>

**Notes:**

1. All tabulated data have been rounded and as a result minor computational errors may occur.
2. Mineral Resources which are not Ore Reserves have no demonstrated economic viability.
3. The Mineral Resource is reported as 100% of the Mineral Resource for the project.
4. The Mineral Resource is reported for mineralisation contained within Whittle optimised pit shells above a cut-off grade of 0.5% Cu, which is based on a copper price of USD 10,000/t, mining costs of USD 3/t ore and USD 2.5/t waste, processing and treatment costs of USD 13/t (mined), G&A USD 2/t (mined), 3% royalty, 2% sales cost, pit slope 45° oxide and 55° fresh, mining dilution 5%, mining recovery 95%, concentrate recovery 90%.

### Witvlei Project

The Witvlei Project is located within a north easterly trending belt of Mesoproterozoic Sinclair Age sediments (the Eskadron Formation) comprising altered andesitic breccias, red to grey siltstones and minor limestone. Extensive deformation has resulted in folding about northeast-southwest trending axes, with fold cores containing exposed basement age rocks (Rehoboth Age) comprising dioritic intrusive, mafic to intermediate volcanic and volcanoclastic rocks. Copper mineralisation is typically located within argillites and localised marls within the Eskadron Formation. The prospect areas are covered to a large extent by a veneer of Tertiary to Quaternary age Kalahari Group sediments.

Key project areas have been defined at Witvlei with resources reported at Malachite Pan, Okasewa and Christiadore. Limited drilling has also been completed at Christiadore North, Witvlei Pos, Otjiwaru, Copper Causeway and Gemsbockvlei (see Figure 3 below).

Mineralisation at Witvlei generally occurs as disseminated chalcopryrite and chalcocite predominantly within massive to banded limestone/marl units with locally developed graphitic partings. Oxidation is to a general depth of approximately 5 m, with some locally deeper oxidation.

Drilling was predominantly completed by WAGE between 2005 to 2008, predominantly reverse circulation (RC) holes with some diamond drillholes for the purpose of defining the Mineral Resource. The holes were generally drilled in a grid pattern of 40 m by 40 m.

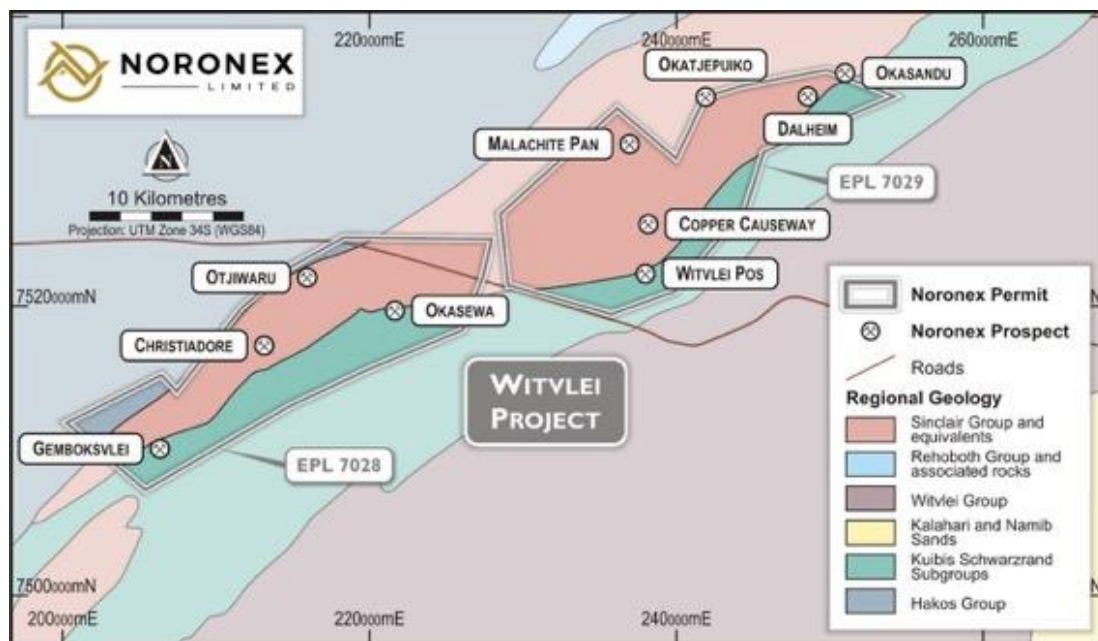


Figure 3: Witvlei Project mineral deposits and prospects.

## Dordabis Project

The Dordabis project area is characterised by a series of north-easterly trending belts of Mesoproterozoic Sinclair-age volcanoclastic sediments and Damaran age metasediments (comprising Nosib and Nama Groups) that are separated by later low angle northeast trending thrust faults formed during the Damaran Orogeny. The area has had varying intensities and phases of folding (dominated by northeast trending fold axes), with the Sinclair equivalents displaying the most intense deformation as shown by regional scale airborne magnetics.

At Koperberg, the primary sulphide (chalcocite,  $\text{Cu}_2\text{S}$ ) is oxidised down to approximately 35 m below surface and this was the initial target for a previously proposed exploitation of the deposit. Chrysocolla is the main mineral in the oxide ore, followed by malachite.

## 2021 Exploration Program

In January 2021, Noronex appointed NRG to commence an aerial electromagnetic (EM) survey on its Namibian Projects. The EM survey is the first ever state-of-the-art airborne survey to be undertaken on the project areas. The use of significantly improved modern technology and update geophysical interpretation is intended to generate new exploration targets to expand on 150,000m of historic RC and diamond drilling that has already identified numerous sedimentary Cu-Ag deposits. The contractor NRG commenced flying the Witvlei project in early January and completed its survey in March 2021.

In March 2021 the company released a maiden JORC (2012) resource estimate (see ASX Release dated 8 March 2021 "10Mt @ 1.3% Cu Mineral Resources at Namibian Dorwit Project") based on historic drill results.

In May 2021, final data from the airborne electromagnetic (EM) survey (4,200 line kilometres) was received and processed for target generation purposes. Detailed analysis was also undertaken of over 7,000 soil samples (multi element geochemical surveys) which has identified significant zones with Cu anomalies. These soil samples post date all previous historic drilling and have never been followed up.

## DIRECTORS' REPORT

Five high priority copper prospects have now been defined for drill testing (see "Target Areas" in figure 4 below) for large scale sediment hosted copper deposit at the Witvlei project. These include:

- sub-cropping copper at Dalheim with two-kilometre strike extent
- gossan float at Gemboksvlei on a one-kilometre-long copper soil anomaly
- outcropping copper at Otjiwaru over an 800m wide zone
- a 2.5 by 1.2 km copper in soil anomaly in an altered structural zone south of Okasewa
- unexplained copper soil anomalies at Christiadore prospect

All new target zones are outside the existing JORC compliant resource.

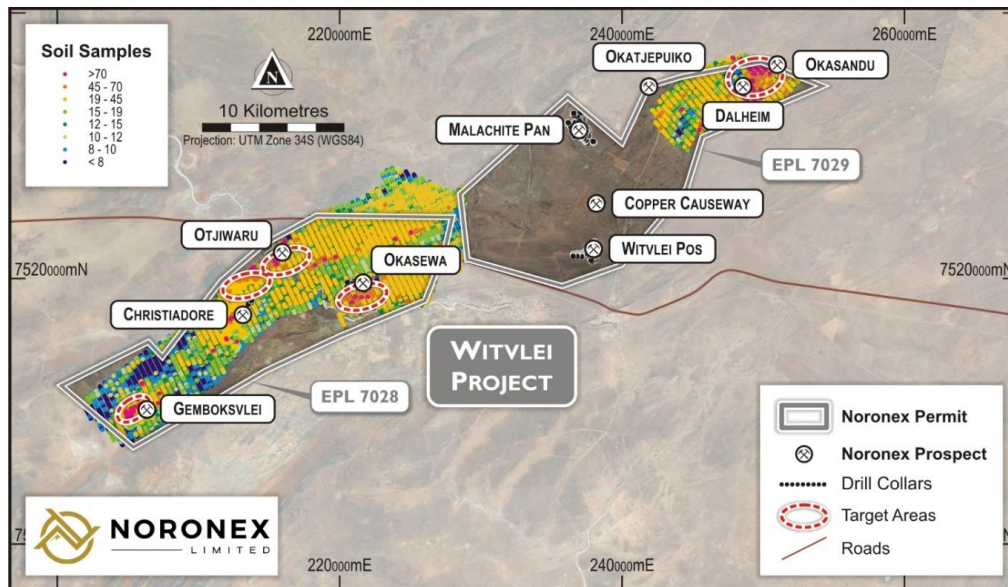


Figure 4: Copper geochemistry data from over 7,000 soil samples in West Witvlei and from the Dalheim region. Target areas for drilling are highlighted.

Field visits by the Noronex team were undertaken in May and June 2021 to finalise drill planning at the Witvlei Copper Project which spans over 50kms of the prolific Kalahari Copper Belt in Namibia. Access agreements to commence the drilling program were also signed with landowners. These agreements include restrictions to be followed during the current COVID outbreak and ongoing requirements to complete the drilling.

TrialIP surveys were planned at Gemboksvlei and Okasewa to define their IP signature and a fifty-hole program to test targets were planned.

The IP survey at Gemboksvlei commenced in late July and a 10,000m RC drill program commenced in August 2021 with drilling expected to continue for 3 to 4 months.

### Competent Persons Statements

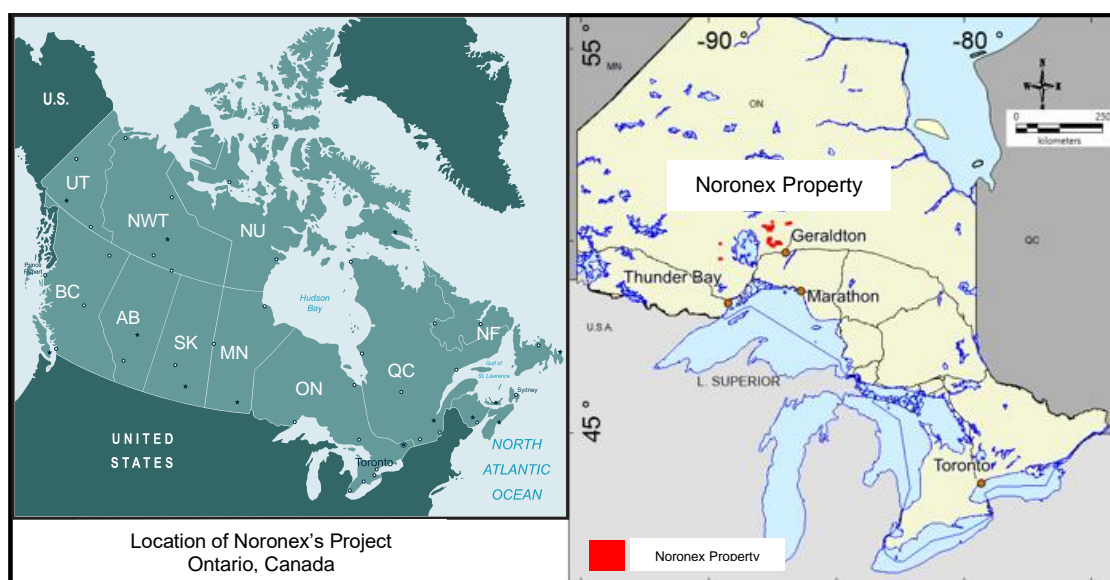
The information in this report that relates to Exploration Results at the DorWit Copper Project is based on information compiled by Mr Bruce Hooper who is a Registered Professional Geoscientist (RPGeo) of The Australian Institute of Geoscientists. Mr Hooper is a consultant to Noronex Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hooper consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## DIRECTORS' REPORT

The information in this report that relates to Mineral Resource estimate has been prepared under the supervision of by Mr. J.C. Witley (BSc Hons, MSc (Eng.)) who is a geologist with more than 30 years' experience in base and precious metals exploration and mining as well as Mineral Resource evaluation and reporting. He is a Principal Resource Consultant for The MSA Group (an independent consulting company), is registered with the South African Council for Natural Scientific Professions ("SACNASP") and is a Fellow of the Geological Society of South Africa ("GSSA"). Mr. Witley has the appropriate relevant qualifications and experience to be considered a "Competent Person" for the style and type of mineralisation and activity being undertaken as defined by the 2012 Edition of the JORC Code.

### Canadian Projects

The Canadian Projects consist of claims with known copper deposits and copper prospectivity in central Ontario, 200kms northeast of the town of Thunder Bay (Figure 5), a key regional centre with significant access to mining expertise, personnel, and equipment. The Canadian Projects are accessed from the towns of Geraldton or Beardmore just east of Lake Nipigon. Key infrastructure includes road (TransCanada Highway), nearby rail (Canadian National Railway Line is 20kms away) and power. There are also numerous logging and mining operations in the areas providing excellent access to the claim areas.



**Figure 5:** Noronex Projects in Ontario, Canada

The key Project areas include Onaman, Kupfer, Ryan Block A, Ryan Block B and Amukun (see figure 6 below). Ontario has allowed for near term expenditure deferral of up to 12 months on some claims due to the Covid-19 situation and Noronex's Ontario tenement manager has successfully applied for deferrals for expiring claims during the period. Based on recent government pronouncements this deferral regime is expected to end in October 2021.

The most significant mineral asset in Canada is the Onaman property (Onaman Project), where the Lynx copper-gold-silver VMS deposit is at an advanced stage of exploration. The Onaman Project includes outcropping mineralisation and hosts numerous other deposits and prospects along strike from Lynx including Headway (Zn-Ag), Cane (Au) and Cane (Cu) which have only seen limited exploration. Lynx is located 5kms south-west from the historic producing Tashota-Nipigon Au-Ag-Cu mine.



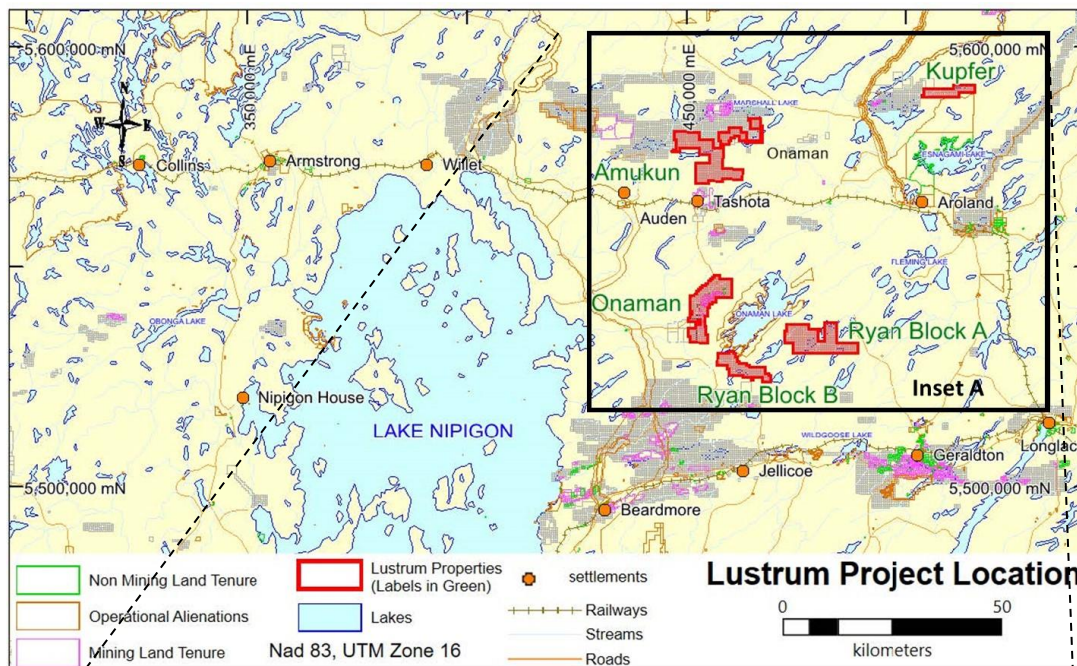
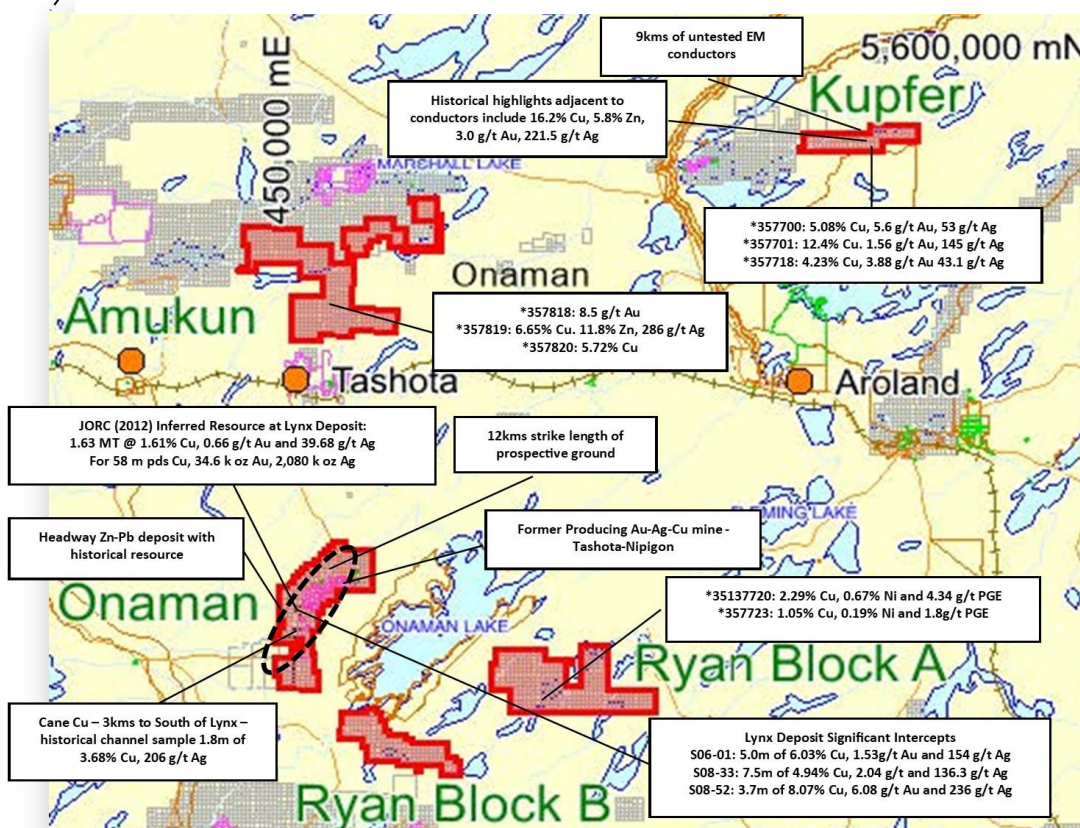


Figure 6: Project locations showing road and rail access to the east of Lake Nipigon



Inset A: Location of JORC (2012) resource estimate at Lynx, historical drilling and Noronex sampling\*  
Note that insufficient information is available to verify historical assays

## DIRECTORS' REPORT

During the period the Company undertook a program of line cutting to clear ground ahead of a geophysics program near the known Lynx deposit. Abitibi then followed up with an 11km ground EM program on prospective areas near the known Lynx deposit, in particular near the high grade southern end of the project (Lynx South) targeting continuation of the known outcrop at depth. The survey results were received in August and, subject to survey results and interpretation, planning for additional drilling in the area is being undertaken.

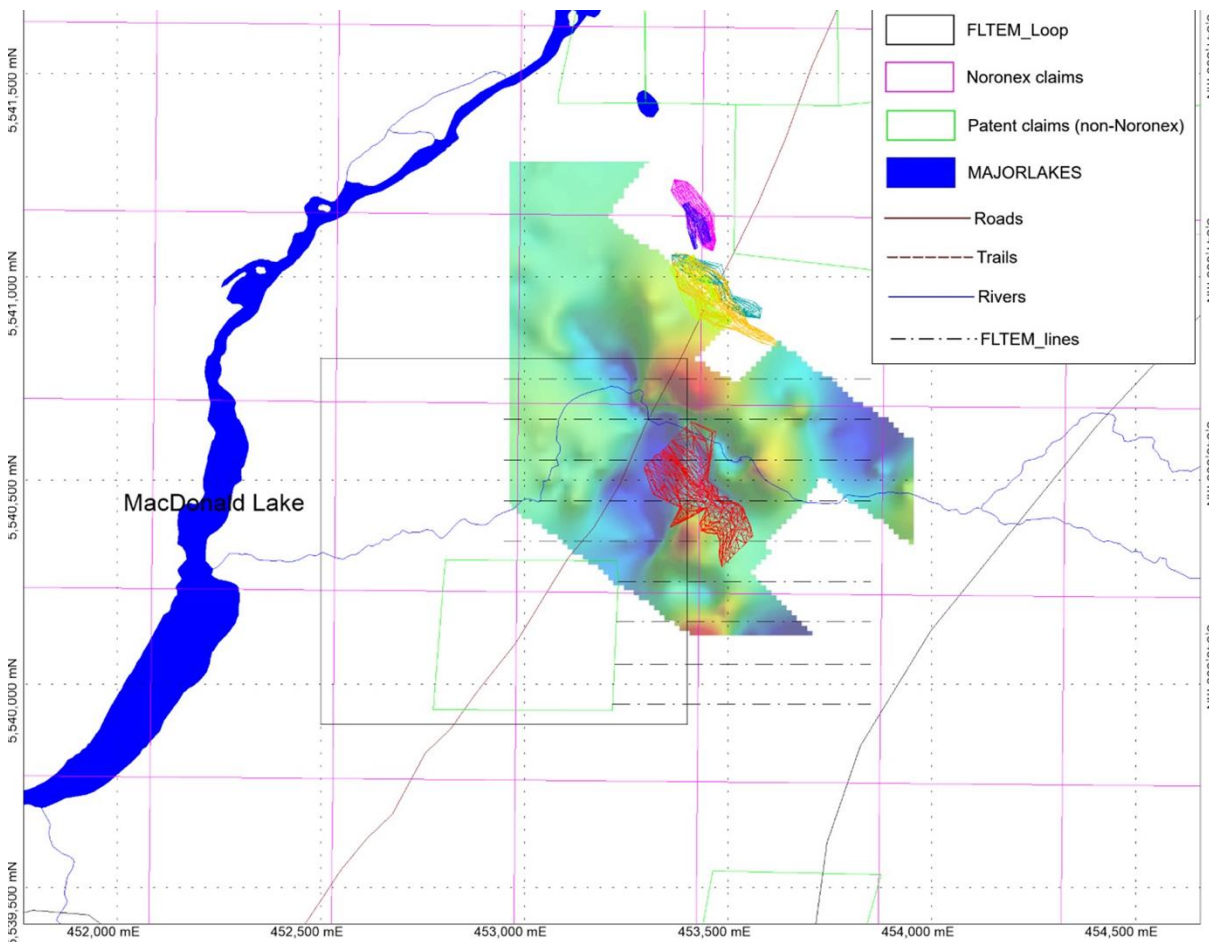


Figure 7: Lynx deposit showing Lynx South (in red) and east-west FLTEM lines to test for extensions

The EM program comprised of a fixed loop time-domain electromagnetic (TDEM) ground survey along cut lines over the Lynx South deposit (see Zone 7 in Table 1 below) and surrounding area. The Zone 7 lens is estimated to contain a near-surface inferred resource of 586,540 tonnes grading 1.79% Cu, 0.92 g/t Au and 46.25 g/t Ag, or nearly 1/3 of the total resource for the Lynx deposit (see ASX release 23 July, 2020). The deposit dips steeply to the southwest and is coincident with several historical HeliGEOTEM anomaly picks across a number of flight lines. The northwestern portion of Zone 7 is also coincident with a conductor identified by a historical HLEM (MaxMin) survey undertaken for Sage Gold Inc. These historical surveys indicate the presence of electromagnetic conductors that lie outside of, but are contiguous with, defined resources.

The new ground survey was completed by Abitibi Geophysics of Val-d'Or, Quebec using the AMRIT TDEM sensor. The results of this survey were received during August and will be used to validate and modify the positions of 4 drill holes previously approved by the Ontario Ministry of Energy, Northern Development and Mines. These holes are intended to test for down-dip and along-strike extensions of the sulphide mineralization in the Zone 7 lens.

## DIRECTORS' REPORT

The Onaman Project has had 18,992m of historical diamond drilling carried out by previous owners to date with significant drill intercepts including:

Project Name	Drill hole	Intercept
Onaman, Canada <sup>1</sup>	S06-01:	5.0m @ 6.03% Cu, 1.53g/t Au and 154g/t Ag from 96m
	S08-33:	7.5m @ 4.94% Cu, 2.04g/t Au and 136.3 g/t Ag from 111m
	S08-52:	3.7m @ 8.07% Cu, 6.08g/t Au and 236 g/t Ag from 195m

*1 Intervals given are down-hole measured thicknesses; true thicknesses are an average of 84% of these values.*

In June 2020, a JORC (2012) compliant resource (reported by G. Kirkham) was completed at the Lynx deposit representing approximately 600 metres of a 12km trend of mineralisation on the Onaman property. Inferred Mineral Resources with reasonable prospects for eventual economic extraction have been estimated at Lynx in conformance with the JORC Code (2012) as detailed in Table 2 of the ASX release dated 8 July 2020.

Zone	Tonnes	Cu%	Au gpt	Ag gpt	Cu pounds	Au ounces	Ag ounces
1	233,037	1.71	0.56	52.01	8,798,433	4,200	389,643
2	96,455	1.75	0.29	38.67	3,716,379	912	119,909
3	132,400	2.01	1.16	42.66	5,864,124	4,927	181,590
4	179,899	1.64	0.38	36.35	6,522,738	2,179	210,221
5	420,292	1.15	0.41	24.66	10,609,378	5,555	333,268
7	568,540	1.79	0.92	46.25	22,441,679	16,829	845,401
<b>Total</b>	<b>1,630,623</b>	<b>1.61</b>	<b>0.66</b>	<b>39.68</b>	<b>57,952,730</b>	<b>34,602</b>	<b>2,080,032</b>

Table 2: Inferred Mineral Resource estimates for the Lynx Project

*Notes: Mineral Resources are reported at a 0.5 g/t CuEq block cut-off (within open pit constraints) or a 1.0 CuEq block cut-off (below open pit constraints), and classified in accordance with the JORC Code (2012) by Kirkham Geosystems Ltd. Metal equivalents were calculated using appropriate prices and recoveries as outlined in JORC Table included in Schedule 5 and using the following equation:  $CuEq = 0.85 * Cu (\%) + 0.343 * Au (g/t) + 0.004 * Ag (g/t)$ . Tonnage is reported as dry tonnes.*

### Competent Person's Statements

The information in this report that relates to Exploration Results on the Candian Projects is based on information compiled by Dr Dennis Arne, a Competent Person who is a Registered Professional Geoscientist and Member of the Australian Institute of Geoscientists (AIG #1294). Dr Arne has sufficient experience relevant to the style of mineralisation, the types of deposits under consideration, and to the activity that was 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'. Dr Arne is an independent consultant employed by Telemark Geosciences Pty Ltd and consents to the inclusion in this report the matters based on this information in the form and context in which it appears.

The information in this report that relates to Mineral Resources on the Candian Projects is based on information compiled by Mr Garth Kirkham. Mr Kirkham is an independent consultant employed by Kirkham Geosystems and is a member of a 'Recognised Professional Organisation' (RPO) included in a list posted on the ASX website from time to time (Professional Geoscientist, Engineers and Geoscientists BC, previously known as the Association of Professional Engineers and Geoscientists of British Columbia, Canada). Mr Kirkham has sufficient experience relevant to the style of mineralisation, type of deposit under consideration, and to the activity undertaken to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC code). Mr Kirkham consents to the inclusion of this information in the form and context in which they occur.



# DIRECTORS' REPORT

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## Queensland Project

At the end of the Period, the Company maintained interests in EPCs 2327, 2318 and 2332 in Queensland. ("Queensland Project")

EPC 2327 and 2318 have previously been the focus of the Company's exploration efforts and host the key assets of the Queensland Project. EPC 2332 is not considered a material tenement in the Queensland Project and is not a material asset of the Company. Following the end of the Period, the decision was made to allow EPC 2332 to expire.

The Company is currently reviewing the proposed forward plan for the Queensland Project including possible divestment opportunities.

## CORPORATE

During the period, Noronex successfully completed the acquisition of copper projects in Namibia and Canada (as per the prospectus dated 16 September 2020), finalised a capital raising of \$4.3m and was reinstated to official quotation on the ASX following re-compliance with Chapters 1 and 2 of the ASX Listing Rules. The Company also held its Annual General Meeting, changed its name from Lustrum Minerals Ltd to Noronex Ltd, changed its principal place of business and appointed a new company secretary.

Experienced resources executive, Mr Robert Klug joined the board as a non-executive director. Mr Klug was most recently the Chief Commercial Officer at Sandfire Resources Limited (ASX: SFR), the owner of the De Grussa Cu-Au mine in Western Australia. He was a key part of the team that successfully completed the \$160m acquisition of ASX-listed MOD Resources Ltd (ASX: MOD), the owner of the T3 Cu-Ag project on the Kalahari Copper Belt, Botswana.

During the period the Company also established the Noronex Technical Advisory Board ("Advisory Board") to drive planning and execution of the Company's current exploration plans and oversee technical due diligence activities.

The Advisory Board includes:

- Mr Bruce Hooper, a highly experienced resources executive and geologist who was most recently the Chief Exploration & Business Development Officer at Sandfire Resources Ltd (ASX: SFR). Sandfire is the owner of the De Grussa Cu-Au mine in Western Australia and the owner of the T3 Cu-Ag deposit on the Kalahari Copper Belt in Botswana; and
- Dr Dennis Arne, who was recently the Managing Director of CSA Global Canada. Dr Arne is a geologist with nearly 40 years' experience in economic geology and exploration geochemistry globally. He has been involved in exploration programs for a variety of commodities in the Yukon, Nunavut, Quebec and Ontario in Canada, the USA, Australia, Suriname, Sudan and Laos.

On 13 May, Mr Luke Hall resigned as a non-executive director and Mr James Thompson was appointed as an executive director.

## CAPITAL MANAGEMENT

The Company maintains 151,594,676 fully paid ordinary shares on issue and \$3,010,919 in cash as at the end of the year.



# DIRECTORS' REPORT

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## SIGNIFICANT EVENTS AFTER THE BALANCE DATE

As announced on 21 September 2021 the Company has signed a new joint venture agreement with Heyn Ohana Investments (Pty) Ltd ("HOI") over the Snowball Copper Project. The Joint Venture Agreement provides the Company with a period of 60 days to conduct due diligence on the Licences and the Snowball Project generally. On satisfactory completion of due diligence, the Company will reimburse HOI for third party costs incurred by HOI on the Licences (capped at A\$80,000) and pay a monthly fee of A\$4,000 to shareholders of HOI while continuing to explore the tenements.

Noronex agreed in September 2021 to undertake a placement (Placement) of 37,891,667 fully paid ordinary shares (Shares) at 12c per Share to raise \$4,547,000 (before fees). The Placement was completed on the 29<sup>th</sup> of September 2021.

At the time of this report there were no further events subsequent to the reporting date that required disclosure.

## PRINCIPAL ACTIVITIES

The Company is a mineral exploration company and was incorporated for the purpose of assessing opportunities in the natural resources sector.

The Company is mindful that it must constantly assess new opportunities for the Company to ensure the long-term creation of shareholder value.

## SIGNIFICANT CHANGE IN THE STATE OF AFFAIRS

During the year the Company reinstated to official quotation on the ASX on 17 November 2020 and completed the acquisition of copper projects in Namibia and Canada as set out in the Company's Prospectus dated 16 September 2020. The Company changed its name to "Noronex Limited" from Lustrum Minerals Limited, effective 6 November 2020.

There were no other significant changes in the state of affairs of the Group other than as referred to elsewhere in this consolidated report and in the accounts and notes attached thereto.

## FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Further information, other than as disclosed the Directors' Report, about likely developments in the operations of the Company and the expected results of those operations in future years has not been included in this report as disclosure of this information would be likely to result in unreasonable prejudice to the Company.

## ENVIRONMENTAL ISSUES

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

## DIVIDENDS

No dividends were paid or declared during the year. The directors do not recommend the payment of a dividend in respect of the financial year.

## DIRECTORS' REPORT

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### OPTIONS ON ISSUE

There were options on issue at the date of this report, refer to the below table:

Options On issue	Number of Options
Exercise Price \$0.10 – Expires 29/10/2022	4,500,000
Exercise Price \$0.10 – Expires 04/11/2022	6,000,000
Exercise Price \$0.15 – Expires 29/10/2023	4,500,000
Exercise Price \$0.15 – Expires 04/11/2023	6,000,000
Exercise Price \$0.15 – Expires 04/11/2023	3,000,000

### INDEMNIFICATION OF OFFICERS

The Company has entered into Indemnity Deeds with each Director. Under the Deeds, the Company indemnifies each Director to the maximum extent permitted by law against legal proceedings or claims made against or incurred by the Directors in connection with being a Director of the Company, or breach by the Company of its obligations under the Deed.

During the year the amount paid for Directors and Officers insurance was \$25,000 (2020: \$16,000).

### PROCEEDING ON BEHALF OF COMPANY

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

### NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the Company and/or Group are important. No non-audit services were provided by the Company's current auditors, HLB Mann Judd, although HLB Mann Judd acted as Investigating Accountant to the Prospectus lodged in September 2020.

### AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration, as required under section 307C of the *Corporations Act 2001* for the year ended 30 June 2021 has been received and can be found on page 22.

### CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement for the financial year ended 30 June 2021 can be found at: <https://noronexlimited.com.au/corporate-governance/>

## REMUNERATION REPORT (AUDITED)

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

- A. Principles used to determine the nature and amount of remuneration
- B. Details of remuneration
- C. Director's equity holdings

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

### A. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The whole Board form the Remuneration Committee. The remuneration policy has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component with the flexibility to offer specific long-term incentives based on key performance areas affecting the Company's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors and executives to manage the Company.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The Board reviews executive packages annually and determines policy recommendations by reference to executive performance and comparable information from industry sectors and other listed companies in similar industries.
- The Board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long term growth in shareholder wealth.
- All remuneration paid to directors and executives is valued at the cost to the Company and expensed.
- The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews the remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Company.

The remuneration policy has been tailored to increase the direct positive relationship between shareholders' investment objectives and directors and executive performance. Currently, this is facilitated through the issue of options to the directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth. The Company currently has no performance-based remuneration component built into director and executive remuneration packages. Given the nature and stage of the Company, remuneration is not linked to the financial performance.

# DIRECTORS' REPORT

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## NON-EXECUTIVE DIRECTORS

The remuneration of Non-Executive directors consists of directors' fees, payable in arrears. The total aggregate fee pool to be paid to directors (excluding Executive directors) is set at \$250,000 per year. Remuneration of Non-Executive directors is based on fees approved by the Board of directors and is set at levels to reflect market conditions and encourage the continued services of the directors. Non-Executive directors do not receive retirement benefits but are able to participate in share-based incentive programmes in accordance with Company policy.

## SERVICE CONTRACTS

The Company entered into services agreements with each of its executive Directors and key management personnel. The Company also entered into Non-Executive Director appointment letters outlining the policies and terms of this appointment including compensation to the office of Director.

The principal terms of the service agreements existing at reporting date are set out below:

### Mr David Prentice – Non-Executive Chairman Engagement Deed

The Company has entered into a Non-Executive Director engagement deed with Mr Prentice pursuant to which the Company has agreed to pay \$60,000 per annum for services provided to the Company by Mr Prentice as a Non-Executive Director.

Either the Company or Mr Prentice may terminate the engagement upon 4 weeks written notice.

### Mr Robert Klug- Non-Executive Director Engagement Deed (appointed 5 November 2020)

The Company has entered into a Non-Executive Director engagement deed with Mr Klug pursuant to which the Company has agreed to pay Mr Klug \$40,000 per annum plus superannuation, for services provided to the Company as Non-Executive Director.

This agreement is otherwise on terms and conditions considered standard for agreements of this nature in Australia.

### Mr Piers Lewis - Non-Executive Director Engagement Deed (appointed 3 December 2019)

The Company has entered into a Non-Executive Director engagement deed with Mr Lewis pursuant to which the Company has agreed to pay Mr Lewis \$40,000 per annum, for services provided to the Company as Non-Executive Director.

This agreement is otherwise on terms and conditions considered standard for agreements of this nature in Australia.

### Mr James Thompson - Executive Director Engagement Deed (appointed 13 May 2021)

The Company has entered into a Executive Director engagement deed with Mr Thompson pursuant to which the Company has agreed to pay Mr Thompson \$40,000 per annum plus \$1,000 per day (capped at 10 days maximum per month) for provision of services as per executive services agreement.

Either the Company or Mr Thompson may terminate the engagement upon 3 months written notice.

## VOTING AND COMMENTS MADE AT THE COMPANY'S LAST ANNUAL GENERAL MEETING

The Company received 0% of votes against, and no specific feedback on, its Remuneration Report at its Annual General Meeting held on 30 November 2020. The Resolution passed by a show of hands.

# DIRECTORS' REPORT

## B. DETAILS OF REMUNERATION

The key management personnel of Noronex Limited are the directors as listed on page 2 of the Director's Report. The Company does not have any other employees who are required to have their remuneration disclosed in accordance with the *Corporations Act 2001*. No remunerations consultants were used during the year.

The table below shows the 2021 and 2020 figures for remuneration received by the Company's directors and key management personnel:

Directors	Short-term employee benefits		Postemployment benefits	Share-based Payments		Total	Performance based % of remuneration
	Cash salary and fees	Other benefits	Super-annuation	Share Options	Performance Rights		
	\$	\$	\$	\$	\$	\$	
<b>2021</b>							
Mr David Prentice	60,000	-	-	39,032	-	99,032	-
Mr Luke Hall <sup>(i)</sup>	31,665	-	-	-	-	31,665	-
Mr Piers Lewis	36,466	-	-	39,032	-	75,498	-
Mr Robert Klug <sup>(ii)</sup>	26,088	-	2,478	39,032	-	67,598	-
Mr James Thompson <sup>(iii)</sup>	25,268	-	-	83,517	-	108,785	-
	179,487	-	2,478	200,613	-	382,578	-
<b>2020</b>							
Mr David Prentice	74,999	-	-	-	-	74,999	-
Mr Luke Hall	20,832	-	-	-	-	20,832	-
Mr Piers Lewis	20,510	-	-	-	-	20,510	-
Mr Josh Puckridge	26,662	-	-	-	-	26,662	-
Mrs Loren King	17,869	-	-	-	-	17,869	-
	160,872	-	-	-	-	160,872	-

(i) Mr Luke Hall had resigned on the 13<sup>th</sup> of May 2021.

(ii) Mr Robert Klug was appointed as Non-Executive Director on the 5<sup>th</sup> of November 2021.

(iii) Mr James Thompson was appointed as Executive Director on the 13<sup>th</sup> of May 2021. As part of his appointment, he was granted options that will be issued subject to shareholder approval as follows:

- 1,000,000 unquoted options exercisable at \$0.15 each on or before 4 November 2023; and
- A further 1,000,000 unquoted options exercisable at \$0.15 each on or before 4 November 2023 subject to the 20-day volume weighted average price of the Company's fully paid ordinary shares trading at \$0.20 or higher at any time on or before 31 December 2021.

These share-based payments have been valued at their intrinsic value as at 30 June 2021 and the value will be adjusted only, when the grant date has been established (date approval is obtained for the above equity instruments).

## RELATED PARTY TRANSACTIONS

During the year ended 30 June 2021 the following related party transaction was undertaken between the Group and director related entities:

During the year Mr James Thompson provided consultancy services from the date the company re-listed on the ASX (18 November 2021) up to his appointment date as Executive Director (13 May 2021). The total amount charged to the Company was \$60,000. This amount remains payable as of 30 June 2021. The fees are on arm's length and commercial terms.

The company has an agreement with Smallcap Corporate (SCC), of which Mr Piers Lewis is a shareholder, (Corporate Services Agreement). Pursuant to the Corporate Services Agreement, the SCC was appointed to provide corporate and administrative services to the Company. During the year \$56,000 was charged in relation to providing corporate and administrative services to Noronex Limited. SCC also charged \$36,466 for Mr Piers Lewis' Director fees.

## DIRECTORS' REPORT

The Company has not sought Shareholder approval for the execution of the proposal despite SCC being a related party of the Company on the basis that the Proposal has been negotiated at arm's length and contains standards commercial terms and therefore falls within the exception on section 210 of the Corporations Act.

### C. DIRECTORS' EQUITY HOLDINGS

(i) Fully paid ordinary shares of Noronex Limited:

The following fully paid ordinary shares were held directly, indirectly or beneficially by key management personnel and their related parties during the years ended 30 June 2021 and 30 June 2020:

Directors	Balance at 1 July No.	Granted as remuneration No.	Net other change No.	At date of resignation No.	Balance at 30 June No.
<b>2021</b>					
Mr Piers Lewis	-	-	1,150,000	-	1,150,000
Mr David Prentice	100,000	-	900,000	-	1,000,000
Mr Luke Hall <sup>(i)</sup>	-	-	-	-	-
Mr Robert Klug <sup>(ii)</sup>	-	-	400,000	-	400,000
Mr James Thompson <sup>(iii)</sup>	-	-	24,968,226	-	24,968,226
	100,000	-	27,418,226	-	27,518,226
<b>2020</b>					
Mr David Prentice	100,000	-	-	-	100,000
Mr Luke Hall	-	-	-	-	-
Mr Piers Lewis	-	-	-	-	-
Mr Josh Puckridge	-	-	-	-	-
Mrs Loren King	-	-	-	-	-
	100,000	-	-	-	100,000

(i) Mr Luke Hall had resigned on the 13th of May 2021.

(ii) Mr Robert Klug was appointed as Non-Executive Director on the 5th of November 2021.

(iii) Mr James Thompson was appointed as Executive Director on the 13th of May 2021.

(ii) Share options of Noronex Limited:

Directors	Balance at 1 July No.	Issued during the year/ Appointment Date	Expired during the year	At date of resignation No.	Balance at 30 June No.
<b>2021</b>					
Mr Piers Lewis <sup>(iii)</sup>	-	3,000,000	-	-	3,000,000
Mr David Prentice <sup>(iii)</sup>	-	3,000,000	-	-	3,000,000
Mr Luke Hall <sup>(i)</sup>	-	-	-	-	-
Mr Robert Klug <sup>(ii)</sup> <sup>(iii)</sup>	-	3,000,000	-	-	3,000,000
Mr James Thompson <sup>(iv)</sup>	-	-	-	-	-
	-	9,000,000	-	-	9,000,000
<b>2020</b>					
Mr David Prentice	-	-	-	-	-
Mr Luke Hall	-	-	-	-	-
Mr Piers Lewis	-	-	-	-	-
Mr Josh Puckridge	-	-	-	-	-
Mrs Loren King	-	-	-	-	-
	-	-	-	-	-

(i) Mr Luke Hall had resigned on the 13th of May 2021.

(ii) Mr Robert Klug was appointed as Non-Executive Director on the 5th of November 2021.

(iii) Refer to Director options in note 12 for further details. The options were granted on 30 September 2020 and vested immediately.

(iv) Mr James Thompson was appointed as Executive Director on the 13th of May 2021. As part of his appointment, he was granted options that will be issued subject to shareholder approval as follows:

## DIRECTORS' REPORT

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- 1,000,000 unquoted options exercisable at \$0.15 each on or before 4 November 2023; and
- A further 1,000,000 unquoted options exercisable at \$0.15 each on or before 4 November 2023 subject to the 20-day volume weighted average price of the Company's fully paid ordinary shares trading at \$0.20 or higher at any time on or before 31 December 2021.

Refer to note 12 for details for the options.

This Directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001*.

*For, and on behalf of, the Board of the Company,*



**David Prentice**

Non-Executive Chairman

Perth, Western Australia this 30<sup>th</sup> day of September 2021

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Noronex 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  
30 September 2021



**D I Buckley**  
Partner

**hlb.com.au**

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## **INDEPENDENT AUDITOR'S REPORT**

To the members of Noronex Limited

### **Report on the Audit of the Financial Report**

#### *Opinion*

We have audited the financial report of Noronex 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 profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, 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 their 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, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
<b>Deferred exploration and evaluation expenditure</b>	
Refer to Note 9 of the financial report	
<p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Group expenses all exploration and evaluation costs, but capitalises acquisition costs and subsequently applies the cost model after recognition.</p> <p>Exploration and evaluation expenditure was determined to be a key audit matter as it is important to the users' understanding of the financial statements as a whole and was an area which involved the most audit effort and communication with those charged with governance.</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>- Obtaining an understanding of the key processes associated with management's review of the carrying value of exploration and evaluation;</li> <li>- Considering the Directors' assessment of potential indicators of impairment in addition to making our own assessment;</li> <li>- Obtaining evidence that the Group has current rights to tenure of its areas of interest;</li> <li>- Considering the nature and extent of future planned ongoing activities;</li> <li>- Substantiating the acquisitions undertaken during the year by agreeing to supporting documentation; and</li> <li>- Examining the disclosures made in the annual report.</li> </ul>

#### Share-based Payments

Refer to Note 12

<p>During the year the Group had numerous share-based payments recognising a share-based payment reserve of \$444,399 with \$288,197 expensed to profit or loss and the remainder to share issue costs.</p> <p>Valuation of share-based payments was a key audit matter due to the complex nature of the valuation principles, the subjectivity involved with the vesting on non-market based performance conditions and the material amount of the resulting expense.</p> <p>We focused on this area as a key audit matter due to the audit effort required and the degree of estimation involved.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>- We assessed management's valuation, classification and calculation of each category of share-based payments including consideration of market vesting conditions;</li> <li>- We evaluated management's assessment of the expected vesting date of the non-market based vesting conditions;</li> <li>- We considered if the accounting and valuations were in accordance with AASB 2 <i>Share-based Payment</i>; and</li> <li>- We assessed the adequacy of the Group's disclosures in the financial report.</li> </ul>
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#### *Information other than the financial report and auditor's report thereon*

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 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 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 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 Company's or 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 Company or 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 Noronex 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**  
**30 September 2021**



**D I Buckley**  
**Partner**

## DIRECTORS' DECLARATION

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The directors declare that the financial statements and notes are in accordance with the *Corporations Act 2001*:

- (a) Comply with Accounting Standards and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements;
- (b) As stated in Note 1, the financial statements also comply with International Financial Reporting Standards; and
- (c) Give a true and fair view of the financial position of the Group as at 30 June 2021 and of its performance for the year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Noronex Limited will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declaration required to be made by the Non-Executive Chairman to the directors in accordance with sections 295A of the *Corporations Act 2001* for the financial year ended 30 June 2021.

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

*For, and on behalf of, the Board of the Company,*



**David Prentice**

Non-Executive Chairman

Perth, Western Australia this 30<sup>th</sup> day of September 2021

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2021

	Note	Year Ended 30 June 2021 \$	Year Ended 30 June 2020 \$
Interest revenue		115	-
Audit and accounting fees		(109,804)	(32,070)
Corporate compliance costs		(104,594)	(153,306)
Consultant fees		(145,741)	(35,537)
Directors' fees, salaries, superannuation, and consulting costs		(181,957)	(160,872)
Insurance expense		(32,893)	(22,194)
Legal fees		(204,092)	(150,951)
Other expenses from ordinary activities		(164,783)	(27,815)
Exploration expenditure expense		(942,126)	(112,748)
Share based payment expense	12	(288,197)	-
<b>Loss before income tax expense</b>		<b>(2,174,072)</b>	<b>(695,493)</b>
Income tax (benefit)/expense	4	-	-
<b>Loss after tax from continuing operations</b>		<b>(2,174,072)</b>	<b>(695,493)</b>
Other comprehensive income for the year, net of tax		3,748	-
<b>Total comprehensive loss net of tax for the year</b>		<b>(2,170,324)</b>	<b>(695,493)</b>
<b>Loss for the year attributable to:</b>			
Owners of the parents		(2,148,452)	-
Non-controlling interest	13	(25,620)	-
		<b>(2,174,072)</b>	<b>-</b>
<b>Total comprehensive income:</b>			
Owners of the parents		(2,144,704)	-
Non-controlling interest	13	(25,620)	-
		<b>(2,170,324)</b>	<b>-</b>
Basic and diluted loss per share (\$)	2	<b>(1.97)</b>	<b>(2.00)</b>

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes, which form an integral part of the financial report.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2021

	Note	As At 30 Jun 2021 \$	As At 30 Jun 2020 \$
<b>Current assets</b>			
Cash and cash equivalents	7	3,010,919	1,507,211
Trade and other receivables		16,255	7,447
<b>Total current assets</b>		<b>3,027,174</b>	<b>1,514,658</b>
<b>Non-Current assets</b>			
Property	8	367,568	-
Deferred exploration and evaluation expenditure	9	2,324,496	-
<b>Total Non-Current assets</b>		<b>2,692,064</b>	<b>-</b>
<b>Total assets</b>		<b>5,719,238</b>	<b>1,514,658</b>
<b>Current liabilities</b>			
Trade and other payables	10	259,971	168,575
<b>Total current liabilities</b>		<b>259,971</b>	<b>168,575</b>
<b>Total liabilities</b>		<b>259,971</b>	<b>168,575</b>
<b>Net assets</b>		<b>5,459,267</b>	<b>1,346,083</b>
<b>Equity</b>			
Issued capital	11	11,599,527	6,140,048
Share-based payment reserve	12	444,399	-
FX reserve		3,748	-
Accumulated losses		(6,942,417)	(4,793,965)
Non-Controlling interest	13	354,010	-
<b>Total equity</b>		<b>5,459,267</b>	<b>1,346,083</b>

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes, which form an integral part of the financial report.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## for the year ended 30 June 2021

		Issued Capital	Foreign Currency Reserve	Option Reserve	Accumulated Losses	Non- Controlling Interest	Total Equity
	Note	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>		6,140,048	-	-	(4,098,472)	-	2,041,576
Loss for the year		-	-	-	(695,493)	-	(695,493)
<b>Total comprehensive loss for the year</b>		-	-	-	<b>(695,493)</b>	-	<b>(695,493)</b>
Shares issued during the period		-	-	-	-	-	-
Shares to be cancelled		-	-	-	-	-	-
Capital raising costs		-	-	-	-	-	-
<b>Balance as at 30 June 2020</b>		<b>6,140,048</b>	-	-	<b>(4,793,965)</b>	-	<b>1,346,083</b>
<b>Balance at 1 July 2020</b>		<b>6,140,048</b>	-	-	<b>(4,793,965)</b>	-	<b>1,346,083</b>
Loss for the year		-	-	-	(2,148,452)	(25,620)	(2,174,072)
Other comprehensive income		-	3,748	-	-	-	3,748
<b>Total comprehensive income for the Period</b>		-	<b>3,748</b>	-	<b>(2,148,452)</b>	<b>(25,620)</b>	<b>(2,170,324)</b>
Non-controlling interest recognised on acquisition of Larchmont	14	-	-	-	-	379,630	379,630
Share based payments	12	-	-	444,399	-	-	444,399
Shares issued during the period	11	5,887,161	-	-	-	-	5,887,161
Capital raising costs	11	(427,682)	-	-	-	-	(427,682)
<b>Balance at 30 June 2021</b>		<b>11,599,527</b>	<b>3,748</b>	<b>444,399</b>	<b>(6,942,417)</b>	<b>354,010</b>	<b>5,459,267</b>

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes, which form an integral part of the financial report.



## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2021

	Note	Year Ended 30 Jun 2021 \$	Year Ended 30 Jun 2020 \$
<b>Cash flows from operating activities</b>			
Interest received		115	-
Payments to suppliers and employees		(856,394)	(571,661)
Payment for exploration activities		(942,126)	-
<i>Net cash used in operating activities</i>	7.1	<b>(1,798,405)</b>	<b>(571,661)</b>
<b>Cash flows from investing activities</b>			
Payment for acquisition of subsidiary, net of cash acquired	14	(437,343)	-
Payment for acquisition of exploration assets		(266,592)	-
<i>Net cash used in by investing activities</i>		<b>(703,935)</b>	-
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		4,300,000	-
Issued capital cost		(278,480)	-
<i>Net cash generated by financing activities</i>		<b>4,021,520</b>	-
<b>Net increase /(decrease) in cash and cash equivalents</b>		<b>1,519,180</b>	<b>(571,661)</b>
Cash and cash equivalents at the beginning of the year		1,507,211	2,078,872
Foreign exchange differences		(15,472)	-
<b>Cash and cash equivalents at the end of the year</b>		<b>3,010,919</b>	<b>1,507,211</b>

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes, which form an integral part of the financial report.

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 30 June 2021

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### GENERAL INFORMATION

Noronex Limited (formerly "Lustrum Minerals Limited") (the Company and controlled entities) is a for-profit company limited by shares, domiciled and incorporated in Australia. The financial statements are presented in whole Australian dollars.

The nature of operations and principal activities of the Company are described in the Directors' Report.

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Company and its controlled entities (collectively the Group). The financial statements were authorised for issue by the directors on 30 September 2021.

#### 1.1. BASIS OF PREPARATION

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated. The financial statements have been prepared on a historical cost basis.

#### 1.2. STATEMENT OF COMPLIANCE

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) which include Australian equivalents to International Financial Reporting Standards (**AIFRS**). Compliance with AIFRS ensures that the financial statements and notes thereto comply with International Financial Reporting Standards (**IFRS**).

Australian Accounting Board Standards (**AASBs**) set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

#### 1.3. FINANCIAL POSITION

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the financial year ended 30 June 2021, the Group incurred a net loss after tax of \$2,174,072 (2020: \$695,493), and a net cash outflow from operations of \$1,798,405 (2020: \$571,661). At 30 June 2021, the Company's has net current assets of \$2,767,203 (2020: \$1,346,083).

Subsequent to 30 June 2021, Noronex has agreed to undertake a placement (Placement) of 37,891,667 fully paid ordinary shares (Shares) at 12c per Share to raise \$4,547,000. This was completed on the 29th of September 2021.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2021

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The Directors consider the going concern basis of preparation to be appropriate based on the current cash reserves showing to provide sufficient working capital to fund its contracted obligations for the year ending 12 months from the date of this report.

### 1.4. ADOPTION OF NEW AND REVISED STANDARDS

Adoption of new and revised Accounting Standards A number of new or amended standards became applicable for the current reporting period and the group has changed its accounting policies as a result of the adoption of the following standards:

- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia
- Conceptual Framework for Financial Reporting and AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework

The adoption of these Accounting Standards and Interpretations did not have any significant impact to the financial performance or position of the group.

### 1.5. NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

At the date of authorisation of the financial report, a number of Standards and Interpretations including those Standards and Interpretations issued by the IASB/IFRIC, where an Australian equivalent has not been made by the AASB, were in issue but not yet effective for which the Group has considered it unlikely for there to be a material impact on the financial statements.

### 1.6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The key critical accounting estimates and judgements are:

#### *Exploration expenditure*

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective area of interest.

The Company reviews the carrying value of exploration and evaluation expenditure on a regular basis to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support continued carry forward of capitalised costs. This assessment requires judgement as to the status of the individual projects and their estimated recoverable amount, where indicators of impairment are present.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2021

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### *Share based payments*

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 by using an appropriate valuation model.

The fair value is expensed over the vesting period.

## **1.7. PRINCIPLES OF CONSOLIDATION**

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

### **1.7.1. Subsidiaries**

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Company. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance, where indicators of impairment are present.

### **1.7.2. Loss of control**

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

### **1.7.3. Transactions eliminated on consolidation**

All intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

## **1.8. INCOME TAX**

The charge for current income tax expense is based on the result for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance date or reporting date.

Deferred tax is accounted for in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2021

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Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

### 1.9. IMPAIRMENT OF ASSETS

The Company 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 Company 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 or groups of 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). Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

### 1.10. PROVISIONS

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

### 1.11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

### 1.12. REVENUE RECOGNITION

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

### 1.13. GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2021

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### 1.14. 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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

### 1.15. EXPLORATION AND EVALUATION COSTS

Mineral exploration and evaluation costs are expensed as incurred. Acquisition costs will normally be expensed but will be assessed on a case by case basis and if appropriate may be capitalised. These acquisition costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the tenement. Accumulated acquisition costs in relation to an abandoned tenement are written off in full against the profit and loss in the year which the decision to abandon the tenant is made

Where a decision has been made to proceed with development in respect of a particular area of interest, all future costs are recorded as a development asset.

### 1.16. EMPLOYEE ENTITLEMENTS

#### 1.16.1. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in respect of employee services up to the end of the reporting year and are measured at the amounts expected to be paid when the liabilities are settled.

#### 1.16.2. Long Service Leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and years of service. Based on the Company's experience of employee departures, a long service leave liability is only recognised once an employee has been employed by the Company for a year of 5 years. Expected future payments are discounted using market yields at the reporting date on national Government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

### 1.17. SHARE-BASED PAYMENT TRANSACTIONS

#### 1.17.1. Equity settled transactions

The Company may provide benefits to employees (including senior executives) of the Company in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of equity-settled transactions with employees is measured 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. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (market conditions) if applicable.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2021

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The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects:

- a) the extent to which the vesting period has expired, and
- b) the Company's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of profit and loss and other comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

For transactions with parties other than employees, there shall be a rebuttable presumption that the fair value of the goods or services received can be estimated reliably. That fair value shall be measured at the date the entity obtains the goods or the counterparty renders service.

### 1.18. TRADE AND OTHER RECEIVABLES

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is an expectation that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2021

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Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

### 1.19. TRADE AND OTHER PAYABLES

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the period that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

### 1.20. FOREIGN CURRENCY TRANSLATION

The functional and presentation currency of Noronex Limited is Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period.

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in profit or loss, except when they are deferred in other comprehensive income as qualifying cash flow hedges or where they relate to differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value was determined.

The functional currencies of the overseas subsidiaries are as follows:

Canadian Dollars (\$CAD) and Namibian Dollars (\$NAD).

At the end of the reporting period, the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of Noronex Limited at the closing rate at the end of the reporting period and income and expenses are translated at the weighted average exchange rates for the year. All resulting exchange differences are recognised in other comprehensive income as a separate component of equity (foreign currency translation reserve). On disposal of a foreign entity, the cumulative exchange differences recognised in foreign currency translation reserves relating to that particular foreign operation is recognised in profit or loss.

### 1.21. PROPERTY

Property acquired is initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

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 consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2021

### 1.22. EARNING PER SHARE

Basic earnings per share is determined by dividing the net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends), by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is determined by dividing the net result attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and any expenses associated with dividends and interest of dilutive potential ordinary shares, by the weighted average number of ordinary shares (both issued and potentially dilutive) adjusted for any bonus element.

## 2. LOSS PER SHARE

### 2.1. BASIC LOSS PER SHARE

	Consolidated	
	2021 Cents Per Share	2020 Cents Per Share
From continuing operations	(1.97)	(2.00)
Total basic loss per share	(1.97)	(2.00)

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	Consolidated	
	2021 \$	2020 \$
Loss used in calculation of basic equity per share	(2,174,072)	(695,493)

	No.	
	No.	No.
Weighted average number of ordinary shares for the purposes of basic loss per share	110,533,741	33,851,450

## 3. FINANCIAL INSTRUMENTS

### 3.1. 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 during the financial period.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2021

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.

Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

### 3.2. CATEGORIES OF FINANCIAL INSTRUMENTS

#### 3.2.1. FINANCIAL ASSETS

	Weighted Average Interest Rate %	2021 \$	Weighted Average Interest Rate %	2020 \$
Cash and cash equivalents	-	3,010,919	-	1,507,211
Trade and other receivables	-	16,255	-	7,447

#### 3.2.2. FINANCIAL LIABILITIES

Trade creditors	-	(110,073)	-	(115,020)
Accruals and other creditors	-	(149,898)	-	(53,556)

#### 3.2.3. FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group is exposed to market risk (including fair value interest rate risk and liquidity risk). The use of financial derivatives is governed by the Group's policies approved by the board of Directors, which provide written principles on interest rate risk, non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

#### 3.2.4. INTEREST RATE RISK MANAGEMENT

The Group is exposed to interest rate risk as it has cash at both fixed and floating interest rates. The Group's exposures to interest rate on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

The sensitivity analysis above has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at balance date and the stipulated change taking place at the beginning of the financial period and held constant throughout the reporting period.

A 10-basis point increase is used when reporting interest rate risk internally to management and represents management's assessment of the change in interest rates.

At balance date, if interest rates have been 10 basis points higher or lower and all other variables were held constant, there would be no impact on the Group as all cash balances are held in zero interest accounts.

#### 3.2.5. 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2021

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.

A maturity analysis is not presented as all financial instruments are considered short term.

### 3.3. FAIR VALUE MEASUREMENT

The Directors consider that the carrying amount of other financial assets and liabilities recognised in the consolidated financial statements approximate their fair value due to their short term nature.

## 4. INCOME TAX

### (a) Income tax expense/benefit

*Income tax expense/(benefit):*

Current tax (benefit)/expense

Deferred tax expense/(benefit)

*Deferred income tax expense included in income tax expense comprises:*

Decrease/(increase) in deferred tax assets

(Decrease)/increase in deferred tax liabilities

Consolidated	
2021	2020
\$	\$
-	-
-	-
-	-
-	-
-	-

### (b) Reconciliation of income tax expense to prima facie tax payable

The prima facie tax payable on losses from ordinary activities before income tax is reconciled to the income tax expense as follows:

Loss from continuing operations before income tax expense	(2,174,072)	(695,493)
Australian tax rate	30.0%	30.0%
Tax amount at the Australian tax rate	(652,222)	(208,648)
<i>Add / (Less) Tax effect of:</i>		
Effect of current year temporary differences	350,061	(28,855)
Non-deductible expenses	(8,856)	100
Deferred tax asset not brought to account	292,565	237,403
Effect of lower foreign tax rate	18,452	-
Total income tax expense/(benefit)	-	-

### (c) Deferred tax assets

Capital Raising Costs	238,675	131,979
Acquisition costs/other	604,500	606,000
Tax Losses	1,102,558	829,287
Total deferred tax assets	1,945,733	1,567,266

Set-off deferred tax liabilities pursuant to set-off provisions

Less deferred tax assets not recognised

Net deferred tax assets

-	-
1,945,733	1,567,266

### (d) Deferred tax liabilities

-	-
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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2021

### (e) Tax losses

Unused tax losses for which no deferred tax asset has been recognised	3,675,194	2,764,290
Potential tax benefit @ 30% (2020: 30%)	1,102,558	829,287

The benefit for tax losses will only be obtained if:

- (i) The Group derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- (ii) The Group continues to comply with the conditions for deductibility imposed by law; and
- (iii) No changes in tax legislation adversely affect the ability of the Company and consolidated entity to realise these benefits.

## 5. REMUNERATION OF AUDITORS

	Consolidated	
	2021	2020
	\$	\$
Audit and review of financial reports – HLB Mann Judd (WA)	30,381	20,270
Other assurance services – HLB Mann Judd (WA)	12,120	-
	42,501	20,270

## 6. KEY MANAGEMENT PERSONNEL DISCLOSURES

### 6.1. KEY MANAGEMENT PERSONNEL COMPENSATION

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

	Consolidated	
	2021	2020
	\$	\$
Short-term employee benefits	179,487	160,872
Post employment benefits	2,478	-
Share Based payment Expense	200,613	-
	382,578	160,872

The compensation of each member of the key management personnel of the Company is set out in the Directors' Remuneration report on page 19.

During the year ended 30 June 2021 the following related party transaction was undertaken between the Group and director related entities:

During the year Mr James Thompson provided consultancy service from the date the company re-listed on the ASX (18 November 2021) up to his appointment date as Executive Director (13 May 2021). The total amount charged to the Company was \$60,000. This amount remains payable as of 30 June 2021. The fees are on arm's length and commercial terms.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2021

The company has an agreement with Smallcap Corporate (SCC), of which Mr Piers Lewis is a shareholder, (Corporate Services Agreement). Pursuant to the Corporate Services Agreement, the SCC was appointed to provide corporate and administrative services to the Company. During the year \$56,000 was charged in relation to providing corporate and administrative services to Noronex Limited. SCC also charged \$36,466 for Mr Piers Lewis' Director fees.

The Company has not sought Shareholder approval for the execution of the proposal despite SCC being a related party of the Company on the basis that the Proposal has been negotiated at arm's length and contains standards commercial terms and therefore falls within the exception on section 210 of the Corporations Act.

Intercompany balances are eliminated on consolidation and hence not presented in this consolidated financial report.

## 7. CASH AND CASH EQUIVALENTS

### Current

Cash at bank

As At 30 Jun 2021	As At 30 Jun 2020
\$	\$
3,010,919	1,507,211

### 7.1. RECONCILIATION OF LOSS FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES

Loss for the year	(2,174,072)	(695,493)
<i>Add/less:</i>		
Shared Based Payment	288,197	-
<i>Movements in working capital</i>		
(Increase)/Decrease in trade and other receivables	(8,807)	32,056
(Decrease)/increase in trade and other payables	96,277	91,776
Net cash used in operating activities	(1,798,405)	(571,661)

### 7.2. NON-CASH TRANSACTIONS

In the current year the Group entered into non-cash investing activities as outlined in note 14 for the acquisition of Larchmont.

Other than the above, there were no other non-cash transaction investing or financing activities as reflected in the consolidated statement of cash flows.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

## 8. PROPERTY- AT COST

	As At 30 Jun 2021 \$	As At 30 Jun 2020 \$
Opening Balance	-	-
Acquisition of Property <sup>1</sup>	378,584	-
Foreign Exchange Difference	(11,016)	-
	<u>367,568</u>	<u>-</u>

<sup>1</sup> Refer to Note 14 for further details.

As part of the Larchmont acquisition the Company acquired Canadian mining patents which have rights equivalent to freehold land and have therefore been recognised as property and not capitalised under exploration and evaluation assets.

## 9. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	As At 30 Jun 2021 \$	As At 30 Jun 2020 \$
<b>Opening Balance:</b>	-	-
Larchmont Acquisition <sup>1</sup>	1,670,743	-
White metals option Agreement <sup>2</sup> - Namibia	541,592	-
Payment for White metal option to RJZ <sup>2</sup> - Namibia	112,161	-
<b>Closing Balance</b>	<u>2,324,496</u>	<u>-</u>

<sup>1</sup> Refer to Note 14 for further details.

<sup>2</sup> With the White metals option agreement and White metal option to RJZ, Noronex Limited paid in total \$266,592 in cash and \$387,161 worth of shares (refer to note 11). Refer to the prospectus on the 16<sup>th</sup> September 2020 for details.

The ultimate recoupment of the expenditure is dependent upon the successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

## 10. TRADE AND OTHER PAYABLES

	As At 30 Jun 2021 \$	As At 30 Jun 2020 \$
Trade Payables	110,073	115,020
Other Payables and Accruals	149,898	53,555
<b>Closing Balance</b>	<u>259,971</u>	<u>168,575</u>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2021

### 11. ISSUED CAPITAL

	As At 30 Jun 2021 No.	As At 30 Jun 2020 No.
Fully paid ordinary shares	151,594,676	33,851,450

	As At 30 Jun 2021		As At 30 Jun 2020	
	No.	\$	No.	\$
Opening Balance	33,851,450	6,140,048	33,851,450	6,140,048
Shares issued under the Public Offer	86,000,000	4,300,000	-	-
Shares issued as part consideration for the acquisition of 80% of Larchmont	24,000,000	1,200,000	-	-
Share issued in part satisfaction of the initial payment under White Metal Agreement	5,500,000	275,000	-	-
Shares issued for payment to RJZ for assignment of the White Metal				
Option to Larchmont	2,243,226	112,161	-	-
Capital raising costs	-	(427,682)	-	-
Balance at end of the period	151,594,676	11,599,527	33,851,450	6,140,048

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

#### 11.1. PERFORMANCE SHARES

	Consolidated	
	2021 No.	2020 No.
Class A Performance Shares	-	15,000,000
Class C Performance Shares	-	15,000,000

No value has been ascribed to the deferred consideration as the Company has not yet reached a stage where it can reliably estimate the likelihood of the milestones being achieved. The performances shares were forfeited during the year on agreement with the holding parties as the vesting conditions were not achievable.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

## 12. SHARE BASED PAYMENT RESERVE

	As At 30 Jun 2021 \$	As At 30 Jun 2020 \$
<b>Opening Balance:</b>	-	-
Issue of Director Options 1 (share-based payment expensed)	117,096	-
Issue of Advisor Options 2 (share-based payment expensed)	17,643	-
Issue of Advisor Options 3 (share-based payment expensed) <sup>1</sup>	69,941	-
Issue of Director Options 2 (share-based payment expensed) <sup>2</sup>	83,517	-
Total share based payments – expense	288,197	-
Issue of Advisor Options 1 (cost of equity)	156,202	-
<b>Closing Balance</b>	444,399	-

The Advisor Options and the Director Options are defined as share-based payments. The valuation of share-based payment transactions is measured by reference to fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

ITEM	DIRECTOR OPTIONS 1		ADVISOR OPTIONS 1		ADVISOR OPTIONS 2	ADVISOR OPTIONS 3 <sup>1</sup>	DIRECTOR OPTIONS 2 <sup>2</sup>
Grant Date	30/9/2020	30/9/2020	30/9/2020	30/9/2020	28/4/2021	27/5/2021	30/6/2021
Fair value per option	\$0.0127	\$0.0134	\$0.0127	\$0.0134	\$0.0127	\$0.066	\$0.077
Number of options	4,500,000	4,500,000	6,000,000	6,000,000	2,000,000	1,000,000	1,000,000
Exercise price	\$0.10	\$0.15	\$0.10	\$0.15	\$0.15	\$0.15	\$0.15
Expected volatility	81.7%	81.7%	81.7%	81.7%	81.5%	90.0%	92.0%
Implied option life	2 years	3 years	2 years	3 years	2.5 years	2.4 years	2.3 years
Expected dividend yield	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Risk free rate	0.16%	0.16%	0.16%	0.16%	0.07%	0.09%	0.20%
Underlying share price at grant date	\$0.05	\$0.05	\$0.05	\$0.05	\$0.12	\$0.135	\$0.15

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 30 June 2021

The fair value is determined using the Hoadley model, taking into account the terms and conditions upon which the options were granted.

ITEM	ADVISOR OPTIONS 3 <sup>1</sup>	DIRECTOR OPTIONS 2 <sup>2</sup>
Fair value per option	\$0.0248	\$0.0304
Number of Rights	1,000,000	1,000,000
Share Price Target	\$0.20	\$0.20
Exercise Price	\$0.15	\$0.15
Expected volatility	90%	92%
Implied option life	2.44	2.35
Expected dividend yield	0%	0%
Risk free rate	0.09%	0.20%
Vesting Date	31/12/2021	31/12/2021
Underlying share price at grant date	\$0.135	\$0.15

<sup>1</sup>Advisor options was granted on the 27th of May 2021. As part of the appointment, they were granted options as follows:

- 1,000,000 unquoted options exercisable at \$0.15 each on or before 4 November 2023; and
- A further 1,000,000 unquoted options exercisable at \$0.15 each on or before 4 November 2023 subject to the 20-day volume weighted average price of the Company's fully paid ordinary shares trading at \$0.20 or higher at any time on or before 31 December 2021.

<sup>2</sup>Mr James Thompson was appointed as Executive Director on the 13th of May 2021. As part of his appointment, he was granted options that will be issued subject to shareholder approval as follows:

- 1,000,000 unquoted options exercisable at \$0.15 each on or before 4 November 2023; and
- A further 1,000,000 unquoted options exercisable at \$0.15 each on or before 4 November 2023 subject to the 20-day volume weighted average price of the Company's fully paid ordinary shares trading at \$0.20 or higher at any time on or before 31 December 2021.

These share-based payments have been valued at their intrinsic value as at 30 June 2021 and the value of the options will be adjusted only, when the grant date has been established (date approval is obtained for the above options).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2021

Share options and weighted average exercise prices are as follows for the reporting periods presented:

	2021		2020	
	No. of options	Weighted average exercise price of options	No. of options	Weighted average exercise price of options
Balance at beginning of financial year	-	-	-	-
Granted	27,000,000	0.13	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at end of the financial year	2,000,000	0.15	-	-
Options exercisable as end of the financial year:	25,000,000	0.13	-	-

The weighted average remaining contractual life of options outstanding at year end was 1.95 years. The range of exercise prices of outstanding options granted as compensation at reporting date is from \$0.10 to \$0.15.

### 13. NON-CONTROLLING INTERESTS

	As At 30 Jun 2021 \$	As At 30 Jun 2020 \$
<b>Opening Balance:</b>	-	-
Acquisition of Larchmont (refer Note 14)	379,630	-
Share of loss for the year	(25,620)	-
<b>Closing Balance</b>	354,010	-

As described in Note 14, the Group acquired Larchmont on 4 November 2020, which resulted in the recognition of a non-controlling interest attributable to the 20% interest in Larchmont that was not acquired.

The summary financial information for Larchmont Investments Pty Ltd is set out below:

	As At 30 Jun 2021 \$
Current Assets	22,892
Non-Current Assets	1,766,317
<b>Total Assets</b>	1,789,209
Current Liabilities	19,159
<b>Total Liabilities</b>	19,159
<b>Net Assets</b>	1,770,050
<b>Equity Attributable to owner of the parents</b>	1,416,040
<b>Non-Controlling Interest</b>	354,010
Loss for the year attributable to owners of the Parent	102,479
Loss for the year attributable to NCI	25,620
<b>Loss for the year</b>	128,099

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2021

### 14. ACQUISITION OF LARCHMONT

On 14 September 2020, the Company entered into the Larchmont Investments Pty Ltd ("Larchmont") Agreement with the Larchmont Vendors, pursuant to which the Larchmont Vendors agreed to sell, and the Company agreed to buy, 80% of the issued capital in Larchmont. Larchmont in turn owns 100% of Noronex Ltd (Canada) (the owner of a 100% interest in a portfolio of high-grade copper claims in Ontario, Canada) and was also novated the earn-in right to earn up to 95-100% of Aloe Investments Two Hundred and Thirty Seven (Proprietary) Limited (the owner of a 100% interest in a portfolio of copper claims in Namibia). The full details of the assets acquired and the earn-in agreement are set out in the Company's Prospectus dated 16 September 2020.

The consideration payable at Settlement under the Larchmont Agreement is a \$100,000 cash deposit, 24,000,000 Shares and a cash fee of \$339,461, being a reimbursement for exploration expenditure that has been incurred on the Canadian Projects to date.

The acquisition of Larchmont had occurred on the 4<sup>th</sup> of November 2020 as all condition's precedent have been met. The acquisition was considered an acquisition of assets as the fair value of assets acquired was concentrated in the exploration projects acquired which included the property. The fair value of the property was determined by the acquisition cost in a recent transaction prior to the acquisition of Larchmont.

	\$
<b>Fair value of consideration</b>	
Cash consideration as part payment for the acquisition of 80% of Larchmont	339,461
Shares issued as part consideration for the acquisition of 80% of Larchmont	1,200,000
Deposit to Vendors	100,000
<b>Total consideration</b>	<b>1,639,461</b>
<b>Fair value of net assets acquired</b>	
Cash	2,118
Other assets	1,222
Exploration and evaluation expenditure	1,670,743
Property – land	378,584
Trade and other payables	(33,576)
Less: non-controlling interest 20%	(379,630)
<b>Fair value of net assets acquired</b>	<b>1,639,461</b>

	\$
<b>Reconciliation to Cash flow</b>	
Deposit	(100,000)
Cash Consideration	(339,461)
Cash acquired	2,118
<b>Payment for acquisition of subsidiary, net of cash acquired</b>	<b>(437,343)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2021

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### 15. SEGMENT REPORTING

The Group has adopted AASB 8 'Operating Segments' which requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision maker (considered to be Board of Directors) in order to allocate resources to the segment and assess its performance. The chief operating decision maker of the Group reviews internal reports prepared as consolidated financial statements and strategic decisions of the Group are determined upon analysis of these internal reports.

#### **Basis of accounting for purposes of reporting by operating segments**

##### **Accounting policies adopted**

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

##### **Inter-segment transactions**

Inter-segment loans payable and receivable are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

##### **Segment liabilities**

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

##### **Unallocated items**

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Head office and other administrative expenditure

##### **Segment assets**

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

The group operates in the mineral exploration sector predominantly in Australia, Namibia, and Canada for 2021. In 2020 the group had only operated in mineral exploration in Australia.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2021

2021

### (A) Segment performance

	Australia \$	Canada \$	Namibia \$	Total \$
<b>Revenue</b>				
Interest Revenue	115	-	-	115
<b>Total Revenue</b>	<b>115</b>	<b>-</b>	<b>-</b>	<b>115</b>
Exploration expenditure	2,700	149,699	789,727	942,126
<b>Total Exploration amount</b>	<b>2,700</b>	<b>149,699</b>	<b>789,727</b>	<b>942,126</b>
<b>Segment net profit before tax</b>	<b>(2,585)</b>	<b>(149,699)</b>	<b>(789,727)</b>	<b>(942,011)</b>
Reconciliation of segment result to net profit (loss) before tax				
<b>Unallocated items:</b>				
- other	-	-	-	(1,232,061)
<b>Net Loss before tax</b>	<b>(2,585)</b>	<b>(149,699)</b>	<b>(789,727)</b>	<b>(2,174,072)</b>

### (B) Segment Assets

	Australia \$	Canada \$	Namibia \$	Total \$
Segment Assets	5,696,254	22,892	92	5,719,238

### (C) Segment Liabilities

	Australia \$	Canada \$	Namibia \$	Total \$
Segment Liabilities	241,812	18,159	-	259,971

## 16. SUBSEQUENT EVENTS

As announced on 21 September 2021 the Company has signed a new joint venture agreement with Heyn Ohana Investments (Pty) Ltd ("HOI") over the Snowball Copper Project. The Joint Venture Agreement provides the Company with a period of 60 days to conduct due diligence on the Licences and the Snowball Project generally. On satisfactory completion of due diligence, the Company will reimburse HOI for third party costs incurred by HOI on the Licences (capped at A\$80,000) and pay a monthly fee of A\$4,000 to shareholders of HOI while continuing to explore the tenements.

Noronex agreed in September 2021 to undertake a placement (Placement) of 37,891,667 fully paid ordinary shares (Shares) at 12c per Share to raise \$4,547,000 (before fees). The Placement was completed on the 29<sup>th</sup> of September 2021.

At the time of this report there were no further events subsequent to the reporting date that required disclosure.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2021

### 17. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1.7.1. Details of subsidiary companies are as follows:

Entity	Incorporation	2021 Ownership	2020 Ownership
CONSUELO COAL HOLDINGS PTY LTD	Australia	100%	100%
CFR CONSUELO PTY LTD	Australia	-	100%
ICX CONSUELO PTY LTD	Australia	-	100%
CFR CONSUELO 2318 PTY LTD	Australia	100%	100%
ICX CONSUELO 2318 PTY LTD	Australia	100%	100%
CONSUELO COAL EPC 2327 PTY LTD	Australia	100%	100%
Larchmont Investments Pty Ltd*	Australia	80%	-
Noronex Limited (Canada)*	Canada	100% <sup>1</sup>	-
Noronex Exploration and Mining Company (Pty) Ltd	Namibia	100%	-

<sup>1</sup> The entity is 100% owned by Larchmont Investments Pty Ltd.

\* Refer to Note 13 for non-controlling interest.

### 18. PARENT ENTITY INFORMATION

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to Note 1 for a summary of the significant accounting policies relating to the Group.

	2021 \$	2020 \$
Current assets	3,004,189	1,514,658
Non-Current assets	2,304,513	-
<b>Total assets</b>	<b>5,308,702</b>	<b>1,514,658</b>
Current liabilities	240,811	168,575
<b>Total liabilities</b>	<b>240,811</b>	<b>168,575</b>
<b>Net assets</b>	<b>5,067,891</b>	<b>1,346,083</b>
<b>Equity</b>		
Issued capital	11,599,527	6,140,048
Reserve	444,399	-
Accumulated losses	(6,976,035)	(4,793,965)
<b>Total equity</b>	<b>5,067,891</b>	<b>1,346,083</b>
<b>Current year loss</b>	<b>2,182,070</b>	<b>695,493</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2021

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### 18.1. PARENT ENTITY COMMITMENTS

The parent entity does not have any commitments as at 30 June 2021.

### 18.2. PARENT CONTINGENT LIABILITIES

No contingent liabilities exist as at the date of this report.

## 19. COMMITMENTS AND CONTINGENT LIABILITIES

### 19.1. TENEMENT RELATED COMMITMENTS AND CONTINGENCIES

The Group is required to meet minimum committed expenditure requirements to maintain current rights of tenure to exploration licences. These obligations may be subject to re-negotiation, may be farmed-out or may be relinquished and have not been provided for in the statement of financial position. A summary of aggregate commitments is as follows:

	As At 30 June 2021 \$	As At 30 Jun 2020 \$
Within one year	995,500	-
One to five years	1,500,000	-
	<u>2,495,500</u>	<u>-</u>

End of report.

## ASX ADDITIONAL INFORMATION

In accordance with ASX Listing Rule 4.10, the Company provides the following information to shareholders not elsewhere disclosed in the Annual Report. The information provided is current as at 28 September 2021.

At the date of this report there are 151,594,676 fully paid ordinary shares (**Share**) in the Company.

For all shares, voting rights are one vote per member on a show of hands and one vote per share in a poll.

### SUBSTANTIAL HOLDERS

The names of substantial holders in the Company and the number of equity securities to which each substantial shareholder and their associates have a relevant interest, as disclosed in substantial shareholder notices given to the Company are set out below.

#### Name of Substantial Holder within the meaning of section 671B of the Corporations Act

Holder Name	Number of Shares which the substantial holder holds a relevant interest	% of total Share on issue
Larchmont Holdings Pty Ltd ATF Larchmont Trust	24,968,226	16.47%
Merchant Funds Management Pty Ltd	15,850,000	10.46%

### DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Range	Total Holders	Units	% Issued Capital
1 - 1,000	11	1,559	0.00%
1,001 - 5,000	48	177,714	0.12%
5,001 - 10,000	81	663,661	0.44%
10,001 - 100,000	351	16,607,546	10.96%
100,001 - >100,001	210	134,144,196	88.48%
<b>Totals</b>	<b>701</b>	<b>151,594,676</b>	<b>100.00%</b>

The number of holders with an unmarketable holding: 38

## ASX ADDITIONAL INFORMATION

### TOP 20 SHAREHOLDERS

The names of the 20 largest holders of Shares, and the number of Shares and percentage of capital held by each holder is as follows:

#	HOLDER NAME	Units	%
1	LARCHMONT HOLDINGS PTY LTD	11,478,146	7.57%
2	KONTRARIAN RESOURCE FUND NO 1 PTY LTD	10,000,000	6.60%
3	MR JAMES THOMPSON & MRS SONJA HEATH <T H CAPITAL SUPER FUND A/C>	7,232,540	4.77%
4	THE TRUST COMPANY (AUSTRALIA) LIMITED <MOF A/C>	5,850,000	3.86%
5	WHITE METAL RESOURCES CORP	5,500,000	3.63%
6	ZERRIN INVESTMENTS PTY LTD	5,260,000	3.47%
7	STARES CONTRACTING CORP	3,200,000	2.11%
8	CHELSEA INVESTMENTS (WA) PTY LTD	3,000,000	1.98%
9	SONJA HEATH	2,616,270	1.73%
9	JAMES THOMPSON	2,616,270	1.73%
10	MIAL ENTERPRISES PTY LTD <DASHIAN FAMILY A/C>	2,220,051	1.46%
11	SOLEQUEST PTY LTD	2,110,000	1.39%
12	UNDERLEX PTY LTD	1,900,000	1.25%
13	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,811,326	1.19%
14	ALEXANDER STARES	1,600,000	1.06%
15	CAPRETTI INVESTMENTS PTY LTD <CASTELLO A/C>	1,400,000	0.92%
16	MR IAN ALASTAIR LEETE & MRS HELEN LEETE <THE LEETE FAMILY S/F A/C>	1,332,000	0.88%
17	ICE LAKE INVESTMENTS PTY LTD	1,250,000	0.82%
18	MR NEIL DAVID IRVINE	1,200,000	0.79%
19	CRANLEY CONSULTING PTY LTD <CRANLEY CONSULTING A/C>	1,150,000	0.76%
20	JAMES THOMPSON & SONJA HEATH <TH CAPITAL SUPER FUND>	1,025,000	0.68%
	<b>Total</b>	<b>73,751,603</b>	<b>48.65%</b>
	<b>Total issued capital</b>	<b>151,594,676</b>	<b>100.00%</b>

## ASX ADDITIONAL INFORMATION

### ESCROWED SECURITIES

Category	Number of units	ASX or voluntary	End of escrow period
Shares	21,443,226	ASX	18 November 2022
Shares	10,300,000	ASX	4 November 2021
Options exercisable at \$0.10 each on or before 29 October 2022	4,500,000	ASX	18 November 2022
Options exercisable at \$0.10 each on or before 4 November 2022	6,000,000	ASX	18 November 2022
Options exercisable at \$0.15 each on or before 29 October 2023	4,500,000	ASX	18 November 2022
Options exercisable at \$0.15 each on or before 4 November 2023	6,000,000	ASX	18 November 2022

### UNQUOTED SECURITIES

Category	Number of units	Number of holders
Options exercisable at \$0.10 each on or before 29 October 2022	4,500,000	3
Options exercisable at \$0.10 each on or before 4 November 2022	6,000,000	11
Options exercisable at \$0.15 each on or before 29 October 2023	4,500,000	3
Options exercisable at \$0.15 each on or before 4 November 2023	9,000,000	17

Distribution of option holders exercisable at \$0.10 each on or before 4 November 2022:

Range	Total Holders	Units	% Issued Capital
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	3	196,270	3.27%
100,001 - >100,001	8	5,803,730	96.73%
<b>Total</b>	<b>11</b>	<b>6,000,000</b>	<b>100.00%</b>

Holders with more than 20% of the class of options exercisable at \$0.10 each on or before 4 November 2022:

Holder Name	Holdings	%
708 CAPITAL PTY LTD	1,432,777	23.88%
MINTAKA NOMINEES PTY LTD	1,432,777	23.88%

Distribution of option holders exercisable at \$0.15 each on or before 4 November 2023:

Range	Total Holders	Units	% Issued Capital
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	3	196,270	2.18%
100,001 - >100,001	14	8,803,730	97.82%
<b>Total</b>	<b>17</b>	<b>9,000,000</b>	<b>100.00%</b>

There are no holders with more than 20% of the class of options exercisable at \$0.15 each on or before 4 November 2023.

## ASX ADDITIONAL INFORMATION

Distribution of option holders exercisable at \$0.10 each on or before 29 October 2022:

Range	Total Holders	Units	% Issued Capital
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	-	-	-
100,001 - >100,001	3	4,500,000	100.00%
<b>Total</b>	<b>3</b>	<b>4,500,000</b>	<b>100.00%</b>

Holders with more than 20% of the class of options exercisable at \$0.10 each on or before 29 October 2022:

Holder Name	Holdings	%
CRANLEY CONSULTING PTY LTD <CRANLEY CONSULTING A/C>	1,500,000	33.33%
MR ROBERT KLUG <KLUG FAMILY A/C>	1,500,000	33.33%
MR DAVID PRENTICE	1,500,000	33.33%

Distribution of option holders exercisable at \$0.15 each on or before 29 October 2023:

Range	Total Holders	Units	% Issued Capital
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	-	-	-
100,001 - >100,001	3	4,500,000	100.00%
<b>Total</b>	<b>3</b>	<b>4,500,000</b>	<b>100.00%</b>

Holders with more than 20% of the class of options exercisable at \$0.15 each on or before 29 October 2023:

Holder Name	Holdings	%
MR ROBERT KLUG <KLUG FAMILY A/C>	1,500,000	33.33%
MR DAVID PRENTICE	1,500,000	33.33%
CRANLEY CONSULTING PTY LTD <CRANLEY CONSULTING A/C>	1,500,000	33.33%

## BUY-BACK

There is current no on-market buy back.

## INFORMAION PURSUANT TO LISTING RULE 4.10.19

Between the date of the Company's reinstatement to the official list of the ASX on 18 November 2020 and the end of the reporting period on 30 June 2021, the Company used its cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.

## ASX ADDITIONAL INFORMATION

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### INFORMAION PURSUANT TO LISTING RULE 5.20

The Company interests in the tenements (**Existing Tenements**) is set out in the prospectus dated 15 September 2020 (Appendix G of the Independent Technical Assessment Report undertaken by CSA Global Pty Ltd). During the three months ended 30 June 2021, the Company staked nine (9) new tenements in Ontario Canada (**New Tenements**). The Company confirms that the beneficial interest held by the Company in the Existing Tenements has not changed. Details of the New Tenements are set out below.

#### New Tenement Details

Tenement ID	Project	Holder	Share (%)	Area (ha)	Issue Date	Anniversary
650355	Link	Noronex Limited (Canada)	100	20.72	7/4/21	7/4/23
650356	Link	Noronex Limited (Canada)	100	20.72	7/4/21	7/4/23
650357	Link	Noronex Limited (Canada)	100	20.72	7/4/21	7/4/23
650358	Link	Noronex Limited (Canada)	100	20.72	7/4/21	7/4/23
650359	Link	Noronex Limited (Canada)	100	20.72	7/4/21	7/4/23
650360	Link	Noronex Limited (Canada)	100	20.73	7/4/21	7/4/23
650361	Link	Noronex Limited (Canada)	100	20.72	7/4/21	7/4/23
650362	Link	Noronex Limited (Canada)	100	20.73	7/4/21	7/4/23
650363	Link	Noronex Limited (Canada)	100	20.72	7/4/21	7/4/23