



Annual Report 2021

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Corporate Directory

Directors

David Church (Non-Executive Chairman)

Andrew Muir (Managing Director)

Mick Caruso (Non-Executive Director)

Adam Miethke (Non-Executive Director)

Company secretary

Oonagh Malone

Securities exchange

Australian Securities Exchange (ASX)

Code: CRS

Home office: Perth

Country of incorporation and domicile

Australia

Registered and business address

Level 3, 10 Outram Street

West Perth WA 6005

Telephone: +61 8 6365 5200

Website: www.capriceresources.com

Auditors

RSM Australia Partners

Level 32, Exchange Tower

2 The Esplanade

Perth WA 6000

Share registry

Automic Registry Services

126 Phillip Street

Sydney, New South Wales 2000

Telephone: 1300 288 664

Review of Operations

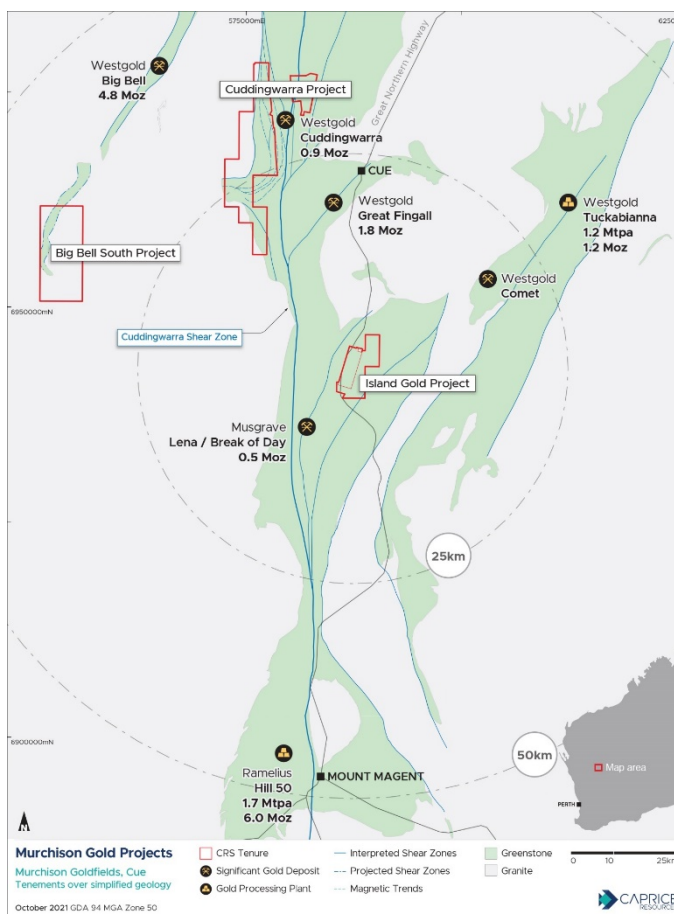
Island Gold Project – Western Australia

In October 2020, the Company acquired the Island Gold Project via the 100% acquisition of Goldview Metals Pty Ltd.

The Project covers 21km² of highly prospective tenure in the richly endowed Cue gold field and contains many of the historic gold mines of the Lake Austin gold mining centre. The Project comprises two granted mining leases and one exploration license (M21/66, M21/140 and E21/186). The Project lies adjacent to the Great Northern Highway and is located 630km north of Perth, 60km north of Mt Magnet and 20km south of Cue.

Post completion, the Company completed a maiden drilling program of 32 holes for ~3,000m which focussed on the historically significant New Orient and Baxters & Golconda targets whilst also testing regional targets at Vadrians Hill and Iron Clad.

Following from that maiden drill program, the first large scale expansionary RC drill program was completed on the Island Gold Project during Q3 CY21. This second program consisted of 82 holes for a total of 8,112m with the drilling testing a number of new areas, as well as following up previous results from Baxters, Golconda and New Orient. Unfortunately, due to extended sample lab turnaround times, assay results are still pending for the program.



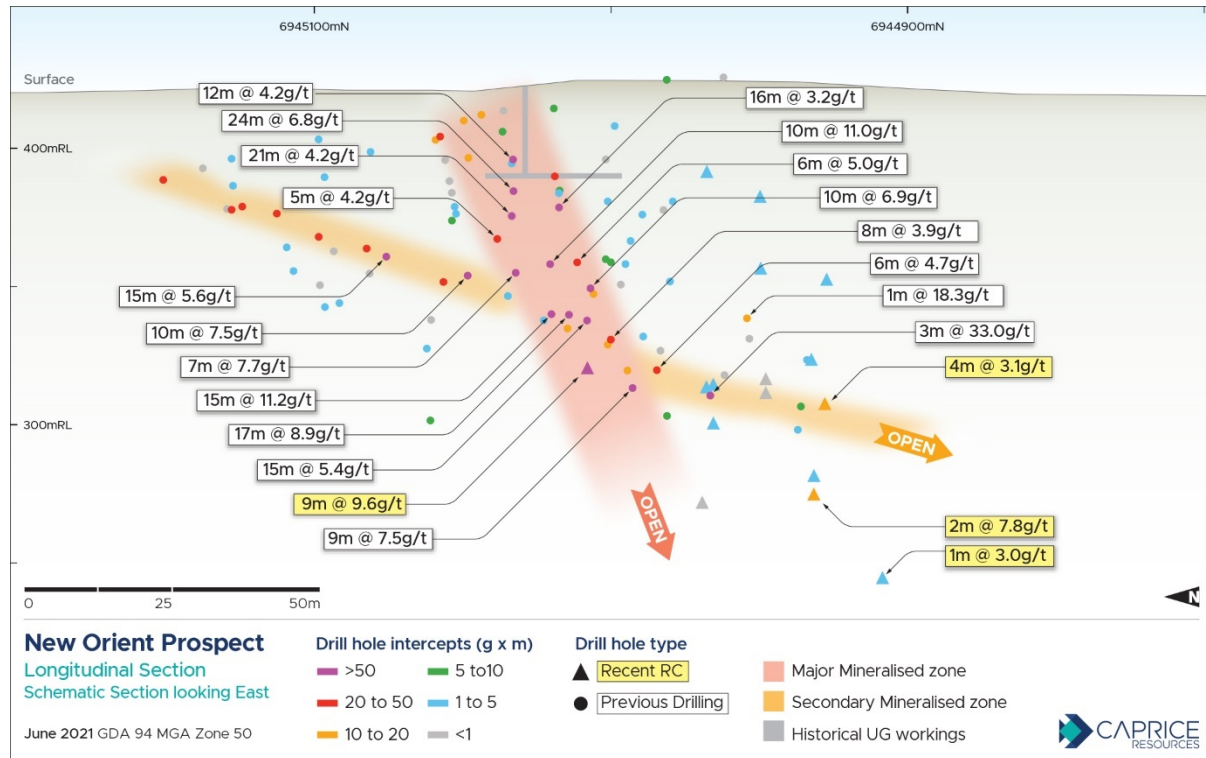
New Orient

Maiden drilling at New Orient aimed to confirm and extend the known zones of mineralisation along-strike to the north and south, proximal to the interpreted cross cutting fault and the historical shallow mine workings.

The results confirmed the continuity of thick high-grade mineralisation at depth in the south of the interpreted fault. Drilling to the north of the interpreted fault also reported intersections of significant high-grade gold mineralisation, albeit at a slightly different plunge to that observed to the south of the interpreted fault.

Significant results from New Orient received from the initial campaign include:

- BB0047: **9.0m @ 7.5 g/t Au from 114m incl. 5.0m @ 12.6 g/t Au from 114m**
- BB0045: **6.0m @ 4.2g/t Au from 48m incl. 2.0m @ 10.7 g/t Au from 49m**
- BB041: **14.0m @ 6.0 g/t Au from 58m incl. 6.0m @ 9.0 g/t Au from 64m**



CY21 drilling at New Orient aimed to confirm the geometry of mineralisation and test for down plunge continuity with 12 RC holes for a total of 1,727m of drilling. One hole (BB0071) was abandoned due to unstable ground conditions.

Results from the RC program indicated that the mineralisation has two different geometries, evidenced by a narrow south plunging high grade trend, and a broader more steeply dipping south plunging trend. The steep plunging mineralisation trend is associated with a cross cutting NNW striking shear zone or fault. Both trends remain open at depth.

Better results include:

- BB0070: **9m @ 9.6 g/t Au from 97m incl. 6m @ 14.0 g/t Au from 97m**
- BB0067: **2m @ 7.8 g/t Au from 145m**
- BB0065: **4m @ 3.1 g/t Au from 111m**

The latest results have highlighted the presence of multiple mineralised positions across the New Orient prospect. This supports the interpretation that mineralisation extends beyond previous exploration and historical mining as part of a broader project-wide mineralised system.

Mineralisation remains open at depth and further drilling is required to ascertain the size and signification of the new intercepts as well as depth extents. The identification of multiple mineralisation trends also provides the impetus for more broader spaced exploration across the Island Gold Project.

Baxters-Golconda

5 RC holes were completed at Baxters-Golconda for a total of 1,573m in the maiden drill program. The holes at Baxters were drilled along strike and down plunge, stepping out ~80m from the previous drilling and historical workings.

Caprice initially tested the area immediately to the north of historical drilling at Baxters. Drilling identified the displacement of the Baxters orebody caused by a series of fault jogs in the eastern portion of the drill pattern. The most significant intercepts included from the maiden program were:

- IS0100: **7m @ 5.6 g/t Au from 82m incl. 2m @ 10.0 g/t Au from 84m**
- IS0088: **11m @ 3.1 g/t Au from 46m incl. 2m @ 10.1 g/t Au from 54m**
- IS0090: **4m @ 3.2 g/t Au from 63m**

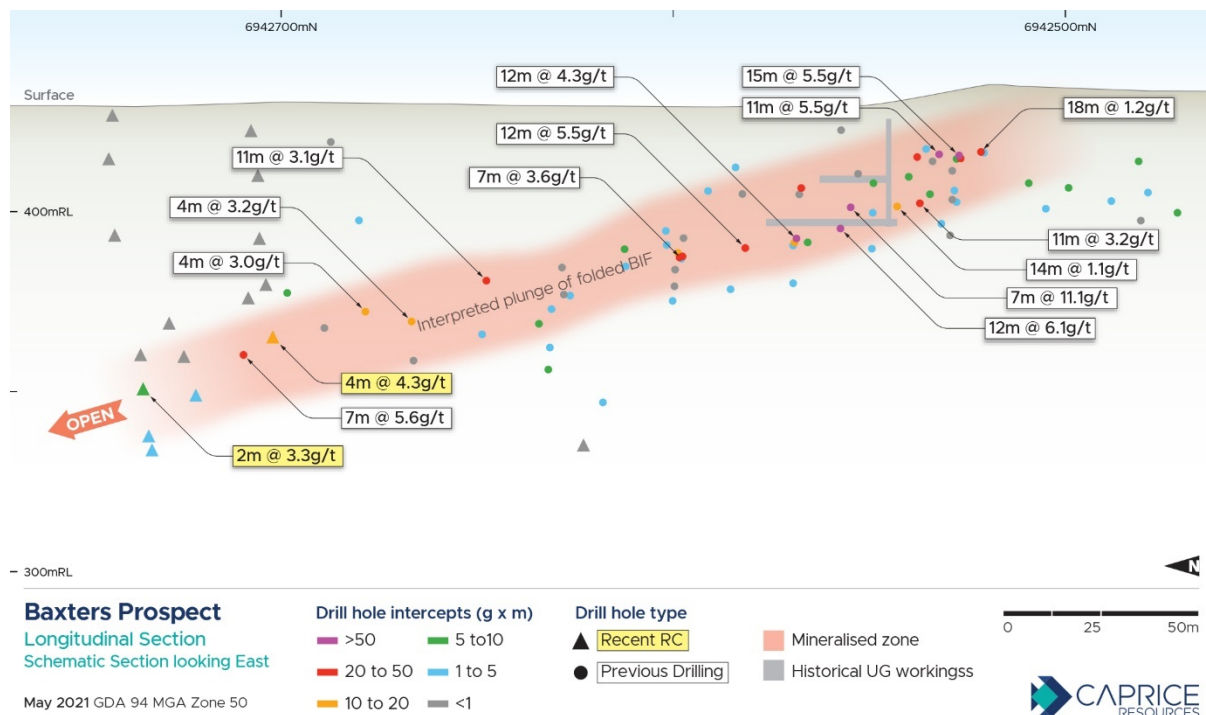
The results were used to refine the second phase drill program which was undertaken in Q1 CY2021 with a 16 hole program for 2,254m designed to confirm the geometry and continuity of mineralisation. Results from both prospects confirmed the interpreted shallow north plunge as well as the cyclical frequency of high-grade shoots.

Better Golconda results include:

- IS0112: **5m @ 18.0 g/t Au from 78m incl. 1m @ 85.1 g/t Au from 78m**
- IS0106: **2m @ 13.5 g/t Au from 70m**
- IS0105: **1m @ 5.0 g/t Au from 91m**

More significant Baxters results include:

- IS0104: **4m @ 4.3 g/t Au from 74m**
- IS0117: **2m @ 3.3 g/t Au from 97m**



The Baxters and Golconda prospects are two separate parallel BIF packages separated by a 30-60m wide sequence of basalt and dolerite. Mineralisation is associated with a north plunging fold where extensional veins occur within or proximal to the fold hinge.

The results from this latest program are encouraging as the drilling data has confirmed that both prospects contain high grades and remain open down plunge. The high grade mineralisation appears to occur in discrete shoots within a broader mineralised trend.

Further drilling will aim to test the plunge extents of the mineralisation as well as the grade distribution of the higher grade shoots.

Iron Clad

Mineralisation at the Iron Clad prospect is hosted within the same BIF package as New Orient. Two RC holes for 228m were completed on a single line in the prospect.

Results included:

- ➡ IS0120: **3m @ 3.1 g/t Au from 70m**
- ➡ IS0119: **2m @ 2.3 g/t Au from 88m**

The results are located 30m north of a previous intercept of 4m @1.9g/t Au in IS0102 and indicate a similar level of grade continuity as the New Orient mineralisation located 4km north.

Future drilling will aim to understand the grade distribution and geometry of mineralisation.

Vadrians Hill

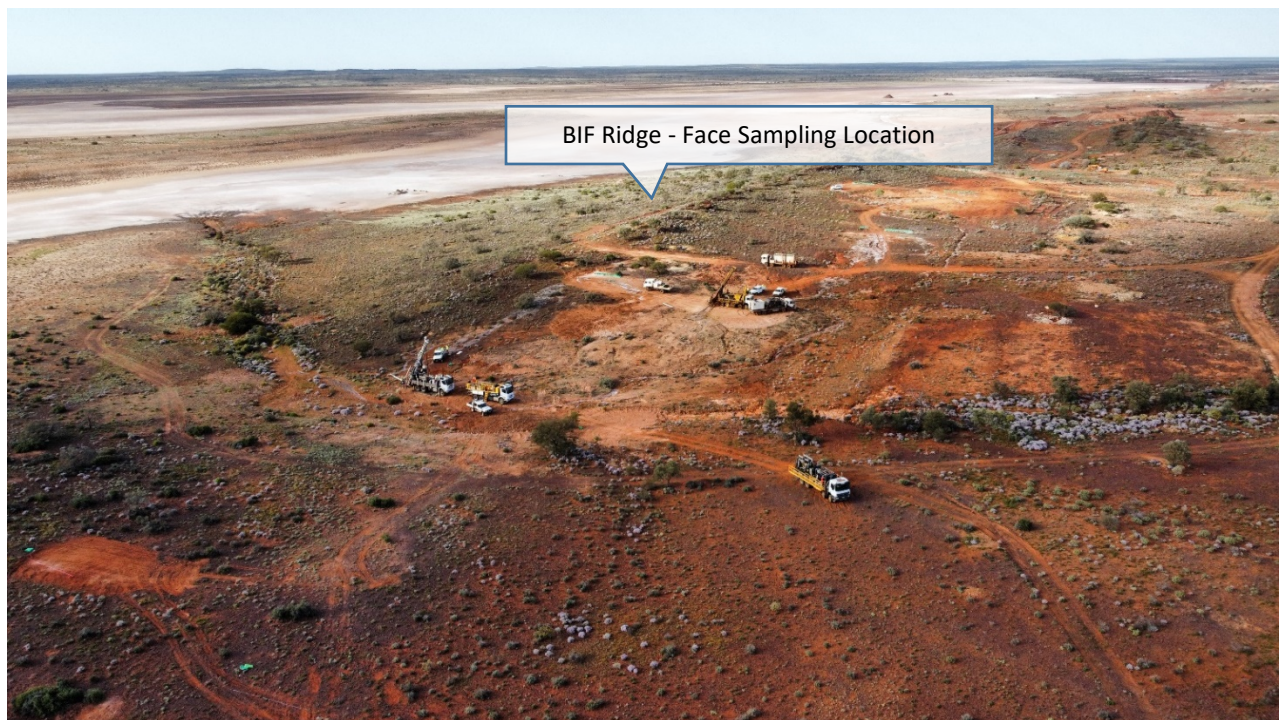
Two RC holes for 126m were completed at Vadrians Hill targeting BIF hosted mineralisation in the same package as the New Orient prospect. The drilling confirmed grade continuity around previous drilling including 2m @ 1.7 g/t Au in IS0101.

Results to date, including 8m@ 1.8 g/t Au from 36 m (IS0124), indicate grade continuity over more than 50m of strike. This builds on similar results across the Iron Clad prospect confirming the New Orient BIF package as a major host across the Island Gold Project.

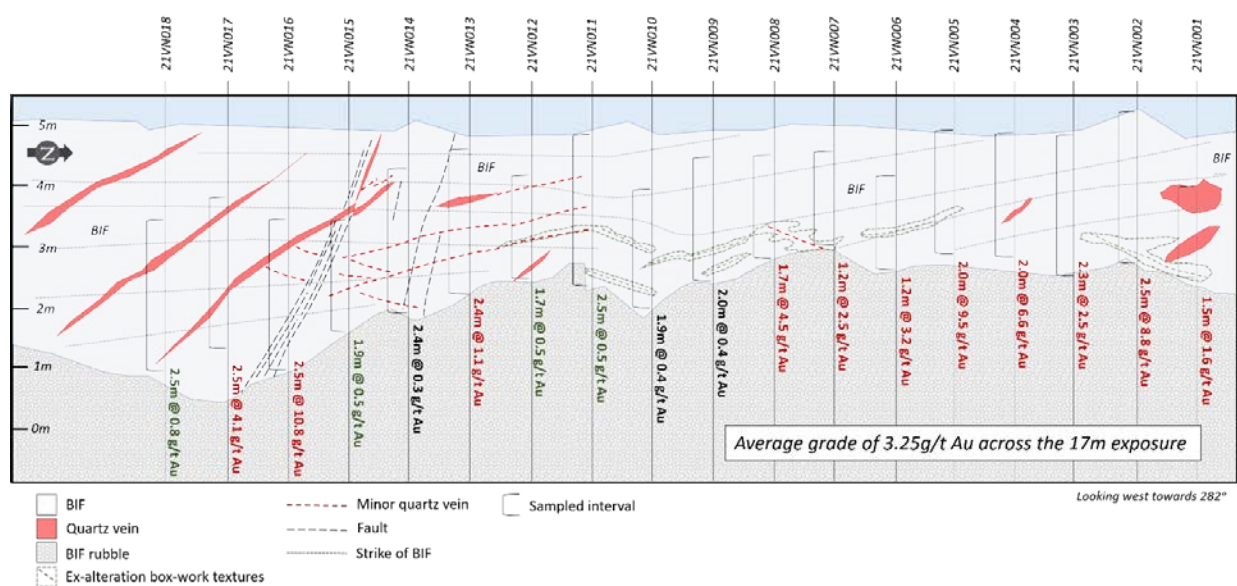
Detailed mapping has been completed across the Vadrians and Vadrians North prospects. As part of the mapping process a series of face samples were collected across the west face of an historical excavation at Vadrians North.

A total of 18 face samples were systematically collected across the exposure. The samples were taken orthogonal to the strike of the BIF unit to ensure a representative sample. Sample lengths varied between 1.2m and 2.5m with an average sample weight of 2.7kg.

The sampling confirmed the presence of both high-grade and continuous mineralisation across strike with an average face grade over the 17m exposure of 3.25g/t Au.



View South East over Vadrians North Prospect



Sampling and Mapping of Vadrians North Traverse

There are two distinct high-grade zones within the 17m exposure, with a 7m section averaging 5.4g/t in the northern half, and face grades across a 2m section averaging 7.5g/t at the southern end.

Based on mapping and sampling, the results correlate well with several structural features including:

- ➡ Moderately south-east dipping quartz veins,

- Shallow east to horizontal vein and fracture sets associated with either sulphide replacement, chlorite alteration or carbonate alteration / veining, and
- Sub-vertical east-west oriented faults.

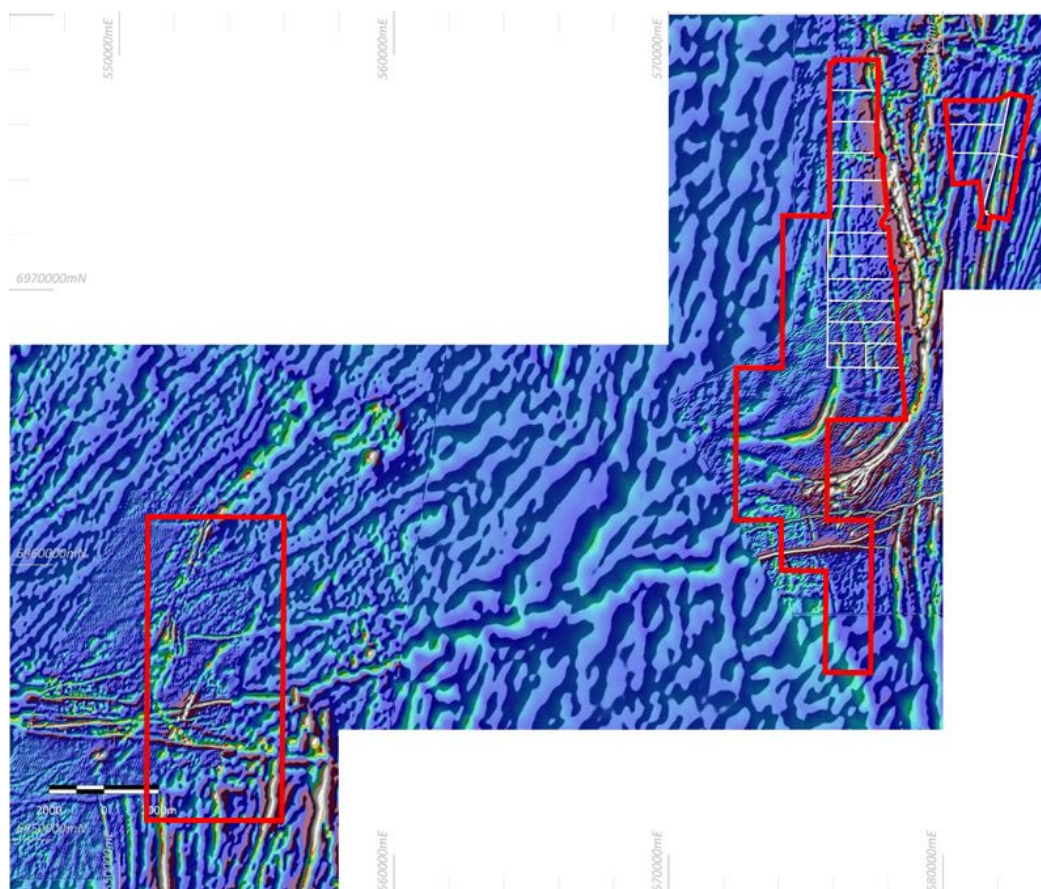
These results highlight the diversity of different mineralisation styles within the Island Gold project. Significantly, it demonstrates that BIF hosted mineralisation is not constrained to a single discrete feature.

Big Bell South and Cuddingwarra Projects – Western Australia

In August 2021, Caprice purchased an 80% interest in the Cuddingwarra and Big Bell South Projects from Golden State Mining Limited (**GSM**), forming an 80:20 joint venture with GSM. The Projects are located to the northwest of the Company's Island Gold Project, with all Murchison projects within trucking distance of two gold processing plants.

The geology and structures covered by the new Projects are consistent with a number of the major gold systems in the Murchison region, yet have received only minimal modern exploration and drill testing and were not a core focus of GSM.

Since acquisition, the magnetic data for the projects has been reprocessed and work is now focussing on target generation and work program.



Cuddingwarra and Big Bell South Reprocessed Magnetics

Northampton Project – Western Australia

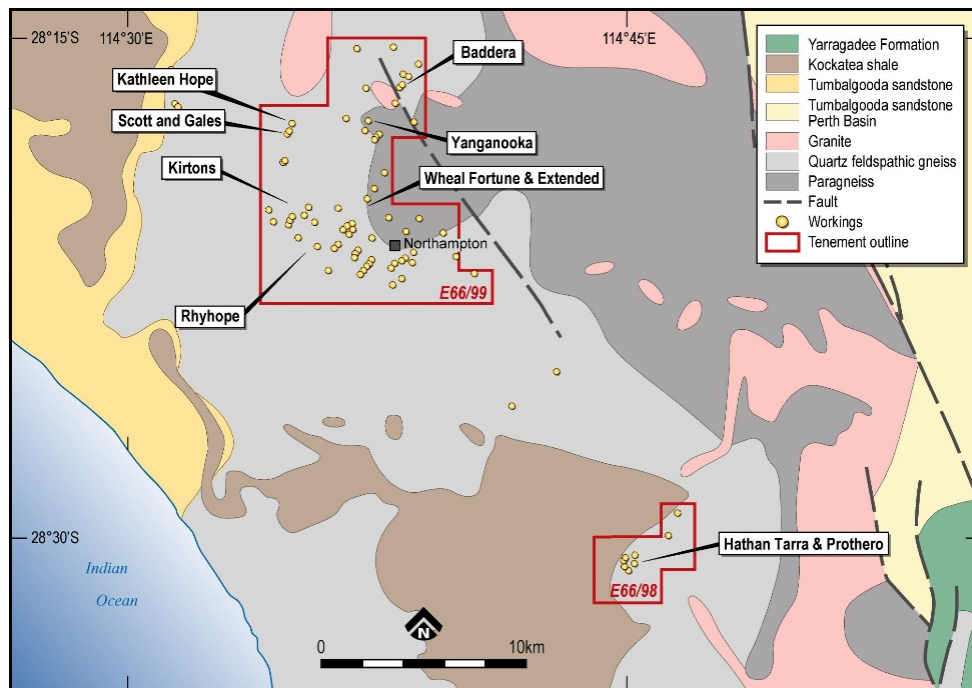
The Northampton Project hosts a large number of historic silver, lead, zinc and copper producing mines that date back to 1850 with evidence of large tailing dumps still evident across much of the Company's tenure.

RC Drill Program

On 1 July 2020, the Company announced the resumption of exploration activities at the Northampton Project and subsequently drilled 5 holes across a zone between the historical Wheal Fortune and the Wheal Fortune Extended prospects. Drilling was planned based on limited historical information using existing cleared sites.

Two holes intersected significant base metal zones, with galena and chalcopryite the dominant sulphide minerals. Results have produced significant intercepts including:

- CNHRC001: **17.0m @ 8.26% Pb and 0.25% Cu from 21m;** including
 - **5.0m @ 16.74% Pb and 0.25% Cu from 21m.**
- CNHRC002: **31.0m @ 1.12% Cu, 2.02% Pb and 9g/t Ag from 11m;** including
 - **12.0m @ 2.23% Cu, 2.94% Pb and 12g/t Ag from 30m;** and
 - **3.0m @ 3.78% Cu, 3.78% Pb and 3g/t Ag from 33m.**

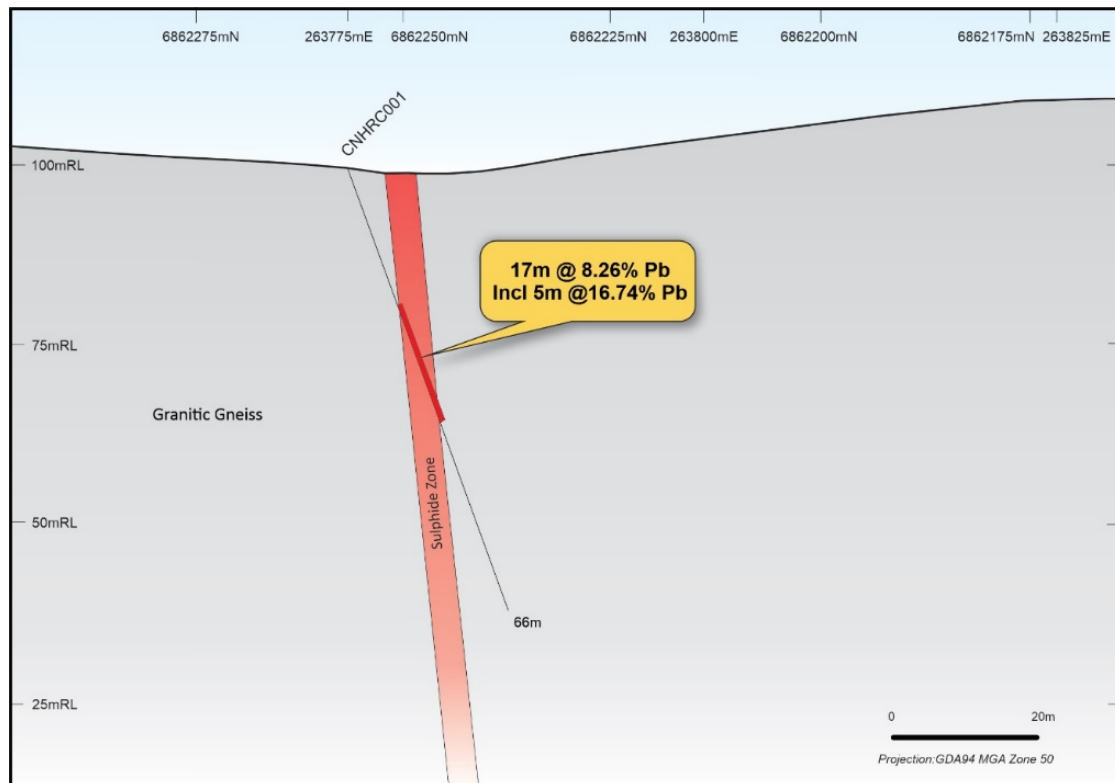


Northampton Copper Lead Project, Western Australia

These wide intercepts are likely to be due to the holes drilling through the mineralisation at a low angle. Follow up drilling will be required to determine the true widths of the mineralisation.

The drill holes were designed to test for depth extensions to the Wheal Fortune and the Wheal Fortune Extended historical copper lead mines which operated between 1862-1868 over a length of 223m and down to ~90m in depth. The deposits historically produced a combined total of 3,015 tonnes of lead and 2,681 tonnes of copper from a concentrate at 75% Pb and 17% Cu.

Mineralisation is hosted in a garnet bearing granitic gneiss with a north east trending shear hosting quartz and sulphides, with the dominant sulphides being galena, pyrite and chalcopyrite. The sulphide composition varies strongly between the two holes and further drilling will be required to test the zone above holes 3 to 5 and at depth to determine the economic significance of these high grade intercepts.



Cross section of Northampton looking north-east

The Company is undertaking a review of local and regional datasets to determine next steps at Northampton.

Wild Horse Hill Project – Northern Territory

The Wild Horse Hill Project covers an area of over 231km² and is situated in the Pine Creek mineralogical terrain. Pine Creek is highly prospective for gold, highlighted by the presence of established and historical gold mining areas.

The Company undertook its initial drilling program in the last quarter of 2019 with the first phase of the drill program testing the Cook Prospect with 10 RC drill holes, each drilled to a maximum depth of 150m.

The results of the drill program recorded one significant intersection of 4m @ 2.94g/t Au from hole 19WH005 on the western margin of the proposed target area, with no other significant intercepts recorded outside of this hole.

In light of these results, the Company is now conducting a thorough desktop review of all future planned activities to be completed at the Wild Horse Hill Project. No field activities took place during the year.

Competent Persons' Statements

The information in this report has been reviewed and / or compiled by Mr Christopher Oorschot, a full time employee of Caprice Resources Limited. Mr Oorschot is a Member of the Australian Institute of Geoscientists and has sufficient experience in the style of mineralisation and type of deposit under consideration and the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code"). Mr Oorschot consents to the inclusion in the report of the matters based on the information in the form and context in which it appears and confirms there are no material changes from when the information was first reported.

Corporate Governance

Caprice Resources Limited's Corporate Governance Statement for FY2021 is available on the Company's website www.capriceresources.com



Financial Statements

FY2021



CAPRICE RESOURCES LTD
ABN 96 624 970 725
DIRECTORS' REPORT

The Directors present their report together with the annual financial report of Caprice Resources Ltd ("Caprice" or the "Company") and Controlled Entity (the "Group" or "consolidated entity") for the year ended 30 June 2021 and the independent auditor's report thereon.

Directors

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

David Church (Non-Executive Chairman) – appointed Non-Executive Director 18 October 2018; transitioned to Non-Executive Chairman on 6 October 2020
Andrew Muir (Managing Director) – appointed 27 April 2021
Michael Caruso (Non-Executive Director) – appointed 6 October 2020
Adam Miethke (Non-Executive Director) – appointed 6 October 2020
Scott Patrizi (Non-Executive Director) – appointed 12 June 2018; resigned 11 August 2021
Bryn Hardcastle (Non-Executive Chairman) - appointed 20 March 2018, resigned 6 October 2020

Principal Activities

The principal activities of the Group are mining and mineral exploration. No significant change in the nature of these activities occurred during the year.

Review of Operations

During the year, the Group:

- acquired 100% of the issued capital of Goldview Metals Pty Ltd which holds the Island Gold Project;
- completed a 1 for 5.9 non-renounceable pro-rata entitlement offer at an issue price of \$0.18 which raised \$1,000,000 (before costs);
- completed a placement to institutional and sophisticated investors at an issue price of \$0.18 which raised \$1,600,000 (before costs);
- conducted a 5 hole reverse circulation drilling program at the Wheal Fortune prospect within their Northampton Base Metals Project which intercepted significant base metal sulphide mineralisation;
- completed its maiden drilling program at the Island Gold Project which confirmed extensions of thick and high-grade gold mineralisation at the New Orient Prospect;
- completed a 15 hole reverse circulation drill program at the Baxters-Golconda prospects within the Island Gold Project which returned significant gold intercepts;
- completed a 35-hole RC program for a total of 4,575m, testing the New Orient, Baxters, Golconda, Ironclad, Vadrians Hill and Campers prospects; and
- Appointed Andrew Muir as Managing Director, Michael Caruso and Adam Miethke as Non-Executive Directors and Chris Oorschot as Exploration Manager. Bryn Hardcastle resigned as Non-Executive Chairman.

Financial Results

The loss of the Group after providing for income tax for the period ending 30 June 2021 was \$2,079,147 (30 June 2020: \$369,505). During the year, total expenses amounted to \$2,090,980 (30 June 2020: \$412,297). Cash and cash equivalents amounted to \$3,315,439 as at 30 June 2021 (30 June 2020: \$3,256,442).

CAPRICE RESOURCES LTD
ABN 96 624 970 725
DIRECTORS' REPORT (continued)

Significant Changes in State of Affairs

During the year, Caprice Resources Ltd acquired Goldview Metals Pty Ltd which holds 100% of the Island Gold Project.

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

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year that significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years other than:

- On 27 July 2021, the Company announced the acquisition of an 80% interest in Golden State Mining's (GSM) Cuddingwarra and Big Bell South Gold Projects (Projects), near the Group's Island Gold Project. The key terms of the acquisition and Joint Venture (JV) are summarised as follows:
 - In consideration for the acquisition:
 - the Company agrees to issue GSM 2,500,000 fully paid ordinary shares in the capital of Caprice;
 - a \$200,000 cash payment (including a \$30,000 exclusivity fee paid in May 2021); and
 - 250,000 options in Caprice with an exercise price of \$0.25 per option and expiring 3 years from the date of issue (subject to a 3 day VWAP of less than \$0.23 prior to completion).
 - GSM's retained 20% ownership over the Projects will be free-carried through to completion of a pre-feasibility study after which point GSM can elect to contribute or dilute.
 - Should GSM elect to dilute below 10% Project ownership their interest will convert into a 2% Net
 - Smelter Royalty (NSR) royalty, with Caprice able to buy-back the royalty for a cash payment of \$5,000,000.
 - Caprice has first right of refusal should GSM elect to dispose of its Project ownership.
 - Caprice to operate and manage the JV; and
- On 11 August 2021, Scott Patrizi resigned as Non-Executive Director.

Likely Developments and Expected Results of Operations

Other than as referred to in this report, further information as to likely developments in the operations of the Group and likely results of those operations in future financial years would, in the opinion of the directors, be speculative.

Dividends

No dividends have been paid or declared by the Group.

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DIRECTORS' REPORT (continued)

Environmental Regulation

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

Indemnity and Insurance of Officers

To the extent permitted by law, the Company indemnifies every person who is or has been:

- an Officer against any liability to any person (other than the Company) incurred while acting in that capacity and in good faith; and
- an Officer of the Company, against costs and expenses incurred by that person in that capacity in successfully defending legal proceedings and ancillary matters.

The Company has entered into a Deed of Indemnity, Access and Insurance with each of its Directors and the Company Secretary. Under the Deeds of Indemnity, Access and Insurance the Company will indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Deeds of Indemnity, Access and Insurance also provide for the right to access Board papers and other Company records.

Indemnity and Insurance of Auditor

The Group has not, during or since the end of the financial year indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

Proceedings on Behalf of Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Information on Directors

Information in relation to the Directors of the Company for the reporting period and up to the date of this report is as follows:

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DIRECTORS' REPORT (continued)

Mr David Church - Non-Executive Chairman

Qualifications: LLB, Bachelor of Economics

Experience and expertise: Mr Church is a consultant providing general counsel and mergers and acquisition services to Regent Pacific Group Limited, a company whose securities are listed on The Stock Exchange of Hong Kong Limited. Mr Church is a qualified solicitor and has practiced in Australia with Clayton Utz, and in the UK and Hong Kong with Linklaters.

Other current directorships: Non-Executive Director of Hammer Metals Limited (ASX:HMX).

Former directorships: Nil.

Special responsibilities: Nil.

Interest in shares: 662,267 ordinary shares.

Interest in options: 325,000 options (exercise price \$0.25, expiry date 28 November 2022); 1,000,000 options (exercise price \$0.3894, expiry date 10 December 2023).

Contractual rights to shares: Nil.

Mr Andrew Muir – Managing Director (appointed 27 April 2021)

Qualifications: Bachelor of Science with Honours (Geology), Graduate Diploma in Applied Finance & Investment, FFIN

Experience and expertise: Mr Muir is a highly regarded mining executive with a strong background in gold exploration and geology, coupled with strong economic evaluation and corporate experience. He was previously Managing Director of NTM Gold Ltd where he was responsible for significant exploration success which ultimately resulted in the takeover by Dacian Gold Ltd

Mr Muir is an experienced geologist with time spent equally across both exploration and mining operations. He was instrumental in the discovery of the multi-million-ounce Wallaby deposit whilst at the Granny Smith operations. He has previously worked with Great Central Gold Mines, Placer Dome and Goldfields Limited. Prior to NTM, Mr Muir worked at Argonaut Capital, where he was an Associate Director with Argonaut's corporate team. He was also a resource analyst for JP Morgan, Hartleys and PCF Capital.

Other current directorships: Nil.

Former directorships: Managing Director of NTM Gold Ltd (ASX: NTM) resigned 15/3/2021 following takeover; Non-Executive Director of Alice Queen Ltd (ASX: AQX) resigned 3/2/2020.

Special responsibilities: Nil.

Interest in shares: Nil.

Interest in options: Nil.

Contractual rights to shares: 3,750,000 performance rights.

Mr Michael Caruso – Non-Executive Director (appointed 6 October 2020)

Experience and expertise: Mr Caruso has 40 years of practical and management experience in the operation of remotely located civil and mining earthmoving and mineral exploration projects throughout Australia.

For ten years Mick owned and profitably operated a 100 ton/hour wet gravity alluvial gold mining operation at Peak Hill in the Murchison Goldfield, Western Australia. During 1998, he was instrumental in the identification of Banded Iron Formation primary gold mineralisation associated with shear zones at the Island Gold Project.

Other current directorships: Nil

Former directorships: Nil.

Special responsibilities: Nil.

Interest in shares: 11,557,543 ordinary shares.

Interest in options: 325,000 options (exercise price \$0.25, expiry date 6 October 2023); 1,000,000 options (exercise price \$0.3894, expiry date 10 December 2023).

Contractual rights to shares: Mr Caruso has a contractual right to 3,464,492 "milestone shares" as

CAPRICE RESOURCES LTD
ABN 96 624 970 725
DIRECTORS' REPORT (continued)

part of the acquisition agreement of Goldview Metals Pty Ltd. These “milestone shares” are ordinary shares in Caprice which will be issued to Mr Caruso upon the successful announcement by Caprice on the ASX market announcement platform of a mineral resources in accordance with the JORC Code 2012 of a minimum of 250,000 ounces gold resource at a minimum grade of 2.0 grams per tonne of gold on the Goldview tenements being M21/66, M21/140 and E21/186 on or before 25 September 2025.

Mr Adam Miethke – Non-Executive Director (appointed 6 October 2020)

Qualifications: Bachelor of Applied Science with First Class Honours in Geology & Master of Business Administration

Experience and expertise: Mr Miethke is a geologist with over extensive experience in the metals and mining industry, funds management and as a corporate advisor. He initially worked for Rio Tinto’s iron ore division before joining Snowden Mining Consultants where he worked across all commodities in Australia, Africa, Eastern Europe and South America. After completing an MBA in 2008, he joined Regent Pacific Group in Hong Kong as technical director, overseeing the group’s investment portfolio. Between 2011 and 2016, Mr Miethke was a director of a corporate finance team at Argonaut Capital Limited and led Argonaut’s metals and mining division.

Other current directorships: Nil.

Former directorships: Non-Executive Director of Calidus Resources Ltd (ASX: CAI) resigned 27/7/20.

Special responsibilities: Nil.

Interest in shares: 1,894,445 ordinary shares.

Interest in options: 1,000,000 options (exercise price \$0.3894, expiry date 10 December 2023).

Contractual rights to shares: Nil.

Mr Scott Patrizi – Executive Director (resigned 11 August 2021)

Qualifications: Bachelor of Commerce

Experience and expertise: Mr Patrizi is a corporate finance professional being previously employed with Deloitte. Mr Patrizi holds a Bachelor of Commerce from the University of Western Australia. During his time at Deloitte, Mr Patrizi worked across a wide range of industries including mining, oil and gas, healthcare, education and private equity providing merger and acquisition, valuation and due diligence services. Prior to Deloitte, Mr Patrizi worked for Argonaut, a full service advisory, stockbroking & research and investment house focused on clients in the natural resources sector.

Other current directorships: Director of Huntsman Exploration Inc (TSX-V: HMAN).

Former directorships: Matador Mining Ltd (ASX: MZZ) resigned 3 July 2018; Elixir Energy Ltd (formerly Elixir Petroleum Limited) (ASX:EXR) resigned 6 May 2019; RareX Ltd (formerly Sagon Resources Ltd) (ASX:REE) resigned 18 February 2020.

Special responsibilities: Nil.

Interest in shares: 364,600 ordinary shares.

Interest in options: 2,000,000 options (exercise price \$0.25, expiry date 28 November 2022); 1,000,000 options (exercise price \$0.3894, expiry date 10 December 2023).

Contractual rights to shares: Nil.

CAPRICE RESOURCES LTD
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DIRECTORS' REPORT (continued)

Mr Bryn Hardcastle – Non-Executive Chairman (resigned 6 October 2020)

Qualifications: Bachelor of Laws, Bachelor of Arts

Experience and expertise: Mr Hardcastle is a lawyer, specialising in corporate, commercial and securities law. Mr Hardcastle advises on equity capital markets, takeovers, schemes and corporate acquisitions, reconstructions and disposals predominantly in the energy and resources sector.

Other current directorships: Nil.

Former directorships: New Century Resources Limited (ASX: NCZ) resigned 30 November 2020; Fargo Enterprises Ltd (formerly Flamingo AI Ltd) (ASX: FGO) resigned 29 January 2021; Primero Group Ltd (ASX: PGX) resigned 17 February 2021.

Special responsibilities: Nil.

Interest in shares: 292,373 ordinary shares.

Interest in options: 325,000 options (exercise price \$0.25, expiry date 28 November 2022).

Contractual rights to shares: Nil.

Directors' Meetings

During the financial year, four meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to Attend	Attended
David Church	4	4
Andrew Muir	1	1
Michael Caruso	3	3
Adam Miethke	3	3
Scott Patrizi	4	4
Bryn Hardcastle	1	1

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Ms Oonagh Malone

Ms Malone is a principal of a corporate advisory firm which provides company secretarial and administrative services. She has over 10 years' experience in administrative and company secretarial roles for listed companies and is a member of the Governance Institute of Australia. She currently acts as company secretary for ASX-listed companies African Gold Ltd, Aston Minerals Limited, Benz Mining Corp, Carbine Resources Ltd, Hawkstone Mining Limited, RareX Ltd and Riversgold Ltd, and non-executive director of Peak Minerals Ltd.

Remuneration Report - audited

The remuneration report details the key management personnel remuneration arrangements for the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

CAPRICE RESOURCES LTD
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DIRECTORS' REPORT (continued)

Remuneration policy

In determining competitive remuneration rates, the Board seeks independent advice on local and international trends among comparative companies and industry generally.

Independent advice may be obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices. During the year no remuneration consultants were used.

Performance-based remuneration

The Board recognises that the Group operates in a global environment. To prosper in this environment we must attract, motivate and retain key executive staff.

The principles supporting the remuneration policy are that:

- reward reflects the competitive global market in which the Group operates;
- rewards to executives are linked to creating value for shareholders;
- remuneration arrangements are equitable and facilitate the development of senior management across the Group;
- where appropriate, senior managers receive a component of their remuneration in equity to align their interests with those of the shareholders; and
- long term incentives are used to ensure that remuneration of key management personnel reflects the Group's financial performance, with particular emphasis on the Group's earnings and the consequence of the Group's performance on shareholder wealth.

Market Comparisons

Consistent with attracting and retaining talented executives, the Board endorses the use of incentive and bonus payments. The Board continues to seek external advice to ensure reasonableness in remuneration scale and structure, and to compare the Company's position with the external market. The impact and high cost of replacing senior employees and the competition for talented executives requires the Board to reward key employees when they deliver consistently high performance.

Board Remuneration

The Board determines actual payments to Directors and reviews their remuneration annually based on independent external advice with regard to market practice, relativities, and the duties and accountabilities of directors. A review of Directors' remuneration is conducted annually to benchmark overall remuneration including retirement benefits.

CAPRICE RESOURCES LTD
ABN 96 624 970 725
DIRECTORS' REPORT (continued)

Directors' Fees

Executive Remuneration

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders.

The Board ensures that executive reward satisfies the following key criteria for good reward corporate governance practices:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage/alignment of executive compensation
- Transparency
- Capital management

The Company has structured an executive framework that is market competitive and complementary to the reward strategy for the organisation.

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

- The remuneration policy, setting the terms and conditions for executive directors and executives, was developed and approved by the Board. All executives receive a fee, part of which may be taken as superannuation, and from time to time, options. Options issued to Directors are subject to approval by Shareholders. The Board reviews executive packages regularly by reference to the Company's performance, executives' performance and comparable information from industry sectors and other listed companies in similar industries. The Board may in its discretion establish a performance based bonus system to provide reward in addition to the base salary level to the executives on such terms as the Board may determine.
- Salaried executive directors and specified executives are allocated superannuation guarantee contributions as required by law, and do not receive any other retirement benefits. From time to time, some individuals may choose to sacrifice their salary or consulting fees to increase payments towards superannuation.
- All remuneration paid to directors and specified executives is valued at the cost to the Company and expensed. Options are valued using either the ASX trading price (for listed options issued) or the Black-Scholes methodology (for unlisted options issued).

CAPRICE RESOURCES LTD
ABN 96 624 970 725
DIRECTORS' REPORT (continued)

Service Agreements

A summary of service agreements entered into with Executives is set out below:

Executive	Term of Agreement	Base salary per annum including any superannuation* (Non-performance based)	Termination Conditions	Elements of remuneration related to performance
Mr Andrew Muir	Ongoing until terminated in accordance with the agreement	\$250,000	3 months notice by either party	3,750,000 performance rights
Mr Scott Patrizi ¹	Ongoing until terminated in accordance with the agreement	\$36,000 ²	1 month notice by either party	1,000,000 options

* Base salary quoted is the position as at 30 June 2021; salaries are reviewed annually.

1 Mr Patrizi transitioned to Non-Executive Director on 27 April 2021 and resigned on 11 August 2021.

2 Mr Patrizi's remuneration increased to \$120,000 pa plus super from 6/10/20 following completion of the acquisition of Goldview Metals Pty Ltd. Following the appointment of Mr Muir on 27/4/21, Mr Patrizi became a Non-Executive Director and his remuneration decreased to \$40,000 pa plus super.

Non-Executive Remuneration

Shareholders approve the maximum aggregate remuneration for non-executive directors. The maximum aggregate remuneration approved for Non-Executive Directors is determined from time to time by a general meeting.

It is recognised that non-executive director remuneration is ideally structured to exclude equity based remuneration. However, whilst the Company remains small and the full Board, including the Non-Executive Directors, are included in the operations of the Company more intimately than may be the case with larger companies, the Non-Executive Directors are entitled to participate in equity based remuneration schemes.

Bonus or Profit Participation Plan

Performance incentives may be offered to executive directors and senior management of the Company through the operation of a bonus or profit participation plan at the ultimate discretion of the Board.

Details of the remuneration of the directors and key management personnel of the Company (as defined in AASB 124 *Related Party Disclosures*) are set out in the following tables.

There were no other transactions with Directors or key management personnel other than those included in the below remuneration tables or as disclosed elsewhere in the Directors' Report.

CAPRICE RESOURCES LTD
ABN 96 624 970 725
DIRECTORS' REPORT (continued)

Details of remuneration for year ended 30 June 2021

	Salary, Fees and Commissions \$	Super- annuation Contribution \$	Non-cash Benefits \$	Share- based Payments \$	Total \$
Non-executive Directors					
Mr David Church	50,516	4,799	-	141,600	196,915
Mr Michael Caruso ¹	30,000	2,850	-	231,268	264,118
Mr Adam Miethke ¹	29,516	2,804	-	141,600	173,920
Mr Scott Patrizi ²	84,538	7,130	-	141,600	233,268
Mr Bryn Hardcastle ³	6,000	-	-	-	6,000
Executive Director					
Mr Andrew Muir ⁴	45,513	4,324	-	35,231	85,068
Other Key Management Personnel					
Ms Oonagh Malone	41,742	-	-	35,400	77,142
Total	287,825	21,907	-	726,699	1,036,431

1 Appointed 6 October 2020

2 Resigned 11 August 2021

3 Resigned 6 October 2020

4 Appointed 27 April 2021

Details of remuneration for year ended 30 June 2020

	Salary, Fees and Commissions \$	Super- annuation Contribution \$	Non-cash Benefits \$	Share- based Payments \$	Total \$
Non-executive Directors					
Mr Bryn Hardcastle	24,000	-	-	-	24,000
Mr David Church	24,000	2,280	-	-	26,280
Executive Director					
Mr Scott Patrizi	36,000	-	-	-	36,000
Other Key Management Personnel					
Ms Oonagh Malone	24,000	-	-	-	24,000
Total	108,000	2,280	-	-	110,280

1 Resigned 26 October 2018

2 Resigned 18 July 2018

CAPRICE RESOURCES LTD
ABN 96 624 970 725
DIRECTORS' REPORT (continued)

The proportion of remuneration linked to performance and fixed proportion are as follows:

	Fixed remuneration		At risk- short term incentives		At risk- long term incentives	
	2021 %	2020 %	2021 %	2020 %	2021 %	2020 %
Non-executive Directors						
Mr David Church	28	100	-	-	72	-
Mr Michael Caruso ¹	12	-	-	-	88	-
Mr Adam Miethke ¹	19	-	-	-	81	-
Mr Scott Patrizi ²	39	100	-	-	61	-
Mr Bryn Hardcastle ³	100	100	-	-	-	-
Executive Director						
Mr Andrew Muir ⁴	59	-	-	-	41	-
Other Key Management Personnel						
Ms Oonagh Malone	54	100	-	-	46	-

¹ Appointed 6 October 2020

² Resigned 11 August 2021

³ Resigned 6 October 2020

⁴ Appointed 27 April 2021

There were no cash bonuses paid/payable or forfeited during the year ended 30 June 2021 or 30 June 2020.

Share-based compensation

Issue of shares

There were no shares granted during the reporting period as compensation (2020: Nil).

Options

The options below were issued to the following Directors and key management personnel during the year ended 30 June 2021 as part of their performance-based remuneration:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Mr David Church	1,000,000	10/12/20	10/12/20	10/12/23	\$0.3894	\$0.1416
Mr Michael Caruso ¹	325,000	6/10/20	6/10/20	6/10/23	\$0.25	\$0.2759
Mr Michael Caruso ¹	1,000,000	10/12/20	10/12/20	10/12/23	\$0.3894	\$0.1416
Mr Adam Miethke ¹	1,000,000	10/12/20	10/12/20	10/12/23	\$0.3894	\$0.1416
Mr Scott Patrizi ²	1,000,000	10/12/20	10/12/20	10/12/23	\$0.3894	\$0.1416
Ms Oonagh Malone	250,000	10/12/20	10/12/20	10/12/23	\$0.3894	\$0.1416

¹ Appointed 6 October 2020

² Resigned 11 August 2021

There were no options issued during the year ended 30 June 2020.

CAPRICE RESOURCES LTD
ABN 96 624 970 725
DIRECTORS' REPORT (continued)

Values of options over ordinary shares granted, exercised and lapsed for directors and other and key management personnel as part of compensation during the year ended 30 June 2021 are set out below.

Name	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	Remuneration consisting of options for the year
	\$	\$	\$	%
Mr David Church	141,600	-	-	72
Mr Michael Caruso ¹	231,268	-	-	88
Mr Adam Miethke ¹	141,600	-	-	81
Mr Scott Patrizi ²	141,600	-	-	61
Ms Oonagh Malone	35,400	-	-	46

¹ Appointed 6 October 2020

² Resigned 11 August 2021

Performance Rights

The performance rights below were issued to the following Directors and key management personnel during the year ended 30 June 2021 as part of their performance-based remuneration:

Director	Class	Grant date	Expiry date	No. of performance rights	Fair value per performance right	Total fair value of performance rights issued	Expense to Statement of Profit or Loss for the year ¹
					(\$)	(\$)	(\$)
A Muir ²	A	27/4/21	27/4/24	150,000	0.1726	25,890	1,512
	B	27/4/21	27/4/24	250,000	0.1496	37,400	2,184
	C	27/4/21	27/4/24	350,000	0.1318	46,130	2,694
	D	27/4/21	27/4/24	250,000	0.25	62,500	3,650
	E	27/4/21	27/4/25	500,000	0.25	125,000	5,476
	F	27/4/21	27/4/26	750,000	0.25	187,500	6,572
	G	27/4/21	27/4/26	1,500,000	0.25	375,000	13,143
Total				3,750,000		859,420	35,231

¹ Performance rights are expensed on a straight-line basis over the vesting period.

² Appointed 27 April 2021

CAPRICE RESOURCES LTD
ABN 96 624 970 725
DIRECTORS' REPORT (continued)

The performance rights will vest on meeting the following performance conditions before the expiry date:

Class	Vesting Condition - vesting will occur:	Number
A	30 Day VWAP at any time after the date of issue exceeds \$0.75	150,000
B	30 Day VWAP at any time after the date of issue exceeds \$1.00	250,000
C	30 Day VWAP at any time after the date of issue exceeds \$1.25	350,000
D	The Company announces an Inferred, Indicated or Measured Resource (as defined in the JORC Code) of no less than 250,000(oz) of gold or gold equivalent at a minimum grade of 2.0 g/t of gold or gold equivalent	250,000
E	The Company announces an Inferred, Indicated or Measured Resource (as defined in the JORC Code) of no less than 500,000(oz) of gold or gold equivalent at a minimum grade of 2.0 g/t of gold or gold equivalent	500,000
F	The Company announces an Inferred, Indicated or Measured Resource (as defined in the JORC Code) of no less than 750,000(oz) of gold or gold equivalent at a minimum grade of 2.0 g/t of gold or gold equivalent	750,000
G	The Company announces an Inferred, Indicated or Measured Resource (as defined in the JORC Code) of no less than 1,000,000(oz) of gold or gold equivalent at a minimum grade of 2.0 g/t of gold or gold equivalent	1,500,000

There were no performance rights issued during the year ended 30 June 2020.

The Board considers that the performance rights are a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of the management, and are consistent with the strategic goals and targets of the Company.

CAPRICE RESOURCES LTD
ABN 96 624 970 725
DIRECTORS' REPORT (continued)

Additional disclosures relating to key management personnel

(i) Share holdings

The numbers of shares in the Company held during the financial year by each director and other key management personnel of the Company, including their personally related parties, are set out below.

2021	Balance at the start of the year or on appointment	Received during the year on exercise of options	Other changes during the year	Balance at the end of the year or date of resignation
Ordinary shares				
Mr David Church	162,500	-	499,767	662,267
Mr Michael Caruso ¹	11,557,543	-	-	11,557,543
Mr Adam Miethke ¹	1,894,445	-	-	1,894,445
Mr Scott Patrizi ²	168,000	-	196,600	364,600
Mr Bryn Hardcastle ³	250,000	-	42,373	292,373
Mr Andrew Muir ⁴	-	-	-	-
Ms Oonagh Malone	10,000	-	-	10,000
Total	14,042,488	-	738,740	14,781,228

¹ Appointed 6 October 2020

² Resigned 11 August 2021

³ Resigned 6 October 2020

⁴ Appointed 27 April 2021

2020	Balance at the start of the year	Received during the year on exercise of options	Other changes during the year	Balance at the end of the year or date of resignation
Ordinary shares				
Mr Bryn Hardcastle	250,000	-	-	250,000
Mr David Church	162,500	-	-	162,500
Mr Scott Patrizi	60,000	-	108,000	168,000
Ms Oonagh Malone	10,000	-	-	10,000
Total	482,500	-	108,000	590,500

CAPRICE RESOURCES LTD
ABN 96 624 970 725
DIRECTORS' REPORT (continued)

ii) Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director and other key management personnel of the Company, including their personally related parties, are set out below.

2021	Balance at start of the year	Granted as Compensation	Acquired	Lapsed/ Forfeited	Balance at end of the year	Vested	Escrowed until 28 Nov 2022
D Church	325,000	1,000,000	-	-	1,325,000	1,325,000	325,000
A Muir ⁴	-	-	-	-	-	-	-
V Caruso ¹	-	1,325,000	-	-	1,325,000	1,325,000	325,000
A Miethke ¹	-	1,000,000	-	-	1,000,000	1,000,000	-
S Patrizi ²	2,000,000	1,000,000	-	-	3,000,000	3,000,000	2,000,000
B Hardcastle ³	325,000	-	-	-	325,000	325,000	-
O Malone	-	250,000	-	-	250,000	250,000	-
Total	2,650,000	4,575,000	-	-	7,225,000	7,225,000	2,650,000

1 Appointed 6 October 2020

2 Resigned 11 August 2021

3 Resigned 6 October 2020

4 Appointed 27 April 2021

2020	Balance at start of the year	Granted as Compensation	Acquired	Lapsed/ Forfeited	Balance at end of the year	Vested	Escrowed until 28 Nov 2022
B Hardcastle	325,000	-	-	-	325,000	325,000	325,000
D Church	325,000	-	-	-	325,000	325,000	325,000
S Patrizi	2,000,000	-	-	-	2,000,000	2,000,000	2,000,000
O Malone	-	-	-	-	-	-	-
Total	2,650,000	-	-	-	2,650,000	2,650,000	2,650,000

During the reporting period, no shares were issued to Directors or key management personnel on the exercise of options previously granted as remuneration.

iii) Performance rights

The numbers of performance rights held during the financial year by each director and other key management personnel of the Company, including their personally related parties, are set out below.

2021	Balance at start of the year	Granted as Compensation	Converted	Lapsed/ Forfeited	Balance at end of the year	Vested
D Church	-	-	-	-	-	-
A Muir ⁴	-	3,750,000	-	-	3,750,000	-
V Caruso ¹	-	-	-	-	-	-
A Miethke ¹	-	-	-	-	-	-
S Patrizi ²	-	-	-	-	-	-
B Hardcastle ³	-	-	-	-	-	-
O Malone	-	-	-	-	-	-
Total	-	3,750,000	-	-	3,750,000	-

1 Appointed 6 October 2020

2 Resigned 11 August 2021

3 Resigned 6 October 2020

4 Appointed 27 April 2021

iv) Other transactions with key management personnel and their related parties

CAPRICE RESOURCES LTD
ABN 96 624 970 725
DIRECTORS' REPORT (continued)

Non-Executive Director Michael Caruso, trading as Civil and Mining Earthmoving, received \$32,380 (2020: nil) for excavator hire and \$12,300 (2020: nil) for labour in relation to exploration activities at the Island Gold Project. Mr Caruso also received 11,557,543 shares in Caprice as one of the vendors of Goldview Metals Pty Ltd (Goldview) which holds the Island Gold Project. These shares were issued as consideration for Mr Caruso's interest in Goldview and he was appointed Non-Executive Director following completion of the acquisition of Goldview by Caprice.

Discovery Capital Partners received \$110,000 (2020: \$80,000) for corporate advisory services, \$36,039 (2020: \$12,000) for office rent and \$109,619 (2020: nil) for capital raising fees. Discovery Capital Partners also received 1,388,889 shares in Caprice for corporate advisory services in relation to the acquisition of Goldview. Discovery Capital Partners is a related party of Non-Executive Director, Adam Miethke.

Bellanhouse Legal received nil (2020: \$20,098) during the year for the provision of legal services in relation to general legal matters. Bellanhouse Legal was a related party of Non-Executive Chairman, Bryn Hardcastle.

All transactions with related parties have been entered into on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Additional information for consideration of shareholder wealth

This table summarises the earnings of the Group and other factors that are considered to affect shareholder wealth.

	2021	2020	2019	2018 ¹
Loss after income tax attributable to shareholders (\$)	(2,079,147)	(369,505)	(1,226,824)	(55,277)
Share price at financial year end (\$)	0.205	0.21	0.15	N/a
Movement in share price for the year (\$)	(0.005)	0.06	(0.05)	N/a
Total dividends declared (cents per share)	-	-	-	-
Basic loss per share (cents per share)	(3.62)	(1.13)	(5.47)	(16.14)

¹ The Company was incorporated on 20 March 2018 and as admitted to the ASX on 5 December 2018.

This is the end of the audited Remuneration report.

Shares under option

Unissued ordinary shares of the Company under option at the date of this report are:

Grant date	Expiry date	Exercise price	Number of options
28/11/2018	28/11/2022	\$0.25	2,650,000
28/11/2018	28/11/2021	\$0.25	2,175,000
28/11/2018	28/11/2021	\$0.25	325,000
6/10/2020	6/10/2023	\$0.25	325,000
10/12/2020	10/12/2023	\$0.3894	4,250,000
Total			9,725,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

During the year, there was 825,000 (2020: nil) shares issued on the exercise of options at an exercise price of \$0.25.

CAPRICE RESOURCES LTD
ABN 96 624 970 725
DIRECTORS' REPORT (continued)

Non-audit services

No non-audit services were performed by the Group's auditor, RSM Australia Partners, during the year ended 30 June 2021 (2020: nil).

Officers of the company who are former partner of RSM Australia Partners

No officer of the Company is or has been a Partner/Director of any auditor of the Group.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s307C of the *Corporations Act 2001* is set out on page 21.

Auditor

RSM Australia continues in office in accordance with section 327 of the *Corporations Act 2001*.

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



Andrew Muir

Managing Director

Dated this 30th day of September 2021

RSM Australia Partners

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

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

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

RSM
RSM AUSTRALIA PARTNERS


ALASDAIR WHYTE
Partner

Perth, WA
Dated: 30 September 2021

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RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

CAPRICE RESOURCES LTD
ABN 96 624 970 725

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Income			
Interest income	3(a)	1,306	32,792
Other income	3(a)	10,527	10,000
Total income		11,833	42,792
Expenses			
Administration expenses		(300,113)	(183,883)
Consultants and management expenses	3(b)	(428,703)	(170,492)
Depreciation expense	12	(1,394)	(990)
Legal expenses		(13,352)	(49,252)
Share based payment expense	16	(1,226,699)	-
Exploration costs expensed or written off	5	-	(7,680)
Transaction costs	3(c)	(120,719)	-
Total expenses		(2,090,980)	(412,297)
Loss before income tax for the year		(2,079,147)	(369,505)
Income tax expense	6	-	-
Loss after income tax expense for the year		(2,079,147)	(369,505)
Other comprehensive income		-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>		-	-
Total other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(2,079,147)	(369,505)
Attributable to:			
Members of the Company		(2,079,147)	(369,505)
Basic and diluted loss per share (cents per share)	20	(3.62)	(1.13)

The accompanying notes form part of these financial statements.

CAPRICE RESOURCES LTD
ABN 96 624 970 725

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	3,315,439	3,256,442
Trade and other receivables	8	129,041	7,283
Other current assets	9	68,838	20,330
TOTAL CURRENT ASSETS		3,513,318	3,284,055
NON-CURRENT ASSETS			
Exploration and evaluation assets	10	8,353,592	714,528
Property, plant and equipment	12	8,462	2,800
TOTAL NON-CURRENT ASSETS		8,362,054	717,328
TOTAL ASSETS		11,875,372	4,001,383
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	80,772	43,563
Provisions		9,048	-
TOTAL LIABILITIES		89,820	43,563
NET ASSETS		11,785,552	3,957,820
EQUITY			
Contributed equity	14	13,914,054	4,733,874
Reserves	15	1,602,251	875,552
Accumulated losses		(3,730,753)	(1,651,606)
TOTAL EQUITY		11,785,552	3,957,820

The accompanying notes form part of these financial statements.

CAPRICE RESOURCES LTD
ABN 96 624 970 725

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

	Note	Contributed Equity \$	Option Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2019		4,733,874	875,552	(1,282,101)	4,327,325
Loss after income tax expense for the year		-	-	(369,505)	(369,505)
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive loss for the year		-	-	(369,505)	(369,505)
Transactions with owners, in their capacity as owners		-	-	-	-
Balance at 30 June 2020		4,733,874	875,552	(1,651,606)	3,957,820
Balance at 1 July 2020		4,733,874	875,552	(1,651,606)	3,957,820
Loss after income tax expense for the year		-	-	(2,079,147)	(2,079,147)
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive loss for the year		-	-	(2,079,147)	(2,079,147)
Transactions with owners, in their capacity as owners					
Share issues	14(b)	2,600,000	-	-	2,600,000
Proceeds from exercise of options	14(b)	206,250	-	-	206,250
Shares issued as consideration for acquisition of Goldview Metals Pty Ltd	14(b)	6,004,800	-	-	6,004,800
Transactions costs		(130,870)	-	-	(130,870)
Share based payments	14(b), 16	500,000	726,699	-	1,226,699
Balance at 30 June 2021		13,914,054	1,602,251	(3,730,753)	11,785,552

The accompanying notes form part of these financial statements.

CAPRICE RESOURCES LTD
ABN 96 624 970 725

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
CASH FLOWS USED IN OPERATING ACTIVITIES			
Payments to suppliers and employees		(948,300)	(390,518)
Interest received		1,305	32,792
Other income		10,527	10,000
Net cash used in operating activities	21	(936,468)	(347,726)
CASH FLOWS USED IN INVESTING ACTIVITIES			
Payments for exploration expenditure		(1,460,561)	(257,221)
Payments for acquisition of mining tenements		(180,000)	(4,940)
Payments for property, plant and equipment		(7,056)	-
Cash acquired on acquisition of subsidiary		3,137	-
Payments for security deposit		(35,435)	-
Net cash used in investing activities		(1,679,915)	(262,161)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		2,806,250	-
Share issue costs paid		(130,870)	-
Net cash from financing activities		2,675,380	-
Net increase in cash held		58,997	(609,887)
Opening cash and cash equivalents		3,256,442	3,866,329
Cash and cash equivalents at end of year	7	3,315,439	3,256,442

The accompanying notes form part of these financial statements.

CAPRICE RESOURCES LTD

ABN 96 624 970 725

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The consolidated financial statements and notes represent those of Caprice Resources Ltd (the Company) and Controlled Entity (the Group or consolidated entity). Caprice Resources Ltd is a listed public company limited by shares, incorporated and domiciled in Australia.

The separate financial statements of the parent entity, Caprice Resources Ltd, have not been presented within this financial report as permitted by the Corporations Act 2001. Supplementary information about the parent entity is disclosed in Note 26.

The consolidated financial statements were authorised for issue on 30th September 2021 by the Directors of Caprice Resources Ltd.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose consolidated financial statements have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the consolidated financial statements are presented below and have been consistently applied unless stated otherwise.

Compliance with IFRS

The consolidated financial statements of the Caprice Resources Ltd comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

New and amended accounting policies adopted by the Group

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the Group's accounting policies.

The adoption of the new Conceptual Framework for Financial Reporting from 1 July 2020 has not led to any changes in accounting or disclosure for the Group, but the new Conceptual Framework may be referred to if accounting matters arise that are not addressed by accounting standards.

The adoption of the new definition of Material included in AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material from 1 July 2020 provides a new definition of material, which now extends materiality consideration to obscurity and clarifies that materiality now depends on the nature or magnitude of information.

Future effects of the implementation of these standards will depend on future details.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2021. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Historical cost convention

These consolidated financial statements have been prepared on an accruals basis under the historical cost convention.

Critical accounting estimates, judgements and assumptions

The preparation of consolidated financial statements requires the use of certain critical accounting estimates, judgements and assumptions. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 1(q).

Accounting Policies

a. Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 26.

b. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Caprice Resources Limited ('company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Caprice Resources Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

c. Other Revenue and Income

Interest income is recognised using the effective interest method, this is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue is recognised when it is received or when the right to receive payment is established.

All revenue is stated net of the amount of goods and services tax.

d. Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the Group in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

e. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

f. 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 as borrowings in current liabilities on the statement of financial position.

g. Trade and Other Receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade and other receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

h. Exploration and Evaluation Expenditure Assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the period in which the decision is made.

Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

i. Impairment of non-financial assets

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

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

j. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

k. Contributed Equity

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit recognised.

l. Share based payments

The fair value of options granted is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the option holder become unconditionally entitled to the options.

The fair value of the options at grant date is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the Statement of Profit or Loss and Other Comprehensive Income with a corresponding adjustment to equity.

The fair value of these equity instruments does not necessarily relate to the actual value that may be received in future by the recipients.

m. Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

n. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

o. 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 Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from financing and investing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers. Commitments and contingencies are disclosed net of GST.

p. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the consolidated financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

q. Critical accounting estimates, judgements and assumptions

(i) *Impairment exploration and evaluation assets*

Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

(ii) *Share-based payment transactions*

The Company 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 of the options issued are determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in the notes to the financial statements. The assumptions detailed in the note is also judgemental.

For equity transactions with consultants and other employees, the fair value reflects the value attributable to services where applicable. Where there is no quantifiable value of services the value of options is calculated using the Black-Scholes option pricing model.

For instruments issued with market-based conditions, alternative valuation methodologies would be adopted.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(iii) *Business combinations*

As stated in note 11, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

r. **Segment Reporting**

Operating segments are now reported in a manner that is consistent with the internal reporting to the Chief Operating Decision Maker, which has been identified by the Group as the Executive Director and other members of the board of directors.

The Group has identified its operating segment based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. For the current reporting period, the Group's sole activity was mineral exploration and resource development wholly within Australia, which is its only reportable segment.

The reportable segment is represented by the consolidated financial statements forming this financial report.

NOTE 2: SEGMENT INFORMATION

The Group's operations are in one reportable business segment, being the exploration for gold, lead, zinc and copper. The Group operates in one geographical segment, being Australia.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 3: LOSS BEFORE INCOME TAX

	2021 \$	2020 \$
a. Income		
Interest income	1,306	32,792
Australian Government cash flow boost	10,000	10,000
Rebate	527	-
	<u>11,833</u>	<u>42,792</u>
b. Consultants and management expenses		
Director fees and superannuation	267,989	86,280
Other consultants and management expenses	160,714	84,212
	<u>428,703</u>	<u>170,492</u>
c. Transaction costs – acquisition of Goldview Metals Pty Ltd		
Geological consulting	20,000	-
Legal and accounting fees	100,719	-
	<u>120,719</u>	<u>-</u>

NOTE 4: AUDITOR'S REMUNERATION

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Group:

	2021 \$	2020 \$
Audit services - RSM Australia Partners:		
Audit or review of the financial report of the Company and controlled entity	27,500	23,000

NOTE 5: EXPLORATION COSTS EXPENSED

	2021 \$	2020 \$
Exploration and project evaluation expenses	-	7,680

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 6: TAXATION

	2021 \$	2020 \$
Income tax expense		
Current tax	-	-
Deferred tax	-	-
Under/ (over) provision in respect of prior years	-	-
	-	-
Reconciliation of income tax expense to prima facie tax payable		
Loss before income tax expense	(2,079,147)	(369,505)
Tax at the Australian tax rate of 27.5% (2020: 27.5%)	(571,765)	(101,614)
Tax effect of expenditure not deductible in calculating taxable income:		
Share based payments	337,342	-
Cash flow boost	(2,750)	-
Capital raising expenditure	(39,475)	(32,278)
Other amounts not deductible or taxable in calculating taxable income	148	58
Income tax benefit not recognised	276,500	133,834
Income tax expense	-	-
Unrecognised deferred tax assets		
Tax losses	874,667	294,166
Other timing differences	7,384	4,282
Deferred tax assets not brought to account.	882,051	298,448

The Group has not recognised any deferred tax assets or liabilities.

These benefits will only be obtained if:

- (i) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits from the deduction for the losses to be realised;
- (ii) the Group continues to comply with the conditions for deductibility imposed by tax legislation; and
- (iii) no changes in tax legislation adversely affect the Group in realising the benefit from the deduction for the losses.

Franking credits

The Group has no franking credits available.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 7: CASH AND CASH EQUIVALENTS

	2021	2020
	\$	\$
Cash at bank and on hand	3,315,439	3,256,442
	3,315,439	3,256,442

NOTE 8: TRADE AND OTHER RECEIVABLES

	2021	2020
	\$	\$
GST refundable	129,041	7,283

NOTE 9: OTHER ASSETS

	2021	2020
	\$	\$
Prepayments	9,870	3,519
Security deposit in relation to tenement	58,968	16,811
	68,838	20,330

NOTE 10: EXPLORATION AND EVALUATION ASSETS

	2021	2020
	\$	\$
Tenement acquisition costs	5,542,438	295,516
Capitalised exploration expenditure	2,811,154	419,012
	8,353,592	714,528
<i>Movements in carrying value</i>		
Balance at the beginning of the year	714,528	459,523
Tenement acquisition costs ¹	5,246,922	-
Capitalised exploration expenditure at acquisition	1,088,277	-
Exploration expenditure capitalised	1,303,865	255,005
Balance at the end of the year	8,353,592	714,528

1 \$5,216,922 of tenement acquisition costs relates to the Island Gold Project (Note 11) and \$30,000 relates to the exclusivity fee paid for the Cuddingwarra and Big Bell South Gold Projects, the acquisition of which was finalised after 30 June 2021 (Note 19).

The balance carried forward represents the acquisition costs and capitalised exploration expenditure of the Western Australian and Northern Territory tenements which is in the exploration and evaluation phase. Ultimate recoupment of exploration expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of respective areas.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 11: ACQUISITION OF SUBSIDIARY

During October 2020, the Company completed the acquisition of 100% of the issued share capital of Goldview Metals Pty Ltd (**Goldview**) which holds the tenements for the Island Gold Project.

The consideration for the acquisition of Goldview was as follows:

- Exclusivity Payment: a non-refundable \$100,000 cash payment to Goldview;
- Upfront Scrip consideration: 16,680,000 shares in the Company issued to the shareholders of Goldview or their nominees;
- Repayment of expenses: \$80,000 paid in cash;
- Expenditure Commitment: the Group to meet exploration expenditure commitments of \$1,000,000 within the first 12 months upon completion of the transaction;
- Royalty: Goldview's major shareholder, Michael Caruso, will retain a 1.5% Net Profit After Tax (NPAT) royalty over material processed from the Island Gold Project. The Company has the right to purchase the 1.5% NPAT royalty for \$1,500,000 at any time before the commencement of production;
- Milestone payment: 5,000,000 shares in the Company to be issued to shareholders of Goldview or their nominees upon reporting to the ASX a mineral resource in accordance with the JORC 2012 Edition Guidelines of a minimum of 250,000 ounces of gold at a minimum grade of 2.0 g/t of gold. These shares have not been brought to account in the financial statements and are disclosed as a contingent liability in Note 18; and
- Board appointment right: Michael Caruso was appointed to the Company's Board of Directors as a Non-Executive Director.

The following components of the consideration have been capitalised as *Exploration and evaluation costs* in the financial statements:

	\$
Exclusivity fee	100,000
Fair value of 16,680,000 shares in Caprice Resources Ltd	6,004,800
Cash payment	80,000
Total consideration paid	6,184,800

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 11: ACQUISITION OF SUBSIDIARY (continued)

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

	\$
Cash	3,137
Other receivables	25,238
Exploration and evaluation assets	1,088,277
Trade and other payables	(148,774)
Net identifiable assets acquired	967,878
Add: Exploration asset	5,216,922
Net assets acquired	6,184,800
Total consideration paid	6,184,800

The acquisition of Goldview has been accounted for as an acquisition of an asset on the basis that it does not constitute a business as defined by *AASB 3 Business Combinations*.

NOTE 12: PLANT AND EQUIPMENT

	Computer Equipment \$	Total \$
At 30 June 2021		
At cost	11,115	11,115
Accumulated depreciation	(2,653)	(2,653)
	8,462	8,462
<i>Movements in carrying value</i>		
Year ended 30 June 2021		
Balance 1 July 2020	2,800	2,800
Additions	7,056	7,056
Disposals	-	-
Depreciation expense for the year	(1,394)	(1,394)
Balance at 30 June 2021	8,462	8,462

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 12: PLANT AND EQUIPMENT (*continued*)

	Computer Equipment \$	Total \$
At 30 June 2020		
At cost	4,059	4,059
Accumulated depreciation	(1,259)	(1,259)
	2,800	2,800
<i>Movements in carrying value</i>		
Year ended 30 June 2020		
Balance 1 July 2019	3,790	3,790
Additions	-	-
Disposals	-	-
Depreciation expense for the year	(990)	(990)
Balance at 30 June 2020	2,800	2,800

NOTE 13: TRADE AND OTHER PAYABLES

	2021 \$	2020 \$
Trade creditors	29,687	27,993
Accrued expenses	15,000	15,570
Other payables	36,085	-
	80,772	43,563

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 14: CONTRIBUTED EQUITY

a. Share capital

	2021	2020
	\$	\$
Fully paid ordinary shares - 66,088,337 (2020: 32,750,003)	13,914,054	4,733,874
Total share capital	13,914,054	4,733,874

b. Movements in ordinary share capital:

Date	Details	Number of shares	Issue Price	\$
1 July 2019	Balance at 1 July 2019	32,750,003		4,733,874
	Movements for the year	-		-
30 June 2020	Balance at 30 June 2020	32,750,003		4,733,874
17 August 2020	Shares issued on exercise of options	825,000	0.25	206,250
5 October 2020	Shares issued via rights issue	5,555,556	0.18	1,000,000
5 October 2020	Shares issued via placement	8,888,889	0.18	1,600,000
5 October 2020	Shares issued as consideration for corporate advisory fees	1,388,889	0.36 ⁽¹⁾	500,000
5 October 2020	Shares issued as consideration for the acquisition of Goldview Metals Pty Ltd	16,680,000	0.36 ⁽¹⁾	6,004,800
	Less Transaction costs	-		(130,870)
30 June 2021	Balance at 30 June 2021	66,088,337		13,914,054

⁽¹⁾ Fair value of shares issued as at 5 October 2020.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 14: CONTRIBUTED EQUITY *(continued)*

Share buy-back

There is no current on-market share buy-back.

Dividends

There were no dividends paid or declared during the year.

Capital risk management

When managing capital, management's objective is to ensure the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, enter into joint ventures or sell assets.

The Group is not subject to any externally imposed capital requirements.

NOTE 15: RESERVES

	2021	2020
	\$	\$
Reserves		
Options and performance rights	1,602,251	875,552
Movements:		
<i>Options</i>		
Opening balance	875,552	-
Share based payments (Note 16)	726,699	832,623
Options issued as consideration for tenement	-	42,873
Proceeds from listed options issued	-	56
Closing balance	1,602,251	875,552

Nature and purpose of reserves – options

The options reserve recognises the grant date fair value of options issued but not exercised.

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ABN 96 624 970 725

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 16: SHARE BASED PAYMENTS

During the year ended 30 June 2021, the following share based payments totaling \$1,226,699 (2020: nil) were made.

Options

The options have been valued by the Directors using the Black-Scholes option pricing model based on the following:

	Incoming Director Options	Director Incentive Options	Employee Incentive Options
Underlying value of the security	\$0.40	\$0.27	\$0.27
Exercise price	\$0.25	\$0.3894	\$0.3894
Grant date	6/10/20	10/12/20	10/12/20
Expiry date	6/10/23	10/12/23	10/12/23
Life of Options in years	3.00	3.00	3.00
Volatility	97%	97%	97%
Risk free rate	0.17%	0.11%	0.11%
Number of Options	325,000	4,000,000	250,000
Valuation per Option	\$0.2759	\$0.1416	\$0.1416
Valuation	\$89,668	\$566,400	\$35,400

Shares

The Company issued 1,388,889 shares at a fair value of \$0.36 per share, being a total fair value of \$500,000, as consideration for corporate advisory fees.

Performance Rights

The performance rights below were issued to the following Directors and key management personnel during the year ended 30 June 2021 as part of their performance-based remuneration.

Director	Class	Grant date	Expiry date	No. of performance rights	Fair value per performance right (\$)	Total fair value of performance rights issued (\$)	Expense to Statement of Profit or Loss for the year ¹ (\$)
A Muir ²	A	27/4/21	27/4/24	150,000	0.1726	25,890	1,512
	B	27/4/21	27/4/24	250,000	0.1496	37,400	2,184
	C	27/4/21	27/4/24	350,000	0.1318	46,130	2,694
	D	27/4/21	27/4/24	250,000	0.25	62,500	3,650
	E	27/4/21	27/4/25	500,000	0.25	125,000	5,476
	F	27/4/21	27/4/26	750,000	0.25	187,500	6,572
	G	27/4/21	27/4/26	1,500,000	0.25	375,000	13,143
Total				3,750,000		859,420	35,231

¹ Performance rights are expensed on a straight-line basis over the vesting period.

² Appointed 27 April 2021.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 16: SHARE BASED PAYMENTS *(continued)*

The performance rights have been valued by the Directors using the Black-Scholes option pricing model based on the following. The fair value for each class of performance right and the discount applied to share price at grant date to reflect market based vesting condition is shown in the table below:

		Expiry date	Life of Options in Years	Number of Rights	Barrier Price / Probability applied for Performance Rights with non-market based vesting conditions.	Valuation per Right	Total Fair Value
Underlying value of the security	\$0.25						
Exercise price	Nil						
Grant date	27/4/21						
Volatility	90.42%						
Risk free rate	0.11%						
<i>Performance Right:</i>							
<i>Class A</i>		27/4/24	3	150,000	\$0.75	\$0.1726	\$25,890
<i>Class B</i>		27/4/24	3	250,000	\$1.00	\$0.1496	\$37,400
<i>Class C</i>		27/4/24	3	350,000	\$1.25	\$0.1318	\$46,130
<i>Class D</i>		27/4/24	3	250,000	100%	\$0.25	\$62,500
<i>Class E</i>		27/4/25	4	500,000	100%	\$0.25	\$125,000
<i>Class F</i>		27/4/26	5	750,000	100%	\$0.25	\$187,500
<i>Class G</i>		27/4/26	5	1,500,000	100%	\$0.25	\$375,000
				3,750,000			\$859,420

The performance rights will vest on meeting the following performance conditions before the expiry date:

Class	Vesting Condition - vesting will occur:	Number
A	30 Day VWAP at any time after the date of issue exceeds \$0.75	150,000
B	30 Day VWAP at any time after the date of issue exceeds \$1.00	250,000
C	30 Day VWAP at any time after the date of issue exceeds \$1.25	350,000
D	The Company announces an Inferred, Indicated or Measured Resource (as defined in the JORC Code) of no less than 250,000(oz) of gold or gold equivalent at a minimum grade of 2.0 g/t of gold or gold equivalent	250,000
E	The Company announces an Inferred, Indicated or Measured Resource (as defined in the JORC Code) of no less than 500,000(oz) of gold or gold equivalent at a minimum grade of 2.0 g/t of gold or gold equivalent	500,000
F	The Company announces an Inferred, Indicated or Measured Resource (as defined in the JORC Code) of no less than 750,000(oz) of gold or gold equivalent at a minimum grade of 2.0 g/t of gold or gold equivalent	750,000
G	The Company announces an Inferred, Indicated or Measured Resource (as defined in the JORC Code) of no less than 1,000,000(oz) of gold or gold equivalent at a minimum grade of 2.0 g/t of gold or gold equivalent	1,500,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 16: SHARE BASED PAYMENTS *(continued)*

On meeting vesting conditions, performance rights will each convert into one ordinary share with no further consideration. Performance rights were valued at the closing share price on the grant date, less discounts to reflect the effects of any market based vesting conditions as detailed the table above. The expected vesting period for each performance right for performance-based vesting conditions is the period until expiry of the performance right.

Movements in performance rights during the year are shown in the table below:

Class	Grant date	Expiry date	Balance 1-Jul-20	Granted/ (Cancelled) during the year	Converted during the year	Balance 30-Jun-21
A	27/4/21	27/4/24	-	150,000	-	150,000
B	27/4/21	27/4/24	-	250,000	-	250,000
C	27/4/21	27/4/24	-	350,000	-	350,000
D	27/4/21	27/4/24	-	250,000	-	250,000
E	27/4/21	27/4/25	-	500,000	-	500,000
F	27/4/21	27/4/26	-	750,000	-	750,000
G	27/4/21	27/4/26	-	1,500,000	-	1,500,000
			-	3,750,000	-	3,750,000

A summary of share based payments expensed to the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2021 is shown in the table below:

	Fair Value \$
<i>Options</i>	
Incoming Director Options	89,668
Director Incentive Options	566,400
Employee Incentive Options	35,400
	691,468
<i>Shares</i>	500,000
<i>Performance Rights (pro rata expense over vesting period)</i>	35,231
	1,226,699

During the year ended 30 June 2020, there were no share based payments.

CAPRICE RESOURCES LTD**ABN 96 624 970 725****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021****NOTE 17: COMMITMENTS****a. Mineral exploration expenditure**

The Group must meet the following tenement expenditure commitments to maintain its tenements in good standing until they are joint ventured, sold, reduced, relinquished, exemptions from expenditure are applied or are otherwise disposed of. These commitments are not provided for in the financial statements and are as follows.

	2021	2020
	\$	\$
Not later than one year	228,890	87,000
After one year but less than five years	585,630	125,830
	<u>814,520</u>	<u>212,830</u>

b. Office lease commitments

The Company has entered into an office lease for an initial term of 3 years commencing from 1 July 2021. These commitments are not provided for in the financial statements and are as follows. As the lease commenced after 30 June 2021, it did not lead to a recognition of any right-of-use asset or associated lease liability as at 30 June 2021.

	2021	2020
	\$	\$
Not later than one year	53,520	-
After one year but less than five years	107,040	-
	<u>160,560</u>	<u>-</u>

NOTE 18: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The following components of the consideration of Goldview Metals Pty Ltd are disclosed as contingent liabilities:

- Royalty: Goldview's major shareholder, Michael Caruso, will retain a 1.5% Net Profit After Tax (NPAT) royalty over material processed from the Island Gold Project. The Company has the right to purchase the 1.5% NPAT royalty for \$1,500,000 at any time before the commencement of production; and
- Milestone payment: 5,000,000 shares in the Company to be issued to shareholders of Goldview or their nominees upon reporting to the ASX a mineral resource in accordance with the JORC 2012 Edition Guidelines of a minimum of 250,000 ounces of gold at a minimum grade of 2.0 g/t of gold.

The Group has no other contingent liabilities or contingent assets as at 30 June 2021 (2020: Nil).

CAPRICE RESOURCES LTD**ABN 96 624 970 725****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021****NOTE 19: EVENTS AFTER THE REPORTING PERIOD**

No matters or circumstances have arisen since the end of the financial year that significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years, other than:

- On 27 July 2021, the Company announced the acquisition of an 80% interest in Golden State Mining's (GSM) Cuddingwarra and Big Bell South Gold Projects (Projects), near the Company's Island Gold Project. The key terms of the acquisition and Joint Venture (JV) are summarised as follows:
 - In consideration for the acquisition:
 - the Company agrees to issue GSM 2,500,000 fully paid ordinary shares in the capital of Caprice;
 - a \$200,000 cash payment (including a \$30,000 exclusivity fee paid in May 2021); and
 - 250,000 options in Caprice with an exercise price of \$0.25 per option and expiring 3 years from the date of issue (subject to a 3 day VWAP of less than \$0.23 prior to completion).
 - GSM's retained 20% ownership over the Projects will be free-carried through to completion of a pre-feasibility study after which point GSM can elect to contribute or dilute.
 - Should GSM elect to dilute below 10% Project ownership their interest will convert into a 2% Net
 - Smelter Royalty (NSR) royalty, with Caprice able to buy-back the royalty for a cash payment of \$5,000,000.
 - Caprice has first right of refusal should GSM elect to dispose of its Project ownership.
 - Caprice to operate and manage the JV; and
- On 11 August 2021, Scott Patrizi resigned as Non-Executive Director.

NOTE 20: LOSS PER SHARE

	2021 \$	2020 \$
Loss per share from continuing operations attributable to the ordinary equity holders of the Company:		
Basic/diluted loss per share in cents from continuing operations	(3.62)	(1.13)
Weighted average number of ordinary shares used in the calculation of basic/diluted loss per share	57,430,652	32,750,003
Basic/diluted loss from continuing operations	(2,079,147)	(369,505)

The 9,725,000 options on issue at 30 June 2021 (2020: 22,435,619) were anti-dilutive, and therefore diluted loss per share was the same as basic loss per share.

CAPRICE RESOURCES LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 21: CASH FLOW INFORMATION

a. Reconciliation of cash flow from operations with loss after income tax

	2021	2020
	\$	\$
Loss after income tax	(2,079,147)	(369,505)
Non-cash flows in loss:		
Depreciation	1,394	990
Share based payments expense	1,226,699	-
Changes in assets and liabilities net of effects of purchase of subsidiaries:		
Movement in trade and other receivables	(98,902)	(976)
Movement in prepayments	(10,692)	6,496
Movement in provisions	9,048	-
Movement in trade and other payables	15,132	15,269
Net cash used in operating activities	(936,468)	(347,726)

b. Non cash financing and investing activities

The Company issued 16,680,000 (2020: nil) shares as part consideration for tenement acquisitions as detailed in Note 11.

NOTE 22: DETAILS OF CONTROLLED ENTITY

Information about Subsidiary

	Country of Incorporation	Percentage Owned %	
		2021	2020
Parent Entity:			
Caprice Resources Limited	Australia		
Subsidiary of Caprice Resources Limited:			
Goldview Metals Pty Ltd	Australia	100	-

Refer Note 11 for details of acquisition of Goldview Metals Pty Ltd.

CAPRICE RESOURCES LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 23: FINANCIAL INSTRUMENTS

Financial Risk Management

The Group's principal financial instruments are Cash and cash equivalents, Trade and other receivables, and Trade and other payables.

Overview

The Group has exposure to the following financial risks from their use of financial instruments:

- liquidity risk
- credit risk
- market risk (interest rate risk)

This note presents information about the Group's exposure to each of the above risks. The Group has no foreign exchange risk for 2021 or 2020 as the Group had no foreign currency transactions or balances.

Financial Risk Management Policies

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established by the Board of Directors to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

	2021 \$	2020 \$
Financial Assets		
Cash and cash equivalents	3,315,439	3,256,442
Trade and other receivables	129,041	7,283
	3,444,480	3,263,725
Financial Liabilities		
Trade and other payables	80,772	43,563
	80,772	43,563

Liquidity Risk and Liquidity Risk Management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure that it will have sufficient cash to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of credit facilities or other fund raising initiatives.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 23: FINANCIAL INSTRUMENTS (continued)

The Board frequently reviews budget variance analyses that include working capital projections to monitor working capital requirements and optimise cash utilisation.

The Group continuously monitors forecast and actual cash flows and the maturity profiles of financial assets and financial liabilities to manage its liquidity risk.

The following are the contractual maturities of financial liabilities:

At 30 June 2021

	Weighted average interest rate %	Carrying Amount	Under 6 Months	6 – 12 Months	1 – 2 years	2 – 5 years
Non-derivative financial liabilities:						
Trade and other payables (Note 13)	-	80,772	80,772	-	-	-
		80,772	80,772	-	-	-

At 30 June 2020

	Weighted average interest rate %	Carrying Amount	Under 6 Months	6 – 12 Months	1 – 2 years	2 – 5 years
Non-derivative financial liabilities:						
Trade and other payables (Note 13)	-	43,563	43,563	-	-	-
		43,563	43,563	-	-	-

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Credit Risk

Credit risk refers to the risk that counterparties will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

Banks and financial institutions are chosen only if they are independently rated parties with a minimum rating of 'A'.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 23: FINANCIAL INSTRUMENTS (continued)

Market risk- Interest Rate Risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table:

2021	Weighted Average Interest Rate %	Floating Interest Rate \$	Fixed Interest Maturing in 1 Year or Less \$	Fixed Interest Maturing in over 1 Year \$	Non- Interest Bearing \$	Total \$
Financial Asset						
Cash and cash equivalents	0.01	3,315,439	-	-	-	3,315,439
Trade and other receivables	-	-	-	-	129,041	129,041
Financial Liabilities						
Trade and other payables	-	-	-	-	(80,772)	(80,772)
Net Financial Assets		3,315,439	-	-	48,269	3,363,708

2020	Weighted Average Interest Rate %	Floating Interest Rate \$	Fixed Interest Maturing in 1 Year or Less \$	Fixed Interest Maturing in over 1 Year \$	Non- Interest Bearing \$	Total \$
Financial Asset						
Cash and cash equivalents	0.04	3,256,442	-	-	-	3,256,442
Trade and other receivables	-	-	-	-	7,283	7,283
Financial Liabilities						
Trade and other payables	-	-	-	-	(43,563)	(43,563)
Net Financial Assets		3,256,442	-	-	(36,280)	3,220,162

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 23: FINANCIAL INSTRUMENTS *(continued)*

The following tables summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate risk:

2021		-1%	+1%
	Carrying Amount	Profit	Equity
	\$	\$	\$
Cash and cash equivalents	3,315,439	(33,154)	33,154
Total increase/(decrease)		(33,154)	33,154

2020		-1%	+1%
	Carrying Amount	Profit	Equity
	\$	\$	\$
Cash and cash equivalents	3,256,442	(32,564)	32,564
Total increase/(decrease)		(32,564)	32,564

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, and ageing analysis for credit risk.

Risk management is carried out by the Board of Directors. These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits.

NOTE 24: INTERESTS OF KEY MANAGEMENT PERSONNEL

Refer to the remuneration report contained in the Directors' Report for additional details of the remuneration paid or payable to each member of the Group's key management personnel (**KMP**) for the year ended 30 June 2021.

The totals of remuneration paid to KMP of the Group during the year are as follows:

	Short-Term Benefits	Post-Employment Benefits	Termination Payments	Share-Based Payments	Total KMP Compensation
	\$	\$	\$	\$	\$
2021 Total	287,825	21,907	-	726,699	1,036,431
2020 Total	108,000	2,280	-	-	110,280

Other KMP Transactions

For details of other transactions with KMP, refer to Note 25 Related Party Transactions and Balances.

CAPRICE RESOURCES LTD

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 25: RELATED PARTY TRANSACTIONS AND BALANCES

The Group's only related entities are the key management personnel. Key management personnel are any people having authority and responsibility for planning, controlling and directing the activities of the entity, directly or indirectly, including any director (whether executive or otherwise). The Group has determined that the only key management personnel are the directors and company secretary.

Non-Executive Director Michael Caruso, trading as Civil and Mining Earthmoving, received \$32,380 (2020: nil) for excavator hire and \$12,300 (2020: nil) for labour in relation to exploration activities at the Island Gold Project. Mr Caruso also received 11,557,543 shares in Caprice as one of the vendors of Goldview Metals Pty Ltd (Goldview) which holds the Island Gold Project. These shares were issued as consideration for Mr Caruso's interest in Goldview and he was appointed Non-Executive Director following completion of the acquisition of Goldview by Caprice.

Discovery Capital Partners received \$110,000 (2020: \$80,000) for corporate advisory services, \$36,039 (2020: \$12,000) for office rent and \$109,619 (2020: nil) for capital raising fees. Discovery Capital Partners also received 1,388,889 shares in Caprice for corporate advisory services in relation to the acquisition of Goldview. Discovery Capital Partners is a related party of Non-Executive Director, Adam Miethke.

Bellanhouse Legal received nil (2020: \$20,098) during the year for the provision of legal services in relation to general legal matters. Bellanhouse Legal was a related party of Non-Executive Chairman, Bryn Hardcastle.

All transactions with related parties have been entered into on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

CAPRICE RESOURCES LTD
ABN 96 624 970 725

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 26: PARENT ENTITY DISCLOSURES

	2021 \$	2020 \$
Statement of Financial Position		
Assets		
Current assets	3,392,693	3,284,055
Non-current assets	8,477,003	717,328
Total assets	11,869,696	4,001,383
Liabilities		
Current liabilities	84,144	43,563
Total liabilities	84,144	43,563
Equity		
Issued capital	13,914,054	4,733,874
Reserves	1,602,251	875,552
Accumulated losses	(3,730,753)	(1,651,606)
Total equity	11,785,552	3,957,820
Statement of Profit or Loss and Other Comprehensive Income		
Loss for the year	(2,079,147)	(369,505)
Total comprehensive loss for the year	(2,079,147)	(369,505)

Guarantees

Caprice Resources Ltd has not entered into any guarantees in the current or previous financial year in relation to the debts of its subsidiary.

Other Commitments and Contingencies

Caprice Resources Ltd has no commitments to acquire property, plant and equipment and has no contingent liabilities other than those already disclosed in the notes to the financial statements.

CAPRICE RESOURCES LTD
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DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Caprice Resources Ltd, the Directors of the Company declare that:

1. the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2.
 - a. the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
 - b. the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2021 and of the performance for the year ended on that date;
3. In the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

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



Andrew Muir
Managing Director

Dated this 30th day of September 2021

RSM Australia Partners

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100

F +61 (0) 8 9261 9111

www.rsm.com.au

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CAPRICE RESOURCES LTD**

Opinion

We have audited the financial report of Caprice Resources Ltd (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Exploration and evaluation assets Refer to Note 10 in the financial statements	
<p>The Group has capitalised exploration and evaluation expenditure with a carrying value of \$8,353,592 at the reporting date.</p> <p>We considered this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the assets including:</p> <ul style="list-style-type: none"> • Determining whether the exploration and evaluation expenditure can be associated with finding specific mineral resources and the basis on which that expenditure is allocated to an area of interest; • Assessing whether any indicators of impairment are present at the reporting date and if so, judgement applied to determine and quantify any impairment loss; and • Assessing whether exploration activities have reached a stage at which the existence of economically recoverable reserves may be determined. 	<p>Our audit procedures in relation to the carrying value of exploration and evaluation expenditure included:</p> <ul style="list-style-type: none"> • Obtaining evidence that the Group has valid rights to explore in the areas of interest; • Agreeing a sample of additions to supporting documentation and ensuring the amounts are capital in nature and relate to the area of interest; • Enquiring with management and reviewing budgets to test that the Group will incur substantive expenditure for each area of interest in the future; • Through discussions with the management and review of the Board Minutes, ASX announcements and other relevant documentation, assessing management's determination that exploration activities have not yet progressed to the stage where the existence or otherwise of economically recoverable reserves may be determined; and • Assessing and evaluating management's assessment that no indicators of impairment existed at the reporting date.
Acquisition of Goldview Metals Refer to Note 11 in the financial statements	
<p>During the year ended 30 June 2021, the Group acquired Goldview Metals Pty Ltd, which holds the Island Gold Project.</p> <p>Accounting for this acquisition is a key audit matter as it involves management judgements in determining the acquisition date, the acquisition accounting treatment, the fair value of net assets acquired and the fair value of the purchase consideration.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Obtaining the term sheet and other associated documents to obtain an understanding of the transaction and the related accounting considerations; • Critically evaluating management's determination that the transaction did not meet the definition of a business and the appropriateness of the asset acquisition accounting treatment; • Assessing management's determination of the acquisition date, fair value of consideration paid and the fair value of the net assets acquired; and • Assessing the disclosures in the financial statements to ensure compliance with the requirements of Australian Accounting Standards.

Key Audit Matter	How our audit addressed this matter
Share Based Payments Refer to Note 16 in the financial statements	
During the year, the Group issued: <ul style="list-style-type: none"> • Shares in consideration for corporate advisory fees; • Options to key management personnel and employees; and • Performance rights to Directors and key management personnel. We determined this to be a key audit matter due to the material amount of the share-based payment and the significant judgement involved in assessing the fair value of the transactions.	Our audit procedures included: <ul style="list-style-type: none"> • Assessing the fair value of the shares issued in lieu of services provided • Obtaining the valuation models prepared by management and assessing whether the models were appropriate for valuing the performance rights and options issued during the year; • Assessing the reasonableness of the key assumptions used in the models; • Reviewing the key terms and conditions of the options and performance rights issued; and • Reviewing the adequacy and accuracy of the relevant disclosures in the financial statements.

Other Information

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 the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

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

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

Responsibilities

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

RSM
RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 30 September 2021


ALASDAIR WHYTE
Partner

ASX Additional Information

Shareholder Information

The following information is based on share registry information processed up to 27 October 2021.

Distribution of Fully Paid Ordinary Shares

The number of holders, by size of holding, for fully paid ordinary shares, including shares subject to voluntary escrow, in the Company is:

Spread of Holders	Number of Holders	Number of Shares
1 – 1,000	34	5,529
1,001 – 5,000	130	415,450
5,001 – 10,000	103	844,463
10,001 – 100,000	325	13,236,800
100,001 and over	109	54,086,095
Total	701	68,588,337

There are 76 holders of unmarketable parcels comprising a total of 31,552 ordinary shares amounting to 0.12% of issued capital.

Twenty Largest Holders of Quoted Shares (ungrouped)

	Shareholder	Number Held	%
1	Mr Victor Michael Caruso	9,604,606	14.00
2	Golden State Mining Limited	2,500,000	3.64
3	Victor Michael Caruso <Island Gold A/C>	1,952,937	2.85
4	Two Tops Pty Ltd	1,500,000	2.19
5	Discovery Services Pty Ltd <Discovery Capt Inv Unit A/C>	1,461,865	2.13
6	Horizon Investment Services Pty Ltd <The Horizon Investment A/C>	1,313,889	1.92
7	Silverpeak Nominees Pty Ltd <The RGM Hill A/C>	1,128,551	1.65
8	Rod Dog Pty Ltd	960,727	1.40
9	Mr Scott David Deakin <Deakin Family A/C>	898,019	1.31
10	Shrewsbury Ltd	877,120	1.28
11	PRW Investments Pty Ltd	877,116	1.28
12	Ayers Capital Pty Ltd	872,759	1.27
13	Laneway Investments Pty Ltd <Jola Family A/C>	845,460	1.23
14	Max Assets Holdings Pty Ltd	817,869	1.19
15	Inji Investments Pty Ltd	800,000	1.17
16	Kingarth Pty Ltd	722,222	1.05
17	Atkins Superannuation Fund Pty Ltd <Atkins Super A/C>	700,000	1.02
18	6466 Investments Pty Ltd	670,170	0.98
19	Capeway Holdings Pty Ltd <Barron S/F A/C>	668,253	0.97
20	Highland Company Pty Ltd <Highland A/C>	662,267	0.97
Total		29,833,830	43.50

There are 68,588,337 ordinary fully paid shares currently listed on the Australian Securities Exchange held by 701 shareholders. There is no current on-market buy back taking place.

Substantial Holders

The Company notes there is one substantial securityholder, Mr Victor Michael Caruso, who holds 11,557,543 shares representing 16.85% of issued capital.

Voting Rights - Fully Paid Ordinary Shares

Every shareholder present in person or by proxy, attorney or representative has one vote on a show of hands, and on a poll, one vote for each fully paid share.

Unquoted Equity Securities

Quantity	Class	Number of Holders
2,500,000	Options exercisable at \$0.25 each on or before 28 November 2021	21
2,650,000	Options exercisable at \$0.25 each on or before 28 November 2022	3
325,000	Options exercisable at \$0.25 each on or before 6 October 2023	1
4,250,000	Options exercisable at \$0.3894 each on or before 10 December 2023	5
125,000	Options exercisable at \$0.25 each on or before 2 August 2024 escrowed to 2 February 2022	1
125,000	Options exercisable at \$0.25 each on or before 2 August 2024 escrowed to 2 August 2022	1
150,000	Class A Performance Rights	1
250,000	Class B Performance Rights	1
350,000	Class C Performance Rights	1
250,000	Class D Performance Rights	1
500,000	Class E Performance Rights	1
750,000	Class F Performance Rights	1
1,500,000	Class G Performance Rights	1

Holders of Unquoted Securities Holding More than 20% of Each Class

Class	Holder	Number
Options exercisable at \$0.25 each on or before 28 November 2022	Valtellin Pty Ltd	2,000,000
Options exercisable at \$0.25 each on or before 6 October 2023	Mr Victor Michael Caruso	325,000
Options exercisable at \$0.3894 each on or before 10 December 2023	Mr Victor Michael Caruso	1,000,000
	Highland Company Pty Ltd	1,000,000
	Valtellin Pty Ltd	1,000,000
	Horizon Investment Services Pty Ltd	1,000,000
Options exercisable at \$0.25 each on or before 2 August 2024 escrowed to 2 February 2022	Golden State Mining Limited	125,000
Options exercisable at \$0.25 each on or before 2 August 2024 escrowed to 2 August 2022	Golden State Mining Limited	125,000
Class A Performance Rights	Mr Andrew James Muir	150,000
Class B Performance Rights	Mr Andrew James Muir	250,000
Class C Performance Rights	Mr Andrew James Muir	350,000
Class D Performance Rights	Mr Andrew James Muir	250,000
Class E Performance Rights	Mr Andrew James Muir	500,000
Class F Performance Rights	Mr Andrew James Muir	750,000
Class G Performance Rights	Mr Andrew James Muir	1,500,000

Schedule of Mining Tenements

Project	Licence Number	Location	Interest
Island Gold	M 21/66	Western Australia	100%
	M 21/140	Western Australia	100%
	E 21/186	Western Australia	100%
Northampton	E 66/98	Western Australia	100%
	E 66/99	Western Australia	100%
Wild Horse Hill	EL 30951	Northern Territory	100%
	EL 30964	Northern Territory	100%
Big Bell South	E 21/0193	Western Australia	80%
Cuddingwarra	E 21/0192	Western Australia	80%
	P 20/2256	Western Australia	80%
	P 20/2257	Western Australia	80%
	P 20/2258	Western Australia	80%
	P 20/2259	Western Australia	80%
	P 20/2260	Western Australia	80%
	P 20/2261	Western Australia	80%
	P 20/2262	Western Australia	80%
	P 20/2263	Western Australia	80%
	P 20/2264	Western Australia	80%
	P 20/2265	Western Australia	80%
	P 20/2266	Western Australia	80%
	P 20/2267	Western Australia	80%
	P 20/2268	Western Australia	80%
	P 20/2269	Western Australia	80%
	P 20/2272	Western Australia	80%
	P 20/2273	Western Australia	80%
	P 20/2274	Western Australia	80%
	P 20/2275	Western Australia	80%
	P 20/2382	Western Australia	80%

Company Secretary

Ms Oonagh Malone

Registered Office

Level 3, 10 Outram Street, West Perth WA 6005

Telephone: +61 8 6142 0987

Share Registry

Automatic Registry Services
126 Phillip Street, Sydney NSW 2000

Telephone: 1300 992 916