

Auric Mining Limited

ACN 635 470 843

Financial Statements 31 December 2021

Auric Mining Limited and Controlled Entities

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31 December 2021

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General information

The financial statements cover both Auric Mining Limited as an individual entity and the consolidated entity consisting of Auric Mining Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Auric Mining Limited's functional and presentation currency.

Auric Mining Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 1, 1 Tully Road,
East Perth WA 6004

Principal place of business

Level 1, 1 Tully Road,
East Perth WA 6004

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 11 March 2022.

Auric Mining Limited and Controlled Entities
Directors' report
31 December 2021

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Auric Mining Limited (referred to hereafter as "Auric", "Company" or "parent entity") and the entities it controlled at the end of, or during, the year ended 31 December 2021.

Directors

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

Steven Morris – Non-Executive Chair

Mark English – Managing Director

John Utley – Executive Director

Stephen Strubel – Non-Executive Director

Particulars of each Director's experience and qualifications are set out later in this report.

Principal Activities

The principal activities of the Group during the financial year were gold exploration and development.

Operating and Financial Review

Auric successfully listed on the ASX on 12 February 2021. The well-supported Initial Public Offering (IPO) raised \$7.3M.

The Company completed its first RC drilling program at Munda Deposit M15/87. The drilling program commenced on 13 February 2021 and was completed on 9 March 2021. The program was for 27 holes with 3,664 metres drilled. Refer to ASX announcements dated, 23 March 2021, 29 March 2021 and 9 April 2021.

The Company completed the acquisition of the Neometals Ltd gold rights on the 10 June 2021. This acquisition consisted of acquiring the gold rights to 13 tenements and 8 applications at Widgiemooltha and Spargoville. The consideration paid was \$250,000 cash plus the issue of 3,429,691 shares at \$0.2041 per share totalling \$700,000 and a 1% gross royalty on gold production from tenement E 15/1583 or subsequent tenements. Refer to ASX announcements dated, 19 April 2021 and 10 June 2021.

The Company completed further RC drilling programs at both Munda and Guest later during the year.

The Company completed a substantial Aircore drilling program over the NMT gold rights tenements during the year.

The loss for the consolidated entity after providing for income tax amounted to \$1,103,126 (31 December 2020: loss of \$750,871).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Dividends

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years, other than detailed in these financial statements.

Likely developments and expected results of operations

Information on likely developments, future prospects and business strategies of the operations of the consolidated entity and the expected results of operations, not otherwise disclosed in this report, have not been included in this report because the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the consolidated entity.

Auric Mining Limited and Controlled Entities
Directors' report
31 December 2021

Indemnifying Officers or Auditor

During the year, the Group maintained an insurance policy which indemnifies the directors and officers in respect of any liability incurred in connection with the performance of their duties as directors and officers of the Group to the extent permitted by the Corporations Act 2001.

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company 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 Company or any related entity.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law as it is still in exploration stages.

Proceedings on Behalf of the Company

No person has applied for leave of a Court to bring proceedings against 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 Court proceedings during the year.

Non-audit Services

There were no non-audit services provided during the financial year by the auditor.

Options

At the date of this report, the unissued ordinary shares of Auric Mining Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
29 January 2021	31 October 2023	\$0.40	26,895,341
29 January 2021	31 October 2023	\$0.40	14,512,834
29 January 2021	31 October 2023	\$0.40	2,500,000
			<hr/> <hr/> 43,908,175

Option holders do not have any rights to participate in any issues of shares or other interests of the Company or any other entity. There have been no options granted over unissued shares or interests of any controlled entity within the Group since the end of the financial year.

During the year ended 31 December 2021, no shares of Auric Mining Limited were issued on the exercise of options granted. No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

During the period ended 31 December 2020, 26,895,341 options were granted and issued to various parties. These options were cancelled on 17 November 2020 and were re-issued on 29 January 2021. Included in the 26,895,341 were 500,000 options issued as part of the cost of raising capital. These 500,000 options were brought to account in the 31 December 2020 financial statements in the option reserve. 14,512,834 options were issued as part of the capital raising and IPO.

During the year ended 31 December 2021, 2,500,000 options were issued as part of the cost of raising capital. These options granted for services rendered during the year ended 31 December 2021 have been brought to account in this year's financial statements in the option reserve.

Auric Mining Limited and Controlled Entities

Directors' report

31 December 2021

Information on Directors and Company Secretary

Name: Steven Morris
Title: Non-Executive Chair
Qualifications: Diploma of Financial Markets (FINSIA)
Experience and expertise: Steven has over 25 years' experience in financial markets. He was Head of Private Clients (Australia) for Patersons Securities, Managing Director of Intersuisse Ltd, Founder and Managing Director of Peloton Shareholder Services and held senior executive roles in the Little Group. Steven is Vice President of the Melbourne Football Club.

Other current ASX directorships: None
Directorships held in other listed entities in the last three years: Steven was previously the Chair of Purifloh Ltd (ASX:PO3) until November 2019 and a Director of De Grey Mining Ltd (ASX:DEG) until July 2019
Interests in shares: 6,225,000 ordinary shares of Auric Mining Limited
Interests in options: 2,312,500 options of Auric Mining Limited

Name: Mark English
Title: Managing Director
Qualifications: Bachelor of Business (Curtin University)
Fellow of the Institute of Chartered Accountants Australia and New Zealand
Member of the Institute of Company Directors
Experience and expertise: Mark is a Chartered Accountant and a member of the Australian Institute of Company Directors. Mark has 40 year career in the resources sector and corporate services. Mark has particular responsibility for Company strategy, financial management, corporate development and acquisition opportunities. Mark was a founding Director of Bullion Minerals Ltd, that he managed for 10 years including completing IPO.

Other current ASX directorships: None
Directorships held in other listed entities in the last three years: None
Interests in shares: 6,681,767 ordinary shares of Auric Mining
Interests in options: 2,515,834 options of Auric Mining Limited

Name: John Utley
Title: Technical Director
Qualifications: Master's of Science in Earth Sciences (University of Waikato, New Zealand)
Member of the Australian Institute of Mining and Metallurgy
Member of the Australian Institute of Geoscientists
Experience and expertise: John has a 30 year career in mining and exploration, principally gold sector. John has worked in Australia, South America, Papua New Guinea and in Canada where he was Chief Geologist for Atlantic Gold Corporation, during exploration and development of the Touquoy Gold Mine and other gold deposits in Nova Scotia, prior to its acquisition by St Barbara. John previously worked with Plutonic Resources Ltd, where he was head of the exploration team at Darlot Gold Mine, during the discovery and development of the 2.3M ounce Centenary gold deposit.

Other current ASX directorships: None
Directorships held in other listed entities in the last three years: None
Interests in shares: 6,420,000 ordinary shares of Auric Mining Limited
Interests in options: 2,527,500 options of Auric Mining Limited

Auric Mining Limited and Controlled Entities

Directors' report

31 December 2021

Name: Stephen Strubel
Title: Non-Executive Director
Company Secretary: Stephen was the Company Secretary from 19 August 2019 to 1 February 2022
Qualifications: Bachelor of Business in Banking and Finance/International Trade (Victoria University)
Graduate Certificate in Business (Finance) (Victoria University)
Master's in Business Administration (Australian Institute of Business)
Fellow Governance Institute of Australia (FGIA)
Experience and expertise: Stephen completed a Bachelor of Business in Banking and Finance/International Trade and Graduate Certificate in Business (Finance) from Victoria University and has an MBA from the Australian Institute of Business. He is a Fellow of the Governance Institute of Australia. Stephen has worked in financial markets in Melbourne for approximately 10 years predominantly with Patersons Securities.
Other current ASX directorships: Stephen is a Non-Executive Director of Star Minerals Ltd ("SMS"), Executive Director of ChemX Materials Ltd ("CMX") and is Joint Company Secretary of the Environmental Group Ltd ("EGL").
A Non-Executive Director of Star Minerals Ltd (ASX:SMS) 2021 to date
An Executive Director of ChemX Materials Ltd (ASX:CMX) 2022 to date
Directorships held in other listed entities in the last three years: None
Interests in shares: 6,165,100 ordinary shares of Auric Mining Limited
Interests in options: 2,332,500 options of Auric Mining Limited

Name: Tamara Barr
Title: Company Secretary: Appointed: 1 February 2022
Qualifications: Certificate in Governance Practice (Governance Institute of Australia)
Affiliated Member (GIA)
Experience and expertise: Tamara is a highly experienced ASX Company Secretary with over 17 years' experience practising as a Company Secretary and Corporate Governance Advisor across a variety of sectors and industries. She has worked predominantly in Australia, as well as in the UK and Europe, providing Company Secretarial advice and service to ASX listed, Public and NFP companies. Tamara is Managing Director of corporate services firm, Clear Sky Blue Pty Ltd where Tamara works closely with Boards to enhance their Corporate Governance procedures.
Other current ASX directorships: None
Directorships held in other listed entities in the last three years: None
Interests in shares: 183,670 ordinary shares of Auric Mining Limited
Interests in options: 135,334 options of Auric Mining Limited

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 31 December 2021, and the number of meetings attended by each Director were:

	Full Board	
	Attended	Held
Steven Morris	10	10
Mark English	10	10
John Utley	10	10
Stephen Strubel	10	10

Held: represents the number of meetings held during the time the Director held office.

All other matters requiring approval by the Directors, have been approved by Circular Resolution.

**Auric Mining Limited and Controlled Entities
Directors' report
31 December 2021**

Remuneration report (audited)

Remuneration Policy

The remuneration policy of the company has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component. The Board of the company believes the remuneration policy to be appropriate and effective in its ability to attract and retain high-quality KMP to run and manage the Group, as well as create goal congruence between Directors, executives and shareholders.

For the purposes of this report, KMP comprises executive and non-executive Directors of the Group, as follows:

Steven Morris – Non-Executive Chair
Mark English – Managing Director
John Utley – Technical Director
Stephen Strubel – Non-Executive Director

The Board's policy for determining the nature and amount of remuneration for KMP of the Group is based on the following:

- The remuneration policy is developed and approved by the Board after professional advice, if required.
- All KMP receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and long service leave.
- The Board reviews KMP packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

KMP receive, at a minimum, a superannuation guarantee contribution required by the government, which is currently 9.5% of the individual's average weekly ordinary time earnings (AWOTE). Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to KMP is valued at the cost to the Group and expensed.

The Board's policy is to remunerate non-executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The current amount has been set at an amount not to exceed \$250,000 per annum. The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at general meeting.

Options granted under the arrangement do not carry dividend or voting rights. Each option is entitled to be converted into one ordinary share once the interim or final financial report has been disclosed to the public and is measured using the Black Scholes methodology.

Relationship between Remuneration Policy and Company Performance

The remuneration policy has been tailored to increase goal congruence between shareholders, Directors and executives. The method has been applied to achieve this aim, the first being a performance-based bonus based on KPI's.

Employment Details of Members of Key Management Personnel

The following table provides employment details of persons who were, during the financial year, members of KMP of the Group. The table also illustrates the proportion of remuneration that was performance and non-performance based.

**Auric Mining Limited and Controlled Entities
Directors' report
31 December 2021**

Position Held as at 31 December 2021 and any Change During the Year	Contract Details (Duration and Termination)	2021			2020			
		Proportions of Elements of Remuneration Related to Performance (Other than Options Issued)		Proportions of Elements of Remuneration Not Related to Performance	Proportions of Elements of Remuneration Related to Performance (Other than Options Issued)		Proportions of Elements of Remuneration Not Related to Performance	
		Non-salary Cash- based Incentives	Shares/ Units	Fixed Salary/Fees	Non-salary Cash- based Incentives	Shares/ Units	Fixed Salary/Fees	
		%	%	%	%	%	%	
Group KMP								
Steven Morris	Non-executive Chair	Consultancy agreement commenced 14 December 2020 for three years. The Company may terminate the Consultancy Agreement with three months' notice. The Consultant may terminate the Consultancy Agreement by giving the Company one months' notice or immediately if Mr Morris ceases to be a Director of the Company.	–	–	100	–	–	100
Mark English	Managing Director	Executive Services agreement commenced 14 December 2020 and continues in force till terminated. The Company may terminate the Agreement with three months' notice and the payment of twelve months base salary. The executive may terminate the Agreement by giving the Company three months' notice and being paid twelve months base salary upon certain events.	–	–	100	49	–	51
John Utley	Technical Director	Executive Services agreement commenced 14 December 2020 and continues in force till terminated. The Company may terminate the Agreement with three months' notice and the payment of twelve months base salary. The executive may terminate the Agreement by giving the Company three months' notice and being paid twelve months base salary upon certain events.	–	–	100	47	–	53
Stephen Strubel	Non-Executive Director	Executive Services agreement commenced 14 December 2020 and continues in force till terminated. The Company may terminate the Agreement with three months' notice and the payment of twelve months base salary. The executive may terminate the Agreement by giving the Company three months' notice and being paid twelve months base salary upon certain events.	–	–	100	–	–	100

**Auric Mining Limited and Controlled Entities
Directors' report
31 December 2021**

The employment terms and conditions of all KMP are formalised in contracts of employment or consulting agreements.

Remuneration Expense Details for the Year Ended 31 December 2021

The following table of benefits and payments represents the components of the current year remuneration expenses for each member of KMP and their related parties of the Group. Such amounts have been calculated in accordance with Australian Accounting Standards.

Table of Benefits and Payments Due for the Year Ended 31 December 2021, including related parties

2021	Short-term benefits			Post-employment	Other long-term benefits	Share-based payments			Total	Performance related	Equity compensation
	Salary & Fees	Bonus	Annual leave	Super	Long service leave	Share rights	Shares	Loan funded shares			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Directors											
Steven Morris	48,000	-	-	-	-	-	-	-	48,000	-	-
Mark English	241,449	-	8,881	25,896	4,334	-	-	-	280,560	-	-
John Utley	195,016	-	6,439	19,356	3,501	-	-	-	224,312	-	-
Stephen Strubel	66,863	-	1,201	6,636	1,200	-	-	-	75,900	-	-
Total	551,328	-	16,521	51,888	9,035	-	-	-	628,772	-	-

Table of Benefits and Payments Due for the Period Ended 31 December 2020, including related parties

2020	Short-term benefits			Post-employment	Other long-term benefits	Share-based payments			Total	Performance related	Equity compensation
	Salary & Fees	Bonus	Annual leave	Super	Long service leave	Share rights	Shares	Loan funded shares			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Directors											
Steven Morris	18,500	-	-	-	-	-	-	-	18,500	-	-
Mark English	124,132	120,000	-	868	-	-	-	-	245,000	48.98	-
John Utley	133,876	120,000	-	701	-	-	-	-	254,577	47.14	-
Stephen Strubel	19,029	-	-	240	-	-	-	-	19,269	-	-
Total	295,537	240,000	-	1,809	-	-	-	-	537,346	-	-

Securities Received that Are Not Performance-related

No members of KMP are entitled to receive securities that are not performance-based as part of their remuneration package.

Cash Bonuses, Performance-related Bonuses and Share-based Payments

Bonuses of \$120,000 each were accrued for Mark English and John Utley for the successful IPO and ASX listing in December 2020 and were paid in cash during 31 December 2021 year.

Auric Mining Limited and Controlled Entities**Directors' report****31 December 2021****KMP Shareholdings**

The number of ordinary shares in Auric Mining Limited held by each KMP and their related parties of the Group during the financial year and up to the date of this financial report is as follows:

Ordinary shares	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Steven Morris	6,125,000	-	100,000	-	6,225,000
Mark English	6,191,767	-	710,000	220,000	6,681,767
John Utley	6,260,000	-	160,000	-	6,420,000
Stephen Strubel	6,125,100	-	40,000	-	6,165,100
	24,701,867	-	790,000	-	25,491,867

The number of options in Auric Mining Ltd held by each KMP and their related parties of the Group during the financial year and up to the date of this financial report is as follows:

Options over ordinary shares	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Steven Morris	-	2,312,500	-	-	2,312,500
Mark English	-	2,515,834	-	-	2,515,834
John Utley	-	2,527,500	-	-	2,527,500
Stephen Strubel	-	2,332,500	-	-	2,332,500
	-	9,688,334	-	-	9,688,334

During the year ended 31 December 2021, the above options were issued to KMP and their related parties as a consequence of capital raisings and the IPO.

There have been no KMP transactions involving equity instruments apart from those described in the tables above relating to options and shareholdings.

Other Transactions with KMP and/or their Related Parties

There were no other transactions conducted between the Group and KMP or their related parties, apart from those disclosed above relating to equity and compensation that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

This Directors' Report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors:

Director.....

Mark English
 Managing Director
 Perth WA
 11 March 2022

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

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2021 there have been:

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

William Buck

William Buck Audit (Vic) Pty Ltd
ABN: 59 116 151 136

J. C. Luckins

J. C. Luckins
Director

Melbourne, 11th March 2022

ACCOUNTANTS & ADVISORS

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Auric Mining Limited and Controlled Entities
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2021

	Note	Consolidated 12 August 2019 to 31 December 2020 \$	2021 \$
Revenue			
Other Revenue		-	13,998
Expenses			
Employee benefits expense		(537,346)	(474,992)
Consultant, corporate advisory & publicity		(71,562)	(197,915)
ASX & share registry		-	(68,486)
Subscription, software & conference		-	(53,105)
Director fees		-	(48,000)
Accounting fees		(30,464)	(46,375)
Audit fees		(32,800)	(39,500)
Insurance		-	(32,930)
Legal fees		(43,820)	(28,986)
Depreciation and amortisation expense		(388)	(16,933)
Rent		-	(16,000)
Meeting expenses		-	(13,870)
Other expenses		(34,491)	(80,033)
Loss before income tax expense		(750,871)	(1,103,126)
Income tax expense	4	-	-
Loss after income tax expense for the year attributable to the owners of Auric Mining Limited		(750,871)	(1,103,126)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of Auric Mining Limited		<u>(750,871)</u>	<u>(1,103,126)</u>
		Cents	Cents
Basic earnings per share	20	(3.91)	(1.32)
Diluted earnings per share	20	(3.91)	(1.32)

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

Auric Mining Limited and Controlled Entities
Consolidated statement of financial position
As at 31 December 2021

	Note	Consolidated 2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents		545,007	176,418
Term Deposits	5	2,020,000	-
Other receivables		35,850	54,098
Other current assets		68,057	17,812
Total current assets		<u>2,668,914</u>	<u>248,328</u>
Non-current assets			
Property, plant and equipment		29,569	3,062
Right of use asset		134,363	-
Exploration and evaluation	6	6,529,640	3,830,614
Other non-current assets		8,878	-
Total non-current assets		<u>6,702,450</u>	<u>3,833,676</u>
Total assets		<u>9,371,364</u>	<u>4,082,004</u>
Liabilities			
Current liabilities			
Trade and other payables	7	85,532	1,149,553
Employee benefits	8	92,135	-
Provisions		-	248,000
Lease liability		20,653	-
Total current liabilities		<u>198,320</u>	<u>1,397,553</u>
Non-current liabilities			
Employee benefits		9,035	-
Lease liability		116,133	-
Total non-current liabilities		<u>125,168</u>	<u>-</u>
Total liabilities		<u>323,488</u>	<u>1,397,553</u>
Net assets		<u>9,047,876</u>	<u>2,684,451</u>
Equity			
Issued capital	9	10,244,807	3,098,256
Option reserve	10	657,066	337,066
Accumulated losses		<u>(1,853,997)</u>	<u>(750,871)</u>
Total equity		<u>9,047,876</u>	<u>2,684,451</u>

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

Auric Mining Limited and Controlled Entities
Consolidated statement of changes in equity
For the year ended 31 December 2021

	Note	Issued Capital \$	Option Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 January 2021		3,098,256	337,066	(750,871)	2,684,451
Loss for the year ended 31 December 2021		-	-	(1,103,126)	(1,103,126)
Total comprehensive loss for the year		-	-	(1,103,126)	(1,103,126)
Transactions with owners, directly in equity					
Shares issued	9	7,956,417	-	-	7,956,417
Transaction costs		(809,866)	-	-	(809,866)
Option reserve	10	-	320,000	-	320,000
Balance at 31 December 2021		10,244,807	657,066	(1,853,997)	9,047,876
		\$	\$	\$	\$
Balance at 12 August 2019		30			30
Loss for the period ended 31 December 2020		-	-	(750,871)	(750,871)
Total comprehensive loss for the period		-	-	(750,871)	(750,871)
Transactions with owners, directly in equity					
Shares issued	9	3,688,800	-	-	3,688,800
Transaction costs		(590,574)	-	-	(590,574)
Option reserve	10	-	337,066	-	337,066
Balance at 31 December 2020		3,098,256	337,066	(750,871)	2,684,451

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

Auric Mining Limited and Controlled Entities
Consolidated statement of cash flows
For the year ended 31 December 2021

		Consolidated	
		12 August	
		2019 to 31	
	Note	2021	December
		\$	2020
			\$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(1,403,595)	(352,713)
Net cash used in operating activities	19	<u>(1,403,595)</u>	<u>(352,713)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(26,997)	(3,450)
Payments for exploration and evaluation		(2,802,827)	(2,050,047)
Payments for security deposits		(2,028,878)	-
Net cash used in investing activities		<u>(4,858,702)</u>	<u>(2,053,497)</u>
Cash flows from financing activities			
Proceeds from issue of shares	9	7,256,417	2,988,830
Capital raising costs		(615,738)	(406,202)
Repayment of lease liabilities		(9,793)	-
Net cash from financing activities		<u>6,630,886</u>	<u>2,582,628</u>
Net increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the financial year		368,589	176,418
		<u>176,418</u>	<u>-</u>
Cash and cash equivalents at the end of the financial year		<u><u>545,007</u></u>	<u><u>176,418</u></u>

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

Auric Mining Limited and Controlled Entities
Notes to the consolidated financial statements
31 December 2021

The consolidated financial statements and notes represent those of Auric Mining Limited and Controlled Entities (the Consolidated Group or Group).

The separate financial statements of the Parent Entity, Auric Mining Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on 11 March 2022 by the Directors of the Company.

Note 1. Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting year. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about the transactions, events and conditions to which they apply. 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 this financial report are presented below. They have been consistently applied unless otherwise stated.

Going Concern

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

The Group has incurred a net loss after tax for the year ended 31 December 2021 of \$1,103,126, a net cash outflow from operations of \$1,403,595 and net cash used in investing activities, excluding the term deposits of \$2,829,824. As at 31 December 2021, the Group had net equity of \$9,047,876 and cash and term deposits of \$2,565,007.

There is a material uncertainty that the Group will be able to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Group's ability to continue as a going concern and pay its debts as and when they fall due is dependent upon the following:

- the Group raising additional equity capital via any means available to it inclusive of, but not limited to, share placements, right issues, or joint venture arrangements in a timely manner in order to fund the ongoing exploration and operation activities of the Group;
- the Group delaying exploration activities if sufficient funds are not raised; or

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- the Group selling some of the tenements if sufficient funds are not raised.

Although it is not certain that these efforts will be successful, management has determined that the activities it will take are sufficient to mitigate the material uncertainty on the entity's ability to continue as a going concern and be able to discharge its liabilities in the normal course of business.

The Directors have reviewed the Business outlook and cash flow forecasts after taking into account the above matters and are of the view that the use of going concern basis accounting is appropriate as the Directors believe the Group will achieve the matters set out above and be able to pay its debts as and when they fall due.

The financial statements are normally prepared on the assumption that the Group is a going concern and will continue in operation for the foreseeable future. Hence, it is assumed that the Group has neither the intention nor the need to liquidate or curtail materially the scale of its operations. If such an intention or need exists, the financial statements may have to be prepared on a different basis and, if so, the basis will be disclosed and the impacts quantified.

a. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Parent (Auric Mining Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The Parent controls an entity when it 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 over the entity. A list of the subsidiaries is provided in Note 17.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting year to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

b. Income Tax

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

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

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authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred 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 or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which: (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the year 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 entity 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, unless the deferred tax asset relating to temporary differences arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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.

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: (i) a legally enforceable right of set-off exists; and (ii) 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 years in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c. Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Australian Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e., unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e., the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting year (i.e., the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and

best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

d. Plant and Equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Consolidated Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated on a straight-line basis over the asset's useful life to the Consolidated Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired year of the lease or the estimated useful lives of the improvements. The depreciation rates used for office equipment is 66.67% diminishing value.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the year in which they arise. Gains shall not be classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

e. Exploration and Evaluation Costs

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area.

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

f. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e., trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15: *Revenue from Contracts with Customers*

Classification and subsequent measurement

Financial liabilities

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant year. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income

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enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3: *Business Combinations* applies, the Group may make an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

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Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e., when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (i.e., the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g., amounts due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9: *Financial Instruments*:

- the general approach
- the simplified approach
- the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting year, the Group assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Group

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measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or

- there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting year, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: *Revenue from Contracts with Customers* and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e., diversity of customer base, appropriate groupings of historical loss experience, etc).

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting year.

For financial assets that are unrecognised (e.g., loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

g. Impairment of Non-Financial Assets

At the end of each reporting year, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g., in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

h. Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting year in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting year in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting year on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the years in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting year, in which case the obligations are presented as current provisions.

Defined contribution superannuation benefits

All employees of the Group other than those who receive defined benefit entitlements receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution (currently 10% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting year. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of:

- the date when the Group can no longer withdraw the offer for termination benefits; and
- when the Group recognises costs for restructuring pursuant to AASB 137: *Provisions, Contingent Liabilities and Contingent Assets* and the costs include termination benefits.

In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting year in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

i. Provisions

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting year.

j. Cash and Cash Equivalents

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

k. Goods and Services Tax (GST)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing 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.

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

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amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other 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 investing or financing 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.

l. Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the 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.

m. Key Judgements

Exploration and evaluation expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the Directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting year at \$6.33 million.

n. Share-based Payment Transactions

The consolidated entity measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting year but may impact profit or loss and equity.

o. Coronavirus (COVID-19) Pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

p. Right-of-Use-Asset

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

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

q. Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index

Auric Mining Limited and Controlled Entities
Notes to the consolidated financial statements
31 December 2021

or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

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

Note 2. Parent Information

The following information has been extracted from the books and records of the financial information of the Parent Entity set out below and has been prepared in accordance with Australian Accounting Standards.

Statement of Financial Position	2021	2020
	\$	\$
ASSETS		
Current assets	616,647	201,210
Non-current assets	8,762,578	3,070,822
TOTAL ASSETS	<u>9,379,225</u>	<u>3,272,032</u>
LIABILITIES		
Current liabilities	193,670	584,024
Non-current liabilities	125,168	-
TOTAL LIABILITIES	<u>318,838</u>	<u>584,024</u>
NET EQUITY	<u>9,060,387</u>	<u>2,688,008</u>
EQUITY		
Issued capital	10,244,807	3,098,256
Accumulated losses	(1,841,486)	(747,314)
Share option reserve	657,066	337,066
TOTAL EQUITY	<u>9,060,387</u>	<u>2,688,008</u>

The Parent entity has guaranteed the contingent asset and liabilities as detailed in note 13 and has also guaranteed the obligation to Neometals Limited as detailed in note 14.

Note 3. Operating segments

Identification of reportable operating segments

For management's purposes, the Group is organised into one main operating segment, which involves the exploration and development of minerals in Australia. All of the Group's activities are interrelated, and discrete financial information is reported to the Board as a single segment. Accordingly, all significant decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

Auric Mining Limited and Controlled Entities
Notes to the consolidated financial statements
31 December 2021

Note 4. Income tax

	Consolidated	
	2021	2020
	\$	\$
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Loss before income tax expense	(1,103,126)	(750,871)
Tax at the statutory tax rate of 26%	(286,813)	(206,490)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-allowable items	37,929	97,872
Other items	(176,342)	(6,124)
Carry forward tax losses not recognised	(108,482)	-
DTA/DTL not recognised	533,708	114,741
Income tax benefit	-	-

Accounting policy for income tax

The income tax expense or benefit for the year is the tax payable on that year's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior years, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

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

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 5. Current assets - Term Deposits

	Consolidated	
	2021	2020
	\$	\$
Term Deposit 1	1,000,000	
Term Deposit 2	1,000,000	
Term Deposit 3	20,000	-
	<u>2,020,000</u>	<u>-</u>

Term deposits 1 & 2 matures on 16 April 2022. Term deposit 3 matures on 18 August 2022.

Auric Mining Limited and Controlled Entities
Notes to the consolidated financial statements
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Note 6. Non-current assets - exploration and evaluation

	Consolidated	
	2021	2020
	\$	\$
Exploration and evaluation - at cost	<u>6,529,640</u>	<u>3,830,614</u>

Reconciliations

Reconciliations of the values at the beginning and end of the current and previous financial year are set out below:

	Consolidated	
	2021	2020
	\$	\$
Opening balance	3,830,614	-
Expenditure during the year	<u>2,699,026</u>	<u>3,830,614</u>
Closing balance	<u>6,529,640</u>	<u>3,830,614</u>

All exploration and evaluation expenditure including general activities, geological, project generation, and drilling costs are capitalised as incurred.

Note 7. Current liabilities - trade and other payables

	Consolidated	
	2021	2020
	\$	\$
Trade and other payables	26,402	279,707
Accruals	59,130	69,846
Deferred consideration - Munda Project	-	650,000
Royalty consideration - Jeffreys Find Project	<u>-</u>	<u>150,000</u>
	<u>85,532</u>	<u>1,149,553</u>

Note 8. Current liabilities - Employee Benefits

	Consolidated	
	2021	2020
	\$	\$
Annual leave	28,742	-
Superannuation payable	5,575	-
PAYG payable	<u>57,818</u>	<u>-</u>
	<u>92,135</u>	<u>-</u>

Auric Mining Limited and Controlled Entities
Notes to the consolidated financial statements
31 December 2021

Note 9. Equity - Issued capital

	2021 Shares	Consolidated 2020 Shares	2021 \$	2020 \$
At incorporation	-	300	-	30
Share issued	-	9,000,000	-	9,000
Convertible Note conversion	-	27,750,000	-	111,000
Shares issued	-	500,000	-	2,000
Shares raised	-	1,161,999	-	174,300
Shares raised	-	17,950,001	-	2,692,500
Shares issued for acquisition of Jeffreys Find tenement	-	3,666,667	-	550,000
Shares issued for acquisition of Spargoville tenements	-	600,000	-	150,000
Capital raising costs				(590,574)
Closing balance as at 31 December 2020	60,628,967	-	3,098,256	-
Shared issued via IPO	29,025,667	-	7,256,417	-
Shares issued to NMT re Gold Rights	3,429,691	-	700,000	-
Capital raising costs	-	-	(809,866)	-
	<u>93,084,325</u>	<u>60,628,967</u>	<u>10,244,807</u>	<u>3,098,256</u>

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 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.

Share buy-back

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

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment.

The capital risk management policy remains unchanged from the 31 December 2020 Annual Report.

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

Auric Mining Limited and Controlled Entities
Notes to the consolidated financial statements
31 December 2021

Note 10. Equity - Option Reserve

The 2,500,000 options issued for the capital raising services had the following assumptions:
The options were valued by the Directors using the Black Scholes method. The assumptions used are as follows:

Stock price	\$0.25	Volatility	97%
Exercise price	\$0.40	Risk free rate	1.5%
Grant date	29/01/2021	Fair value per option	\$0.128
Expiry date	31/10/2023		

Option reserve 320,000

	Consolidated	
	2021	2020
	\$	\$
Opening balance	337,066	-
Value of options issued during the year	320,000	337,066
Closing balance	<u>657,066</u>	<u>337,066</u>

	Consolidated			
	2021	2020	2021	2020
	No.	No.	\$	\$
At incorporation		-		-
Issued to promoters		14,125,000		-
Issued for seed capital		10,137,008		-
Granted for acquisition of tenements		2,133,333		-
Issued for capital raising services		500,000		337,066
Subtotal		<u>26,895,341</u>		<u>337,066</u>
Options cancelled		(26,895,341)		-
Closing balance as at 31 December 2020	-		337,066	
Options reissued 29 January 2021	26,895,341		-	
Issued as per IPO	14,512,834		-	
Issued for capital raising services	2,500,000		320,000	
	<u>43,908,175</u>	<u>-</u>	<u>657,066</u>	<u>337,066</u>

The weighted average exercise price is \$0.40 per option, the same in prior year and the current year.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.8 years (31 December 2020: 2.8 years)

Note 11. Key management personnel disclosures

Refer to the remuneration report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's Key Management Personnel (KMP) or their related parties for the period ended 31 December 2021.

The total of remuneration paid to KMP of the Company and the Group during the period are as follows:

	Consolidated	
	2021	2020
	\$	\$
Short-term employee benefits	567,849	535,537
Post-employment benefits	51,888	1,809
Long-term employee benefits	9,035	-
Total KMP compensation	<u>628,772</u>	<u>537,346</u>

Auric Mining Limited and Controlled Entities
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31 December 2021

Short-term benefits

These amounts include fees and benefits paid to non-executive Directors or their related parties as well as all salary and paid leave benefits awarded to executive Directors and other KMP.

Post-employment benefits

These amounts are the current-year's estimated costs of providing for the Group's defined benefits scheme post-retirement, superannuation contributions made during the period.

Other long-term benefits

These amounts represent long service leave benefits accruing during the period and deferred bonus payments.

Note 12. Auditor's Remuneration

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

	Consolidated	
	2021	2020
	\$	\$
<i>Audit services - William Buck</i>		
Audit or review of the financial statements	39,500	30,000
<i>Other services - William Buck</i>		
Accounts preparation services	-	2,800
Investigating Accountants Report	-	11,000
	-	13,800
	<u>39,500</u>	<u>43,800</u>

Note 13. Contingent Assets and Liabilities

As part of the terms and conditions of the acquisition of Spargoville Project, the Group has contingent liabilities amounting to \$150,000 worth of Shares to be issued, subject to performance milestones being achieved, at a deemed issue price per share equal to the VWAP of shares calculated over the 5 trading days immediately preceding the date of issue of the shares.

As part of the acquisition of the Spargoville Project, the Group has taken on the obligation to Breakaway Resources Pty Ltd to a 1.5% net smelter royalty in respect of production from the Tenements.

As part of the acquisition of the Neometals gold rights, the Group has taken on the obligation to Neometals Ltd to a 1% gross royalty in respect of gold production from the Tenement E15/1583.

Note 14. Commitments

	Consolidated	
	2021	2020
	\$	\$
Tenement commitments: 0-1 year	513,900	74,000
Tenement commitments: 1-5 years	529,500	343,000
Tenement commitments: 5 years plus	86,800	104,000
	<u>1,130,200</u>	<u>521,000</u>

Auric Mining Limited and Controlled Entities
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As part of the acquisition of the Neometals gold rights, the Group has taken on the obligation to spend \$450,000 on the tenements in year 1 for settlement date and further \$450,000 in the second year.

Note 15. Related party transactions

a. Related Parties

The Group's main related parties are related to Key Management Personnel, identified as follows:

Steven Morris
Mark English
John Utley
Stephen Strubel

b. Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. All transactions with key management personnel have been disclosed in the Remuneration Report.

c. Amounts paid/ payable to related parties

The following transactions occurred with related parties:

	Consolidated	
	2021	2020
	\$	\$
LBL (WA) Pty Ltd, entity related to Mark English for services rendered	-	60,000
140 Holdings Pty Ltd, entity related to Mark English for services rendered	-	55,000
Teralba Nominees VIC Pty Ltd, entity related to Stephen Strubel for services rendered	-	16,500
Targo Holdings Pty Ltd, entity related to Steven Morris for services rendered	48,000	18,500

Receivable from and payable to related parties

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

Loans to/from related parties

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

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 16. Capital Commitments

The Company has entered into a contract for the purchase of a Toyota Hilux for an amount up to \$55,000.

Subsequent to the end of the financial year, the Company has submitted an offer to purchase a Crown Lease Property at Widgiemooltha.

Auric Mining Limited and Controlled Entities
Notes to the consolidated financial statements
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Note 17. Interests in Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation.

Name	Principal place of business / Country of incorporation	Ownership interest	
		2021 %	2020 %
Widgie Gold Pty Ltd	Australia	100%	100%
Spargoville Minerals Pty Ltd	Australia	100%	100%
Jeffreys Find Pty Ltd	Australia	100%	100%

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

Note 18. Events after the reporting year

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years, other than, a new subsidiary company was incorporated subsequent to the end of the financial year. The subsidiary is currently dormant.

Note 19. Cash flow information

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

	Consolidated	
	2021 \$	2020 \$
Loss after income tax expense for the year	(1,103,126)	(750,871)
Change in operating assets and liabilities:		
(Decrease)/Increase in trade and other payables	(75,182)	221,680
(Decrease)/Increase in other provisions	(210,223)	248,000
Depreciation and amortisation	16,933	388
(Increase) in receivables and other current assets	(31,997)	(71,910)
Net cash used in operating activities	<u>(1,403,595)</u>	<u>(352,713)</u>

Note 20. Earnings per share

	Consolidated	
	2021 \$	2020 \$
Loss after income tax attributable to the owners of Auric Mining Limited	<u>(1,103,126)</u>	<u>(750,871)</u>
	Cents	Cents
Basic loss per share	(1.32)	(3.91)
Diluted loss per share	(1.32)	(3.91)

Specific financial risk exposures and management

The main risks the Group is exposed to through its financial instruments are credit risk and liquidity risk. There are no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Due to the current nature of the Group, being an exploration entity, the Group is not exposed to material credit risk.

b. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

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

Typically, the Group ensures that it has sufficient cash to meet expected operational expenses for a year of 60 days. The financial liabilities of the Group include trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date.

The following table reflects an undiscounted contractual maturity analysis for financial assets and financial liabilities.

Financial liability and financial asset maturity analysis:

Consolidated Group 2021	Within 1 Year	1 to 5 Years	Total
	\$	\$	\$
Financial liabilities due for payment			
Other payables	(85,532)	-	(85,532)
Employee benefits	(92,135)	(9,035)	(101,170)
Lease liability	(20,653)	(116,133)	(136,786)
Total expected outflows	(198,320)	(125,168)	(323,488)
Financial assets – cash flows realisable			
Cash and cash equivalents	545,007	-	545,007
Other receivables	103,907	-	103,907
Term Deposit	2,020,000	-	2,020,000
Rental security bond	-	8,878	8,878
Total anticipated inflows	2,668,914	8,878	2,677,792
Net inflow on financial instruments	2,470,594	(116,290)	2,354,304

Auric Mining Limited and Controlled Entities
Notes to the consolidated financial statements
31 December 2021

Consolidated Group 2020	Within 1 Year	1 to 5 Years	Total
	\$	\$	\$
Financial liabilities due for payment			
Other payables	(1,397,553)	-	(1,397,553)
Total expected outflows	(1,397,553)	-	(1,397,553)
Financial assets – cash flows realisable			
Cash and cash equivalents	176,418		176,418
Other receivables	54,098	-	54,098
Total anticipated inflows	230,516	-	230,516
Net (outflow) on financial instruments	(1,167,037)	-	(1,167,037)

The above liquidity risk shortfall as at 31 December 2020 has been eliminated by the IPO and capital raising of \$7.26 million in February 2021.

Fair value estimation

The fair values of financial assets and financial liabilities are presented above and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial instruments whose carrying value is equivalent to fair value due to their nature include:

- Cash and cash equivalents;
- Other receivables; and
- Other payables

Note 22. Company Details

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

Auric Mining Limited
Level 1, 1 Tully Road
East Perth WA 6004

Auric Mining Limited and Controlled Entities
Directors' declaration
31 December 2021

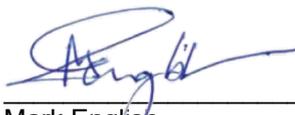
In the Directors' opinion:

- 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;
- 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;
- the attached financial statements and notes give a true and fair view of the Company's and consolidated entity's financial position as at 31 December 2021 and of their performance for the financial year ended on that date; and
- As disclosed in Note 1 of the financial statements, in the Directors' opinion there are reasonable grounds to believe that the Company and the consolidated entity will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the Directors



Mark English
Managing Director

11 March 2022

Auric Mining Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Auric Mining Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

ACCOUNTANTS & ADVISORS

Level 20, 181 William Street
Melbourne VIC 3000

Telephone: +61 3 9824 8555

williambuck.com

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial report, which indicates that the Group incurred a net loss of \$1,103,126 for the year ended 31 December 2021 and, as of that date, the Group's net cash outflows used in operating and investing activities was \$6,262,297. As stated in Note 1, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

CAPITALISATION OF EXPLORATION AND EVALUATION COSTS	
Area of focus Refer also to notes 1 and 8	How our audit addressed it
<p>The Group has incurred exploration and evaluation costs for exploration projects in Australia of \$2,699,026 for the year ended 31 December 2021 and has elected to capitalise all these costs as a non-current asset in the Statement of Financial Position in accordance with the Group accounting policies.</p> <p>There is a risk that the Group may lose or relinquish its rights to explore and evaluate those areas of interest and therefore amounts capitalised to the Statement of Financial Position from the current and historical periods, be no longer recoverable.</p> <p>During the year no impairment charge was recognised in relation to exploration and evaluation.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> — Understanding and vouching the underlying contractual entitlement to explore and evaluate each area of interest, including an evaluation of the Group's purchase in that area of interest at its expiry; — Examining project spend per each area of interest and comparing this spend to the minimum expenditure requirements set out in the underlying exploration expenditure plan; — Examining project spend to each area of interest to ensure that it is directly attributable to that area of interest; and — From an overall perspective, comparing the market capitalisation of the Group to the net carrying value of its assets on the Statement of Financial Position to identify any other additional indicators of impairment. <p>We also assessed the adequacy of the Group's disclosures in the financial report.</p>

SHARE BASED PAYMENTS	
Area of focus Refer also to notes 1 and 8	How our audit addressed it
<p>The Group has incurred share-based payments expenses during the year as part of capital raising services received during the year.</p> <p>There is a risk that the Group may not have valued these options appropriately and that the expense due to be recognised from these options issued during the year is incorrect.</p> <p>The options were valued using a Black Scholes model with the options vesting immediately, and the expense for the options fully recognised during the year.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> — Understanding the terms of the options being issued including the number of options issued, grant date, expiry date, exercise price and the presence of any market or non-market conditions; — Assessing the Black Scholes model used by management to determine the valuation of the options and examining the key inputs used in the model; — Recalculating the expense recognised during the year in line with the terms of the options; and — Assessing the adequacy of the Group's disclosures in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 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 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 has 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 these financial statements is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 9 of the directors' report for the year ended 31 December 2021.

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

A handwritten signature in blue ink that reads 'William Buck'.

William Buck Audit (Vic) Pty Ltd

ABN: 59 116 151 136

A handwritten signature in blue ink that appears to be 'J. C. Luckins'.

J. C. Luckins

Director

Melbourne, 11th of March 2022

Auric Mining Limited and Controlled Entities
Shareholder information
31 December 2021

The shareholder information set out below was applicable as at 18 February 2022.

Distribution of equitable securities

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

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	10	-	-	-
1,001 to 5,000	71	0.26	128	1.24
5,001 to 10,000	139	1.22	74	1.53
10,001 to 100,000	322	15.56	214	24.21
100,001 and over	123	82.96	62	73.02
	665	100.00	478	100.00
Holding less than a marketable parcel	69	-	366	-

Equity security holders

Twenty largest quoted equity security holders

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

	Ordinary shares	
	Number held	% of total shares issued
R J & A INVESTMENTS PTY LTD	7,200,000	7.73
ANAMORPH PTY LTD (UTLEY FAMILY A/C)	6,420,000	6.90
FAIRCHILD CAPITAL AUSTRALIA PTY LTD	6,189,920	6.65
13 NOMINEES PTY LTD	5,181,667	5.57
SRS HGS PTY LTD (SRS FAMILY A/C)	5,125,100	5.51
STEVEN JOHN MORRIS	3,912,500	4.20
MINCOR RESOURCES NL	3,666,667	3.94
NEOMETALS INVESTMENTS PTY LTD	3,429,691	3.68
TARGO HOLDINGS PTY LTD	2,312,500	2.48
CITICORP NOMINEES PTY LIMITED	1,766,205	1.90
140 HOLDINGS PTY LTD	1,500,100	1.61
THREE ZEBRAS PTY LTD (JUDD FAMILY A/C)	1,333,333	1.43
KEMBLA NO 20 PTY LTD (CAA A/C)	1,050,000	1.13
MR STEPHEN STRUBEL + MR BRIAN STRUBEL (STRUBEL FAMILY S/F A/C)	1,040,000	1.12
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	970,000	1.04
ESTRELLA RESOURCES LIMITED	856,400	0.92
LYTTON NOMINEES PTY LTD (LYTTON SUPER FUND A/C)	666,667	0.72
WHIMPLECREEK PTY LTD (STAWELL FAMILY A/C)	666,667	0.72
GREENBACK GLOBAL PTY LTD (GBG FUND A/C)	666,666	0.72
MR PETER HOWELLS	600,000	0.64
Total Top 20	54,554,083	58.61
Others	38,530,242	41.39
Total	93,084,325	100.00

Auric Mining Limited and Controlled Entities
Shareholder information
31 December 2021

	Options over ordinary shares	
	Number held	% of total options issued
R J & A INVESTMENTS PTY LTD	2,916,666	6.64
ANAMORPH PTY LTD (UTLEY FAMILY A/C)	2,527,500	5.76
CONRAD CAPITAL INVESTMENTS PTY LTD (CONRAD INVESTMENTS UNIT A/C)	2,500,000	5.69
13 NOMINEES PTY LTD	2,405,834	5.48
FAIRCHILD CAPITAL AUSTRALIA PTY LTD	2,312,500	5.27
MINCOR RESOURCES NL	1,833,333	4.18
SRS HGS PTY LTD (SRS FAMILY A/C)	1,812,500	4.13
CS THIRD NOMINEES PTY LIMITED (HSBC CUST NOM AU LTD 13 A/C)	1,586,884	3.61
STEVEN JOHN MORRIS	1,156,250	2.63
TARGO HOLDINGS PTY LTD	1,156,250	2.63
THREE ZEBRAS PTY LTD (JUDD FAMILY A/C)	666,667	1.52
GOFFACAN PTY LTD (KMM FAMILY A/C)	548,697	1.25
MR STEPHEN STRUBEL + MR BRIAN STRUBEL (STRUBEL FAMILY S/F A/C)	520,000	1.18
CONRAD CAPITAL GROUP PTY LTD	500,000	1.14
MR PETER RAFTOPOULOS	433,334	0.99
WHIMPLECREEK PTY LTD (STAWELL FAMILY A/C)	383,333	0.87
LYTTON NOMINEES PTY LTD (LYTTON SUPER FUND A/C)	333,334	0.76
GREENBACK GLOBAL PTY LTD (GBG FUND A/C)	333,333	0.76
BERGEN GLOBAL OPPORTUNITY FUND LP	300,000	0.68
M & K KORKIDAS PTY LTD (M & K KORKIDAS PTY LTD A/C)	300,000	0.68
Total Top 20	25,526,415	55.86
Others	19,381,760	44.14
Total	43,908,175	100.00

Unquoted equity securities

There are no unquoted equity securities.

Substantial holders

The names of the substantial shareholders listed in the Company's register are:

Shareholder:

Name	Number held	% Units
R J & A INVESTMENTS PTY LTD	7,000,000	7.52
MARK ENGLISH & ASSOCIATES	6,531,767	7.02
ANAMORPH PTY LTD (UTLEY FAMILY A/C)	6,420,000	6.90
THOMAS FAIRCHILD & FAIRCHILD CAPITAL AUSTRALIA PTY LTD	6,191,767	6.65
STEPHEN STRUBEL & ASSOCIATES	6,165,100	6.62
STEVEN MORRIS & ASSOCIATES	6,125,000	6.58

Voting rights

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

Ordinary shares

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.

There are no other classes of equity securities.