



ABN 86 125 049 550

Annual Report
For the year ended 30 June 2022

CORPORATE DIRECTORY

ABN 86 125 049 550

Directors

Seamus Cornelius (Non-Executive Chairman)
Eamon Hannon (Managing Director)
Anthony Maslin (Non-Executive Director)
Stuart Fogarty (Non-Executive Director)

Chief Executive Officer

Eamon Hannon

Company Secretary

Sam Wright

Registered Office

Suite 1, First Floor
14 – 16 Rowland Street
Subiaco WA 6008

Principal Place of Business

Suite 1, First Floor
14 – 16 Rowland Street
Subiaco WA 6008
Telephone: +61 8 9380 6063
Facsimile: +61 8 9381 4056

Postal Address

PO Box 661
Nedlands WA 6909

Solicitors

Fairweather Corporate Lawyers
Suite 2, 589 Stirling Highway
Cottesloe, Western Australia 6011

Share Register

Computershare Investor Services Pty Limited
Level 2, 45 St George's Terrace
Perth, Western Australia 6000
Telephone: +61 8 9323 2000

Auditors

Rothsay Audit & Assurance Pty Ltd
Level 1, Lincoln Building
4 Ventnor Avenue
West Perth WA 6005

Stock Exchange

Australian Securities Exchange
Level 40 Central Park
152 – 158 St George's Terrace
Perth, Western Australia 6000
ASX code: BUX

Website Address

www.buxtonresources.com.au



[@BuxtonResources](https://twitter.com/BuxtonResources)

CONTENTS

Review of Operations	4
Directors' Report	8
Auditors' Independence Declaration	21
Corporate Governance Statement	22
Statement of Profit or Loss and Other Comprehensive Income	23
Statement of Financial Position	24
Statement of Changes in Equity	25
Statement of Cash Flows	26
Notes to the Financial Statements	27
Directors' Declaration	46
Independent Audit Report	47
Shareholder information	51

Review of Operations

During FY2022, Buxton has continued to develop its portfolio of Joint Venture (JV) ready exploration and resource development projects through ongoing project generation, early-stage exploration, and commercial negotiation.

New Farm-In / JV agreements were negotiated over three new Project areas (Centurion, Narryer and Copper Wolf) such that, by mid-FY2023 at least 7 Projects will be under active exploration by JV partners.

During FY2022 Buxton has also secured extensive applications over new, province-scale grassroots exploration concepts in the highly competitive Patterson region (Shogun / Royale Projects).

Buxton has also accelerated work on the Yalbra Graphite Project with a view to defining an updated resource and an optimised process to support Scoping / Feasibility studies aimed toward the production of spherical graphite.

Yalbra Project (BUX 100%)

The Yalbra Graphite Project (Exploration License E09/1985) is located 280 km East of Carnarvon in the Murchison Region of Western Australia. In 2014, Buxton released an updated, JORC 2012 compliant, Mineral Resource Estimate for the main zone of graphite mineralisation. The Inferred Mineral Resource at Yalbra is 4.0Mt @ 16.2% TGC, using a 4% TGC cut-off (see ASX announcement 24th October 2014).

During FY2022, Buxton have continued to progress metallurgical studies focussed on process optimisation aimed at defining a low-cost flowsheet to produce spherical graphite. Buxton received approval for a Programme of Works to undertake infill drilling to upgrade the existing Resource to Indicated / Measured JORC classification and also to increase the overall size of the Resource.

West Kimberley Project (BUX / IGO JV variation subject to shareholder approval)

The West Kimberley Project is targeting Nova-style magmatic Ni-Cu sulphide mineralisation in Proterozoic belts of the West Kimberley Region of Western Australia. Buxton have Farm In and JV agreements over three separate Project areas (Merlin Project, Quickshears Project and West Kimberley Regional Project) which fall within the overall West Kimberley Region.

During FY2022, IGO has focussed their exploration efforts on the Sentinel area within the West Kimberley Regional Project. IGO's work has included geological, geochemical surveying undertaken during the 2021 field season ahead of EM geophysical surveys and drilling which ongoing at the end of the FY2022 reporting period (field seasons in this area are May – October).

Subsequent to the FY2022 reporting period, on the 22nd August 2022, Buxton announced that, pursuant to shareholder approval, Buxton and IGO will agree to an amendment of the Merlin Project JV agreement. Under the amended Merlin Project JV Agreement IGO has agreed to pay Buxton \$1,000,000 to acquire a further 29% joint venture interest in lieu of IGO incurring the remainder of in-ground earn-in expenditure (as required by the restructured Merlin JV agreement detailed in ASX release 24/01/2020). Once completed the Merlin Project Joint Venture interests will be IGO 80% and Buxton 20%, with Buxton remaining free carried until completion of a feasibility study.

Review of Operations

Fraser Range Project (BUX 10% / IGO 90%)

Exploration The Fraser Range Project is targeting magmatic Ni-Cu sulphide mineralisation along strike from IGO's operating Nova mining operation. During FY2022 IGO have continued their thorough exploration of these licenses. Buxton remain free carried until completion of a feasibility study with Buxton retaining an exclusive right to explore and develop iron ore on the Tenements.

Narryer Project (BUX 100% / IGO earning 51% subject to shareholder approval)

The Narryer Project is targeting magmatic Ni-Cu-PGE sulphide mineralisation along the Yilgarn Craton margin within the Murchison Region of WA. The three Narryer Project ELs covering > 1800 km² were granted early in FY2022.

During FY2022 Buxton has undertaken infill gravity surveying, geological reconnaissance, geochemical sampling, along with review of the government funded AusEM Murchison survey which revealed a bedrock conductor along strike from the Ministry Prospect (see ASX announcement 23rd March 2022).

During FY2022 Buxton also contracted Xcalibur Multiscience to undertake a 2,511 line km HeliTEM² airborne EM survey, which is scheduled for execution in early FY2023.

Subsequent to the FY2022 reporting period, on the 22nd August 2022, Buxton announced that, pursuant to shareholder approval, Buxton and IGO will enter into a subscription agreement and option over the Narryer Project. By the Earn-In and Joint Venture Agreement (upon exercise of an initial option), IGO may earn a 51% interest in the Narryer tenements by spending \$3,000,000 within a 3-year period. Upon IGO incurring the \$3,000,000 of earn-in expenditure and electing to exercise the earn-in, Buxton and IGO will form an unincorporated Joint Venture with the interests being IGO 51% and Buxton 49%.

Copper Wolf Project (BUX 100% / IGO earning 70% subject to shareholder approval)

Buxton's Copper Wolf project consists of 54 BLM Lode Mining Claims and 2 ASLD Mineral Exploration Permits covering approximately 2,400 acres in Yavapai County Arizona over a historic copper exploration project.

During FY2022, Buxton completed a compilation and review historical information. This work clearly confirms the porphyry copper geological setting Copper Wolf Project and that a significant conceptual target for future exploration exists on the property.

During FY2022 Buxton also undertook landholder engagement, airborne magnetics surveying and a site visits.

Subsequent to the FY2022 reporting period, on the 22nd August 2022, Buxton announced that, pursuant to shareholder approval, Buxton and IGO will enter into an earn-in and joint venture agreement for the Copper Wolf Project (Arizona, USA) currently held as to 100% by BUX.

Centurion Project (BUX 100% / TKM earning 75%)

The Centurion Project consists of Exploration License E80/5579 located approximately 180 km south-southwest of Balgo Western Australia on unclaimed crown land and accessible via shire roads and several 1960s-1980s seismic lines.

Review of Operations

This license covers a prominent dipolar magnetic anomaly exceeding 1,500 nanoteslas in amplitude and 3,500 m by 5,000 m in extent. Recently released data from a 2017 Falcon airborne gravity gradiometer survey reveals a similarly dipolar gravity high in a slightly offset position to the magnetic feature. Such relationships between magnetic and gravity features is characteristic of Iron Oxide Copper Gold deposits including Olympic Dam and Prominent Hill.

Results from Magnetic Vector Inversion of open file 400 m line spaced magnetic data indicates that the target is remnantly magnetised and is approximately 700 metres below ground level.

On 28 March 2022, Buxton announced that the company has entered into a Farm-In and Joint Venture (JV) Agreement with ASX listed Trek Metals Ltd (ASX:TKM) for the Centurion Project.

Under the Joint Venture terms, Trek will be required to drill test the Centurion IOCG target within 21 months of signing of the JV and shall sole fund \$500,000 of expenditure including satisfying a minimum of at least 300 metres of diamond core drilling (Stage 1). On completion of Stage 1, Trek may elect to withdraw from the JV or will have earned a 51% interest in the tenement.

If results from the first drill hole are positive/encouraging TKM will have the ability to elect to proceed to stage 2 where TKM will have earned 51% of Centurion's project equity and be obliged to spend a further \$3 million within 3 years to earn a further 24% taking them to 75% overall project equity and Buxton will be free carried at 25% project equity level until a Decision to Mine milestone is reached where both parties may elect to into a co-contributing JV.

Details and milestone can be seen in Table 1 of the ASX announcement on 28 March 2022.

Shogun & Royale Projects (BUX 100%)

The Shogun and Royale Projects form a contiguous package covering 2617 km² located in the Paterson Region of Western Australia. Exploration on the two (2) Shogun Project ELA 45/6533 and 45/6534 is targeting magmatic Ni-Cu-Co-PGE sulphide deposits. The five (5) Royale Project ELAs (E45/6228 through E45/6232) cover exploration targets for hydrothermal Cu +/- Au - Mo deposits.

During FY2022, Buxton conducted desktop generative studies, review of historical core and lodged new applications over these project areas to facilitate Native Title agreements.

Lateron Project (BUX 100%)

The Lateron Project Exploration License E80/5545 was granted during FY2022. The Lateron Project is located on unclaimed crown land approximately 10 km East of Billiluna and 150 km South of Halls Creek in Western Australia.

During FY2022 Buxton have conducted petrological analysis of historical drill cuttings collected during an initial field reconnaissance trip.

Review of Operations

CORPORATE

During the year total exploration expenditure incurred by the Company amounted to \$636,884 (2021: \$377,418). In line with the Company's accounting policies, all exploration expenditure is written off as incurred. The operating loss after income tax for the year ended 30 June 2022 was \$1,551,924 (2021: \$1,202,807).

ANNUAL GENERAL MEETING

Buxton held its Annual General Meeting of Shareholders on 25 November 2021 at First Floor, 14-16 Rowland Street, Subiaco, Western Australia and all resolutions that were put to shareholders were passed by a poll.

COVID-19 PANDEMIC IMPACT

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had no significant impact on the Company entity up to 30 June 2022, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Directors' Report

Your directors submit their report for the year ended 30 June 2022.

DIRECTORS

The names of the Company's directors in office during the year and until the date of this report are as follows:

Mr Seamus Cornelius - Non-Executive Chairman

Mr Eamon Hannon - Managing Director

Mr Anthony Maslin - Non-Executive Director

Mr Feng Xue – Non-Executive Director (resigned 25 November 2021)

Mr Stuart Fogarty - Non-Executive Director

Directors were in office for this entire period unless stated otherwise.

COMPANY SECRETARY

Mr Sam Wright

INFORMATION ON DIRECTORS

Mr Seamus Cornelius - Non-Executive Chairman

Qualifications: B.Juris, LLB, LLM

Mr Cornelius brings to the Board 22 years of corporate experience in both legal and commercial negotiations. Mr Cornelius lived and worked as a corporate lawyer in China for 17 years. He was based in Shanghai and Beijing between 1993 and 2010. From 2000 to 2010 he was an international partner with one of Australia's leading law firms and specialised in dealing with cross border investments, particularly in energy and resources. Mr Cornelius has for many years advised large international companies on their investments in China and in recent years has advised Chinese state-owned entities on their investments in natural resource projects outside of China including in Australia.

Mr Cornelius is also currently the Non-Executive Chairman of Duketon Mining Limited (since 8 February 2013), E25 Limited (since 30 June 2011) and Danakali Limited (since 15 July 2014).

Mr Eamon Hannon - Managing Director

Qualifications: BSc (Geol)

Mr Hannon, a geologist and Fellow of the AusIMM, has a wealth of experience within the minerals industry from grass roots exploration through to project development. Having previously worked for Fortescue Metals Group (ASX: FMG) from early 2004 to late 2012 in the role of Director, Exploration and Evaluation, he led the teams to delineate in excess of 10 billion tonnes of iron ore resources and greater than 1 billion tonnes of iron ore reserves.

During his 21 years of experience, Mr Hannon has explored for and developed gold, base metals and industrial materials over 4 continents and more than 10 countries including Tanzania, Mexico, Mongolia, New Zealand, Sweden and Australia. He was integral to the major mining development of the Svartliden gold mine in

Directors' Report

Scandinavia. In addition, Mr Hannon was the Director for the Bankable Feasibility Study of Fortescue Metals Group's Solomon mine. The Solomon mine at 60 million tonnes per annum iron ore production was the single biggest tonnage start up mine in Australia's mining history. The feasibility was signed off for construction by the Fortescue Board with full Environmental Approval in under 18 months.

During the past 3 years Mr Hannon has not served as a director of any other listed company.

Mr Anthony Maslin - Non-Executive Director

Qualifications: B.Bus (Finance and Enterprise)

Mr Maslin brings to the Board over 20 years of corporate experience in both management and promotion, along with an extensive understanding of financial markets.

In his 6 years as a stockbroker at Hartley Poynton Stockbrokers in Perth, Mr Maslin was instrumental in the capital raisings and promotion of several resource development companies. In the subsequent 7 years in his role as founding Managing Director of Solar Energy Systems Ltd (Now Solco Ltd (ASX Code: SOO)) he had significant experience in capital raisings and management of both people and projects. Mr Maslin has also worked as a corporate promotion consultant to a number of listed companies.

Mr Maslin is the founder and Non-Executive Chairman of Wide-Open Agriculture Limited (since 23 March 2015)

During the past 3 years Mr Maslin has not served as a director of any other listed company.

Mr Feng Xue - Non-Executive Director (resigned 25 November 2021)

Mr. Xue is an experienced mining executive and entrepreneur based in Shanghai. He currently serves as one of the experts on the strategic decision committee of China CEFC Energy Company Limited and as the General Manager of Projects Management & Procurement Centre of China CEFC Energy Company Limited.

During the past 3 years Mr Xue has not served as a director of any other listed company.

Mr Stuart Fogarty - Non-Executive Director

Qualifications: B.Sc (Geology) (Hons)

Mr Fogarty has over 20 years of exploration experience with BHP Billiton and Western Mining Corporation. Stuart was BHP's Senior Exploration Manager for North and South America and currently serves as the Managing Director of Duketon Mining.

Mr Fogarty has a very strong background in nickel exploration, having commenced his career at Kambalda Nickel Operations in 1994. He has had senior roles with BHP including Senior Geoscientist for nickel exploration in the Leinster and Mt Keith region, Project Manager WA Nickel Brownfields and Regional Manager Australia/Asia where he was responsible for \$100 million per annum exploration budget.

Mr Fogarty is currently Managing Director of Duketon Mining Limited (since 21 October 2013).

Directors' Report

Mr Sam Wright - Company Secretary

Sam Wright has twenty years' experience in the administration of ASX listed companies, corporate governance and corporate finance. He is a member of the Australian Institute of Company Directors, the Financial Services Institute of Australasia, and the Chartered Secretaries of Australia.

Mr Wright is currently a Director of ASX listed companies, PharmAust Limited, Reach Resources Limited and Structural Monitoring Systems plc.

Mr Wright is Company Secretary for ASX listed companies, Buxton Resources Limited and Wide Open Agriculture Limited. He has also filled the role of Director and Company Secretary with a number of unlisted companies.

Mr Wright is the Managing Director of Perth-based corporate advisory firm Straight Lines Consultancy, specialising in the provision of corporate services to public companies.

Mr Wright has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, and shareholder relations with both retail and institutional investors.

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of Buxton Resources Limited were:

	Ordinary shares	Options over Ordinary Shares Unlisted
Seamus Cornelius	2,052,055	1,000,000
Eamon Hannon	485,492	3,000,000
Anthony Maslin	791,197	1,000,000
Stuart Fogarty	-	1,000,000

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were the acquisition of mining tenements, and the exploration and evaluation of these tenements with the objective of identifying economic mineral deposits.

DIVIDENDS

No dividends were paid or declared during the year. No recommendation for payment of dividends has been made.

Directors' Report

OPERATING AND FINANCIAL REVIEW

Finance Review

At the reporting date the Company had cash and term deposit investments of \$2,100,312 (2021: \$2,803,691). Funds are being used to actively pursue the Company's exploration projects.

During the year total exploration expenditure incurred by the Company amounted to \$636,884 (2021: \$377,418). In line with the Company's accounting policies, all exploration expenditure is written off as incurred.

Other expenses for the year included share-based payments of \$56,839 (2021: \$nil) and salaries of \$546,879 (2021: \$589,378).

The operating loss after income tax for the year ended 30 June 2022 was \$1,551,924 (2021: \$1,202,807).

Operating Results for the Year

Summarised operating results are as follows:

	2022	
	Revenues	Results
	\$	\$
Revenues and loss from ordinary activities before income tax expense	37,771	(1,551,924)

Shareholder Returns

	2022	2021
Basic loss per share (cents)	(1.13)	(0.89)

Directors' Report

RISK MANAGEMENT

The Board is responsible for ensuring that risks and opportunities, are identified on a timely basis and that activities are aligned with the risks and opportunities identified by the Board.

The Company believes that it is crucial for all board members to be a part of this process, and as such the board has not established a separate risk management committee.

The board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the board. These include the following:

- Board approval of a strategic plan, which encompasses strategy statements designed to meet stakeholder's needs and manage business risk.
- Implementation of board approved operating plans and budgets and board monitoring of progress against these budgets.

EXTERNAL FACTORS AND MATERIAL BUSINESS RISKS AFFECTING COMPANY RESULTS

The Company operates in an uncertain economic environment when trying to deliver results in accordance with its strategic objectives. Its financial results are subject to various risks and uncertainties, some of which are outside the reasonable control of the Company.

COVID-19

The COVID-19 pandemic stands as a risk to the operations of Buxton Resources Ltd. To date the Company has deployed measures to ensure the safety of personnel, together with alignment to government directives to support the broader community response to COVID-19. However, it is possible that the Company will be required to implement further measures to manage COVID-19. These measures have the potential to cause disruption and delays to operations and could require a total shutdown of operations for a period. Any such measures implemented could increase unit operating costs, impact revenue and/or affect the saleability of assets.

Climate change

The Company and its operations may be impacted by the emergence of new or expanded regulations associated with the transition to a lower carbon economy and market changes related to climate change mitigation. Changes to local or international regulations related to climate change mitigation efforts, or specific taxation or penalties for carbon emissions or environmental damage, among other things, could impact the future profitability of the Company.

Climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events (e.g. Cyclones and tropical storms, or heatwaves) and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates. The areas in which the Company operates may be subject to longer term physical impacts of climate change including but not limited to, increased mean daily temperatures, increasing evaporation rates, continuing reductions in annual rainfall and increases in flooding intensity.

Geopolitical risk

The Chinese market is a significant source of global demand for minerals under exploration by the Company. The Company's exposure to China's economic position and economic policies is material. If economic growth in China slows it could result in lower prices and demand for minerals under exploration thereby reducing future revenues and earnings. Geopolitical risks can affect Buxton through various channels, including commodity prices, capital flows, macroeconomic indicators and general confidence and sentiment. In particular Buxton could be exposed

Directors' Report

to geopolitical risks between China and Australia which have become more prevalent in recent times including China imposing import restrictions on Australian commodities. Whilst the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by such occurrences.

Information Technology and Cyber Security Risk

The Company's operations are supported by information technology systems, consisting of infra structure , networks, applications, and service providers. The Company could be subject to network and systems interference or disruptions from a number of sources, including security breaches, cyber-attacks and system failures which could result in technology systems interferences or disruption resulting in operational delays, destruction or corruption of data, disclosure of sensitive information and data breaches, any of which could have a material impact on the Company's business, operations, financial condition and performance. Disaster recovery plans are in place, together with cyber security monitoring systems.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as disclosed in this Annual Report, no significant changes in the state of affairs of the Company occurred during the financial year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 22 August 2022, Buxton announced 3 inter-dependent transactions:

1. an amendment to the Merlin project joint venture with IGO Limited (IGO) increasing its interest by 29% for a consideration of \$1,000,000 to take it to 80%.
2. Buxton and IGO entered into a subscription agreement and option over the Narryer project (WA). IGO to subscribe for Buxton shares to increase its interest from 15.08% to 19.9%. The total subscription price will be \$1,005,200. IGO will have the option to enter into an earn-in and joint venture agreement over the Narryer project currently held as to 100% by Buxton.
3. Buxton and IGO are to enter into an earn-in and joint venture agreement for the Copper Wolf project (Arizona, USA) currently held as to 100% by Buxton. Buxton will be reimbursed approximately \$215,000 for expenditure incurred by it.

Buxton will seek approval of the transactions at an extraordinary meeting of shareholders to be held as soon as is practicable. Shareholders will be provided with an Independent Expert's Report on the transactions as to whether they are fair and reasonable to non-associated shareholders.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and whilst it has had no financial impact for the Company up to 30 June 2022, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the above no matters or circumstances have arisen which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

Directors' Report

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company is subject to significant environmental regulation in respect to its exploration activities.

The Company aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Company are not aware of any breach of environmental legislation for the year under review.

The directors have considered the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Company for the current, nor subsequent, financial year. The directors will reassess this position as and when the need arises.

Directors' Report

REMUNERATION REPORT (Audited)

This report, which forms part of the directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Buxton Resources Limited for the financial year ended 30 June 2022. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Key Management Personnel

The directors and other key management personnel of the Company during or since the end of the financial year were:

Directors

Seamus Cornelius – Non-Executive Chairman

Eamon Hannon - Managing Director

Anthony Maslin – Non-Executive director

Feng Xue – Non-Executive Director (resigned 25 November 2021)

Stuart Fogarty – Non-Executive director

The named persons held their current positions for the whole of the financial year and since the financial year unless stated otherwise.

Principles used to determine the nature and amount of remuneration

Remuneration Policy

The remuneration policy of Buxton Resources Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives. The board of Buxton Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company.

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The board reviews executive packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

The board may exercise discretion in relation to approving incentives, bonuses and options. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

The relevant directors and executive receive a superannuation guarantee contribution required by the government, which is currently 10.00% (10.50% from 1 July 2022) and do not receive any other retirement benefits.

Directors' Report

REMUNERATION REPORT (Audited) (continued)

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. Options are valued using the Black-Scholes methodology.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently \$300,000). Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee option plan.

Performance based remuneration

The Company currently has no performance-based remuneration component built into director and executive remuneration packages.

Company performance, shareholder wealth and directors' and executives' remuneration

No relationship exists between shareholder wealth, director and executive remuneration and Company performance.

Details of remuneration

Details of the remuneration of the directors, the key management personnel (as defined in AASB 124 *Related Party Disclosures*) and specified executives of Buxton Resources Limited are set out in the following table.

The key management personnel of Buxton Resources Limited include the directors as per page 18 above.

Given the size and nature of operations of Buxton Resources Limited, there are no other employees who are required to have their remuneration disclosed in accordance with the *Corporations Act 2001*.

Directors' Report

Remuneration of Key management personnel

Key Management Personnel remuneration for the years ended 30 June 2022 and 30 June 2021:

	Short-term		Post-employment	Share based payments	Total	Value of options as proportion of remuneration %
	Salary & Fees \$	Bonus \$	Superannuation \$	Share options \$		
Directors						
Seamus Cornelius						
2022	40,000	-	4,000	-	44,000	-
2021	40,000	-	3,800	-	43,800	-
Eamon Hannon						
2022	206,250	-	20,625	56,839	283,714	20.03
2021	180,000	-	17,100	-	197,100	-
Anthony Maslin						
2022	25,000	-	2,500	-	27,500	-
2021	25,000	-	2,375	-	27,375	-
Feng Xue ⁽¹⁾						
2022	-	-	-	-	-	-
2021	-	-	-	-	-	-
Stuart Fogarty						
2022	25,000	-	2,500	-	27,500	-
2021	25,000	-	2,375	-	27,375	-
Director's total						
2022	296,250	-	29,625	56,839	382,714	14.85
2021	270,000	-	25,650	-	295,650	30.20

⁽¹⁾ Resigned 25 November 2021

Service agreements

The Company has an Executive Service Agreement with Mr Eamon Hannon.

Under the Agreement, Mr Hannon is engaged by the Company to provide services to the Company in the capacity of Chief Executive Officer for a period of 12 months upon which time the Board will conduct a performance review. Mr Hannon is paid a base salary of \$225,000, plus statutory superannuation.

At any time either party may terminate the agreement without cause on 45 days written notice. There is no termination period over and above the Company's statutory obligations.

Directors' Report

Share-based compensation

1,500,000 options were issued during the year to key management personnel (2021: nil options).

No options were exercised during the year by key management personnel (2021: nil options)

A total of nil options (2021: 4,400,000) previously granted to key management personnel as part of their compensation lapsed unexercised during the year.

Options granted, exercised or lapsed during the year in relation to key management personnel as part of their remuneration:

	Value of options granted at the grant date	Value of options exercised at the exercised date	Value of options lapsed at the date of lapse
	\$	\$	\$
Directors			
Seamus Cornelius	-	-	-
Eamon Hannon	56,839	-	-
Anthony Maslin	-	-	-
Feng Xue	-	-	-
Stuart Fogarty	-	-	-

Options granted carry no dividend or voting rights.

Key Management Personnel Equity Holdings

2022

	Balance at start of the year	Received during the year on the conversion of performance rights	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
Ordinary shares					
Directors					
Seamus Cornelius	1,952,055	-	-	100,000	2,052,055
Eamon Hannan	485,492	-	-	-	485,492
Anthony Maslin	791,197	-	-	-	791,197
Feng Xue	-	-	-	-	-
Stuart Fogarty	-	-	-	-	-

2021

	Balance at start of the year	Received during the year on the conversion of performance rights	Received during the year on the exercise of options	Other changes during the year	Balance at end of the year
Ordinary shares					
Directors					
Seamus Cornelius	1,952,055	-	-	-	1,952,055
Eamon Hannan	485,492	-	-	-	485,492
Anthony Maslin	791,197	-	-	-	791,197
Feng Xue	-	-	-	-	-
Stuart Fogarty	-	-	-	-	-

Directors' Report

Key Management Personnel Equity Holdings (continued)

2022	Balance at start of the year	Granted	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Unlisted options							
Directors							
Seamus Cornelius	1,000,000	-	-	-	1,000,000	1,000,000	-
Eamon Hannan	1,500,000	1,500,000	-	-	3,000,000	3,000,000	-
Anthony Maslin	1,000,000	-	-	-	1,000,000	1,000,000	-
Feng Xue	1,000,000	-	-	-	1,000,000	1,000,000	-
Stuart Fogarty	1,000,000	-	-	-	1,000,000	1,000,000	-
2021							
2021	Balance at start of the year	Granted	Exercised	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Unlisted options							
Directors							
Seamus Cornelius	1,600,000	-	-	(600,000)	1,000,000	1,000,000	-
Eamon Hannan	3,500,000	-	-	(2,000,000)	1,500,000	1,500,000	-
Anthony Maslin	1,600,000	-	-	(600,000)	1,000,000	1,000,000	-
Feng Xue	1,600,000	-	-	(600,000)	1,000,000	1,000,000	-
Stuart Fogarty	1,600,000	-	-	(600,000)	1,000,000	1,000,000	-

END OF REMUNERATION REPORT (Audited)

DIRECTORS' MEETINGS

The number of meetings of the company's Board of Directors held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Attended	Held
Seamus Cornelius	2	2
Eamon Hannan	2	2
Anthony Maslin	2	2
Feng Xue	-	2
Stuart Fogarty	2	2

SHARES UNDER OPTION

At the date of this report there are 10,950,000 unlisted options over unissued ordinary shares.

Unlisted options	Number of options
Balance at the beginning of the year	9,650,000
Issued during the year	1,500,000
Lapsed during the year	(200,000)
Total number of options outstanding at the date of this report	10,950,000

Directors' Report

SHARES UNDER OPTION (CONTINUED)

This balance is comprised of the following:

Expiry date	Exercise price (cents)	Number of options
30 November 2023	15.0	9,450,000
25 November 2024	15.0	1,500,000
Total number of options outstanding at the date of this report		10,950,000

No person entitled to exercise any option referred to above has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

INSURANCE OF DIRECTORS AND OFFICERS

During or since the financial year, the Company has paid premiums insuring all the directors of Buxton Resources Limited against costs incurred in defending proceedings for conduct involving:

- (a) a wilful breach of duty; or
- (b) a contravention of sections 182 or 183 of the *Corporations Act 2001*,

as permitted by section 199B of the *Corporations Act 2001*.

NON-AUDIT SERVICES

There were no non-audit services provided by the entity's auditor, Rothsay Audit and Assurance Pty Ltd or associated entities during the year.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 21.

Signed in accordance with a resolution of the directors.



Seamus Cornelius
Non-Executive Chairman

Perth, 28 September 2022

ROTHSAY

AUDIT & ASSURANCE PTY LTD

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*

As lead auditor of the audit of Buxton Resources Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

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

Rothsay Audit & Assurance Pty Ltd



Donovan Odendaal

Director

Sydney, 28 September 2022

A Level 1/6 O'Connell Street
Sydney NSW 2000

A Level 1, Lincoln Building,
4 Ventnor Avenue, West Perth WA 6005

E info@rothsay.com.au
W www.rothsay.com.au

ABN 14 129 769 151
Rothsay Audit & Assurance Pty Ltd

Liability limited by a scheme approved under Professional Standards Legislation



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

Annual Report Disclosure on Corporate Governance

Buxton Resources has established and continues to refine and improve procedures to ensure a culture of good corporate governance exists and is respected across the Company.

The Company has a written policy designed to ensure compliance with ASX Listing Rules and all other regulatory requirements for disclosures. Additionally, the Company has adopted a policy designed to ensure procedures to implement the policy are suitable and effective.

The Board wishes to acknowledge that nothing has come to its attention that would lead it to conclude that its current practices and procedures are not appropriate for an organisation of the size and maturity of the Company. The Corporate Governance Policy and the Company's corporate governance practices is set out on the Company's web site at www.buxtonresources.com.au.

Statement of Profit or Loss and Other Comprehensive Income

YEAR ENDED 30 JUNE 2022

	Note	The Company	
		2022	2021
		\$	\$
REVENUE	4	37,771	114,066
EXPENDITURE			
Depreciation expense		(3,526)	(2,004)
Employee benefits expense		(546,879)	(589,378)
Exploration expenses		(636,884)	(377,418)
Impairment of exploration assets		-	(36,717)
Corporate expenses		(218,106)	(221,406)
Share based payment expense	18	(56,839)	-
Administration costs		(122,594)	(102,180)
Loss from operating activities		(1,547,057)	(1,215,037)
Financial income	4	1,720	14,762
Financial expenses		(6,587)	(2,532)
Net financing income		(4,867)	12,230
LOSS BEFORE INCOME TAX		(1,551,924)	(1,202,807)
INCOME EXPENSE	6	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF BUXTON RESOURCES LIMITED		(1,551,924)	(1,202,807)
Loss per share for loss attributable to the ordinary equity holders of the Company (cents per share)			
Basic loss per share	25	(1.13)	(0.89)
Diluted loss per share	25	(1.13)	(0.89)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

Statement of Financial Position

AS AT 30 JUNE 2022

	Note	The Company	
		2022	2021
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	7	1,972,312	2,675,691
Trade and other receivables	8	32,320	10,136
Other financial assets	9	128,000	128,000
Other current assets	10	32,724	14,455
TOTAL CURRENT ASSETS		2,165,356	2,828,282
NON-CURRENT ASSETS			
Exploration Asset	11	761,819	761,819
Plant and equipment	12	76,984	6,031
TOTAL NON-CURRENT ASSETS		838,803	767,850
TOTAL ASSETS		3,004,159	3,596,132
CURRENT LIABILITIES			
Trade and other payables	13	82,885	65,863
TOTAL CURRENT LIABILITIES		82,885	65,863
TOTAL LIABILITIES		82,885	65,863
NET ASSETS		2,921,274	3,530,269
EQUITY			
Issued capital	14	25,120,982	24,234,892
Reserve	15	274,533	236,590
Accumulated losses	16	(22,474,241)	(20,941,213)
TOTAL EQUITY		2,921,274	3,530,269

The above Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.

Statement of Changes in Equity

YEAR ENDED 30 JUNE 2022

	Note	Issued Capital \$	Accumulated Losses \$	Share-based payment Reserve \$	Total \$
The Company					
BALANCE AT 1 JULY 2020		24,234,892	(20,387,516)	885,700	4,733,076
Loss for the year	16	-	(1,202,807)	-	(1,202,807)
TOTAL COMPREHENSIVE LOSS		-	(1,202,807)	-	(1,202,807)
Expiry of options		-	649,110	(649,110)	-
BALANCE AT 30 JUNE 2021		24,234,892	(20,941,213)	236,590	3,530,269
BALANCE AT 1 JULY 2021		24,234,892	(20,941,213)	236,590	3,530,269
Loss for the year	16	-	(1,551,924)	-	(1,551,924)
TOTAL COMPREHENSIVE LOSS		-	(1,551,924)	-	(1,551,924)
Issue of shares for cash		928,500	-	-	928,500
Issue of options to director		-	-	56,839	56,839
Expiry of options		-	18,896	(18,896)	-
Share issue costs		(42,410)	-	-	(42,410)
BALANCE AT 30 JUNE 2022		25,120,982	(22,474,241)	274,533	2,921,274

The above Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

Statement of Cash Flows

YEAR ENDED 30 JUNE 2022

	Note	The Company	
		2022	2021
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		-	76,566
Payments to suppliers and employees		(901,407)	(880,704)
Expenditure on mining interests		(641,473)	(374,971)
Government grants received		-	50,000
Interest received		1,706	24,682
Interest paid		(6,587)	(2,532)
NET CASH USED IN OPERATING ACTIVITIES	24	(1,547,761)	(1,106,959)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(74,479)	-
Proceeds from sale of plant and equipment		37,771	-
NET CASH FROM INVESTING ACTIVITIES		(36,708)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares		923,500	-
Payments for share issue costs		(42,410)	-
NET CASH FROM FINANCING ACTIVITIES		881,090	-
NET DECREASE IN CASH AND CASH EQUIVALENTS		(703,379)	(1,106,959)
Cash and cash equivalents at the beginning of the financial year		2,675,691	3,782,650
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	7	1,972,312	2,675,691

The above Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

Notes to the Financial Statements

30 JUNE 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. The financial statements are for Buxton Resources Limited as an individual entity. The financial statements are presented in the Australian currency. Buxton Resources Limited is a company limited by shares, domiciled and incorporated in Australia. The financial statements were authorised for issue by the directors on 28 September 2022. The directors have the power to amend and reissue the financial statements.

(a) Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001*.

Compliance with IFRS

The financial statements of Buxton Resources Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

(c) Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Grant funding

Cash Boost, Job keeper and Exploration Incentive Scheme grants are recognised where there is reasonable assurance that the entity will comply with the conditions attached to the grants and that the grants will be received.

Other income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

Notes to the Financial Statements

(d) Income tax

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

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

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.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes to the Financial Statements

(e) Leases

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is considered to contain a lease if it allows the company the right to control the use of an identified asset over a period of time in return for consideration. Where a contract or arrangement contains a lease, the company recognises a right-of-use asset and a lease liability at the commencement date of the lease.

A right-of-use asset is initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred. Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the Company's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments include fixed payments, amounts expected to be paid under a residual value guarantee, the exercise price of purchase options for which the company is reasonably certain to exercise and incorporate the Company's expectations of lease extension options.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets.

Short term leases (lease term of 12 months or less) and leases of low value assets (\$5,000 or less) are recognised as incurred as an expense in the income statement. Low value assets comprise computers and items of IT equipment. The company has no short-term leases nor leases of low value assets.

(f) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Notes to the Financial Statements

(h) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company 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 significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial assets

Financial assets are subsequently measured at:

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

On the basis of the two primary criteria:

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

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

- 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 is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- 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; and
- the business model for managing the financial asset 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.

Financial liabilities

Financial liabilities are subsequently measured at:

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

Notes to the Financial Statements

Classification and subsequent measurement (continued)

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 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 over in profit or loss over the relevant period.

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 relationship).

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.

Derecognition

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

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

- the right to receive cash flows from the asset has been expired or been transferred.
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (i.e., it has no practical ability to make unilateral decisions 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.

Notes to the Financial Statements

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 Company 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., amount 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 flow expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the following approaches to impairment, as applicable under AASB 9:

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

Simplified approach

The simplified approach does not require tracking of changes in credit risk in every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade 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., depending on the diversity of its customer base, appropriate groupings of its historical loss experience, etc.).

Recognition of expected credit losses in financial statements

At each reporting date, the Company 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.

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.

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication

Notes to the Financial Statements

exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

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

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(i) Plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation of plant and equipment is calculated using the reducing balance method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term. The rates vary between 20% and 50% per annum.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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 (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement profit or loss and other of comprehensive income. When revalued assets are sold, it is Company policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(j) Exploration and evaluation costs

Exploration and evaluation costs, excluding the costs of acquiring tenements, are expensed as incurred. Acquisition costs will be assessed on a case-by-case basis and, if appropriate, they will be capitalised. These acquisition costs are carried forward only if the rights to tenure of the area of interest are current and either:

- They are expected to be recouped through successful development and exploitation of the area of interest or.
- The activities in the area of interest at the reporting date have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest, are continuing.

Accumulated acquisition costs in relation to an abandoned area are written off in full to the statement of Profit or Loss and Other Comprehensive Income in the year in which the decision to abandon the area is made.

The carrying values of acquisition costs are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the Financial Statements

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured, non-interest bearing and are paid on normal commercial terms.

(l) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(m) Earnings per share

(i) Basic earnings per share

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

(ii) Diluted earnings per share

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

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority 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 taxation authority, are presented as operating cash flows.

(o) Application of new and revised International Financial Reporting Standards (AASBs)

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current year.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New Standards and Interpretations on issue not yet adopted

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

Notes to the Financial Statements

(p) Critical accounting judgements, estimates and assumptions

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based upon historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share-based payment transactions:

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate valuation model and is based on the assumptions detailed in Note 18.

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. The consideration extends to the nature of activities and geographic regions in which the Company 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 Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Exploration and evaluation costs carried forward

The recoverability of the carrying amount of exploration and evaluation costs carried forward has been reviewed by the directors. In conducting the review, the directors have elected for exploration assets relating to the acquisition of licenses to be carried at cost.

All other exploration and evaluation costs are expensed during the period in which they are incurred.

2. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out by the full Board of Directors as the Company believes that it is crucial for all board members to be involved in this process. The Chief Executive Officer, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the board on risk management.

(a) Market risk

(i) Foreign exchange risk

As all operations are currently within Australia the Company is not exposed to foreign exchange risk.

(ii) Price risk

Given the current level of operations the Company is not exposed to price risk.

(iii) Interest rate risk

The Company is exposed to movements in market interest rates on cash and cash equivalents. The Company policy is to monitor the interest rate yield curve out to six months to ensure a balance is maintained between the liquidity of cash assets and the interest rate return. The balance of cash and cash equivalents for the Company subject to interest rate risk is \$1,972,312 (2021: \$2,675,691). The proportional mix of floating interest

Notes to the Financial Statements

rates and fixed rates to a maximum of six months fluctuate during the year depending on current working capital requirements. The weighted average interest rate received on cash and cash equivalents by the Company was nil% (2021:nil%).

Sensitivity analysis

At 30 June 2022, if interest rates had changed by +/- 100 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for the Company would have been \$23,240 lower/higher (2021: \$31,793 +/- 100 basis points) as a result of lower/higher interest income from cash and cash equivalents.

(b) Credit risk

The Company has no significant concentrations of credit risk. The maximum exposure to credit risk at balance date is the carrying amount (net of provision for impairment) of those assets as disclosed in the statement of financial position and notes to the financial statements.

As the Company does not presently have any debtors, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

(c) Liquidity risk

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Company. Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitor the state of equity markets in conjunction with the Company's current and future funding requirements, with a view to initiating appropriate capital raisings as required.

The financial liabilities of the Company are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Company at the balance date are recorded at amounts approximating their carrying amount.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

3. SEGMENT INFORMATION

AASB 8: *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Company's operating segments have been determined with reference to the monthly management accounts used by the chief operating decision maker to make decisions regarding the Company's operations and allocation of working capital.

Due to the size and nature of the Company, the Board as a whole has been determined as the chief operating decision maker.

The Company operates in one business segment and one geographical segment, namely mineral exploration industry in Australia only. AASB 8: *Operating Segments* states that similar operating segments can be aggregated

Notes to the Financial Statements

to form one reportable segment. Also, based on the quantitative thresholds included in AASB 8, there is only one reportable segment, namely mineral exploration industry. However, none of the other operating segments currently meet any of the prescribed quantitative thresholds, and as such do not have to be reported separately. The Company has therefore decided to aggregate all their segments into one reportable operating segment.

The revenues and results of this segment are those of the Company as a whole and are set out in the statement of profit or loss and other comprehensive income. The segment assets and liabilities of this segment are those of the Company and are set out in the statement of financial position.

Segment performance is evaluated based on the operating profit and loss and cash flows and is measured in accordance with the Company's accounting policies.

	The Company	
	2022	2021
	\$	\$
Exploration segment		
Segment revenue	37,771	76,566
Reconciliation of segment revenue to total revenue before tax:		
Other revenue	-	37,500
Interest revenue	1,720	14,762
Total revenue	39,491	128,828
Segment results	(599,113)	(755,947)
Reconciliation of segment result to net loss before tax:		
Share based payments	(56,839)	-
Other employee, corporate and administration expenses	(895,972)	(446,860)
Net loss before tax	(1,551,924)	(1,202,807)
Segment operating assets	834,257	737,611
Reconciliation of segment operating assets to total assets:		
Other corporate and administration assets	2,169,902	2,858,521
Total assets	3,004,159	3,596,132
4. REVENUE		
From continuing operations		
Interest	1,720	14,762
Sale of plant and equipment	37,771	-
Refunds	-	76,566
Government cashflow boost	-	37,500
	37,771	114,066

Notes to the Financial Statements

The Company

2022 2021
\$ \$

5. EXPENSES

Loss before income tax includes the following specific expenses:

Minimum lease payments relating to operating leases	23,725	29,136
Defined contribution superannuation expense	49,716	44,848

6. INCOME TAX

(a) The prima facie income tax expenses on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

Accounting loss before tax from continuing operations	(1,551,924)	(1,202,807)
Tax at the applicable tax rate of 25.0% (2021: 26.0%)	(387,981)	(312,730)
Impact from reduction in tax rate on unrecognised tax losses	208,091	391,212
Effect of expenses which are not deductible in determining taxable profit	15,652	649
Movements in unrecognised temporary differences	(2,921)	4,281
Tax effect of current year tax losses for which no deferred tax asset has been recognised	167,159	(83,412)
Income tax expense	-	-

(b) Unrecognised temporary differences

Deferred Tax Assets at 25.0% (2021: 26.0%)

On Income Tax Account

Capital raising costs	11,115	8,365
Legal costs - capital	755	1,570
Accruals	8,862	7,339
Carry forward tax losses	5,271,468	5,088,347
	5,292,200	5,105,621

Deferred Tax Liabilities at 25.0% (2021: 26.0%)

Prepayments	7,701	3,259
Unearned income	13	10
	7,714	3,269

7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

Cash at bank and in hand	1,972,312	2,675,691
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	1,972,312	2,675,691

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

Notes to the Financial Statements

The Company

2022 2021
\$ \$

8. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

Sundry Debtor	5,000	-
Accrued Interest	52	38
GST Receivable	27,268	10,098
	32,320	10,136

9. OTHER FINANCIAL ASSETS

Term deposit investments	128,000	128,000
	128,000	128,000

Term deposit investments comprise bank term deposits with a maturity of over 3 months

10. OTHER CURRENT ASSETS

Deposits	1,920	1,920
Prepayments	30,804	12,535
	32,724	14,455

11. NON-CURRENT ASSETS – EXPLORATION ASSETS

Tenement acquisition costs carried forward in respect of mining areas of interest

Opening net book amount	761,819	798,536
Impairment	-	(36,717)
Closing net book amount	761,819	761,819

The ultimate recoupment of costs carried forward for tenement acquisition is dependent on the successful development and commercial exploitation or sale of the respective mining areas. Amortisation of the costs carried forward for the development phase is not being charged pending the commencement of production.

12. NON-CURRENT ASSETS - PLANT AND EQUIPMENT

Plant and equipment

Cost	155,202	80,723
Accumulated depreciation	(78,218)	(74,692)
Net book amount	76,984	6,031

Plant and equipment

Opening net book amount	6,031	8,035
Additions	-	-
Disposals	-	-
Depreciation charge	(1,486)	(2,004)
Closing net book amount	4,545	6,031

Notes to the Financial Statements

	The Company	
	2022	2021
	\$	\$
Motor vehicles		
Opening net book amount	-	-
Additions	74,479	-
Disposals	-	-
Depreciation charge	(2,040)	-
Closing net book amount	72,439	-
	<u>76,984</u>	<u>6,031</u>

13. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

Trade payables	32,944	26,480
Other payables and accruals	49,941	39,383
	<u>82,885</u>	<u>65,863</u>

14. ISSUED CAPITAL**(a) Share capital**

	Notes	2022		2021	
		Number of shares	\$	Number of shares	\$
Ordinary shares fully paid	14(b), 14(d)	145,829,094	25,120,982	136,055,432	24,234,892
Total issued capital		<u>145,829,094</u>	<u>25,120,982</u>	<u>136,055,432</u>	<u>24,234,892</u>

(b) Movements in ordinary share capital

Beginning of the financial year	136,055,432	24,234,892	136,055,432	24,234,892
Issued for cash	9,773,662	928,500	-	-
Issue costs	-	(42,410)	-	-
End of the financial year	<u>145,829,094</u>	<u>25,120,982</u>	<u>136,055,432</u>	<u>24,234,892</u>

(c) Movements in options on issue

Unlisted	Number of options	
	2022	2021
Beginning of the year	9,650,000	15,000,000
Issued during the year	1,500,000	-
Exercised during the year	-	-
Expired during the year	(200,000)	(5,350,000)
End of the year	<u>10,950,000</u>	<u>9,650,000</u>

Notes to the Financial Statements

14. ISSUED CAPITAL

(d) Ordinary shares

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

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

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

(e) Capital risk management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads.

The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Company at 30 June 2021 and 30 June 2020 is as follows:

	The Company	
	2022	2021
	\$	\$
Cash and cash equivalents	1,972,312	2,675,691
Trade and other receivables	52	38
Other financial assets	128,000	128,000
Trade and other payables	(65,642)	(50,980)
Working capital position	<u>2,034,722</u>	<u>2,752,749</u>

15. RESERVES

Share-based payment reserve

Balance at beginning of year	236,590	885,700
Expiry of options during the year	(18,896)	(649,110)
Issue of options during the year	56,839	-
Balance at end of year	<u>274,533</u>	<u>236,590</u>

Option reserve

The share-based payment reserve is used to record the value of options issued by the Company.

Notes to the Financial Statements

16. ACCUMULATED LOSSES

	The Company	
	2022	2021
	\$	\$
Accumulated losses		
Balance at beginning of year	(20,941,213)	(20,387,516)
Exercise of options during the year	-	-
Expiry of options during the year	18,896	649,110
Net loss for the year	(1,551,924)	(1,202,807)
Balance at end of year	<u>(22,474,241)</u>	<u>(20,941,213)</u>

17. DIVIDENDS

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

18. SHARE-BASED PAYMENTS

Options

At the Annual General Meeting held on 25 November 2021 shareholders approved the issue of 1,500,000 options to Eammon Hannon, a director of the Company. The options are exercisable at 15 cents and have an expiry date of 25 November 2024. All options vested on issue. The fair value of the options granted was \$56,839.

The inputs to the options valuation were:

Dividend yield (%)	n/a
Expected volatility (%)	86.47
Risk-free interest rate (%)	1.03
Expected life of rights (years)	3.00
Grant date share price (cents)	9.00

The value of the options was calculated using the Black-Scholes model.

The expected life of the options is based on time to expiry and is not necessarily indicative of exercise patterns that may occur. No other features of options granted were incorporated into the measurement of fair value.

The total expense recognised in the year for share-based payments is \$56,839 (2021: \$nil).

None of the options that were issued were converted to shares during the year.

A total of 200,000 options lapsed during the year (2021: 5,350,000).

	2022	2021
	\$	\$
Options		
Balance at beginning of year	9,650,000	15,000,000
Grant of options during the year	1,500,000	-
Expiry of options during the year	(200,000)	(5,350,000)
Balance at end of year	<u>10,950,000</u>	<u>9,650,000</u>
Vested at end of year	<u>10,950,000</u>	<u>9,650,000</u>

Notes to the Financial Statements

19. DIRECTORS AND EXECUTIVE'S DISCLOSURES

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

	The Company	
	2022	2021
Short-term benefits	296,250	270,000
Post-employment benefits	29,625	25,650
Share based payments	56,839	-
	382,714	295,650

Detailed remuneration disclosures are provided in the remuneration report on page 16.

20. REMUNERATION OF AUDITORS

	The Company	
	2022	2021
	\$	\$
During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:		
Audit services		
Rothsay Audit & Assurance Pty Ltd - audit and review of financial reports	35,500	35,000
Total remuneration for audit services	35,500	35,000

21. CONTINGENCIES

Contingent liabilities

There are no material contingent liabilities or contingent assets of the Company at balance date.

22. COMMITMENTS

(a) Exploration commitments

The Company has certain commitments to meet minimum expenditure requirements on the mining exploration assets it has an interest in. Outstanding exploration commitments are as follows:

	2022	2021
	\$	\$
within one year	2,166,000	1,779,000
later than one year but not later than five years	8,664,000	7,116,000
	10,830,000	8,895,000

(b) Lease commitments: Company as lessee

	2022	2021
	\$	\$
within one year	1,977	2,118
	1,977	2,118

Notes to the Financial Statements

23. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 22 August 2022, Buxton announced 3 inter-dependent transactions:

1. an amendment to the Merlin project joint venture with IGO Limited (IGO) increasing its interest by 29% for a consideration of \$1,000,000 to take it to 80%.
2. Buxton and IGO entered into a subscription agreement and option over the Narryer project (WA). IGO to subscribe for Buxton shares to increase its interest from 15.08% to 19.9%. The total subscription price will be \$1,005,200. IGO will have the option to enter into an earn-in and joint venture agreement over the Narryer project currently held as to 100% by Buxton.
3. Buxton and IGO are to enter into an earn-in and joint venture agreement for the Copper Wolf project (Arizona, USA) currently held as to 100% by Buxton. Buxton will be reimbursed approximately \$215,000 for expenditure incurred by it.

Buxton will seek approval of the transactions at an extraordinary meeting of shareholders to be held as soon as is practicable. Shareholders will be provided with an Independent Expert's Report on the transactions as to whether they are fair and reasonable to non-associated shareholders.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and whilst it has had no financial impact for the Company up to 30 June 2022, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the above no matters or circumstances have arisen which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

The Company	
2022	2021
\$	\$

24. NOTE TO STATEMENT OF CASH FLOWS

Reconciliation of net loss after income tax to net cash outflow from operating activities

Net loss for the year	(1,551,924)	(1,202,807)
Gain on sale of equipment	(37,771)	-
Non-Cash Items		
Depreciation of non-current assets	3,526	2,004
Share-based payments	56,839	-
Impairment of exploration assets	-	36,717
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	(17,184)	39,041
(Increase)/decrease in prepayments	(18,269)	(345)
Increase/(decrease) in trade and other payables	17,022	18,431
Net cash outflow from operating activities	<u>(1,547,761)</u>	<u>(1,106,959)</u>

Notes to the Financial Statements

The Company

2022	2021
\$	\$

25. LOSS PER SHARE

(a) Reconciliation of earnings used in calculating loss per share

Loss attributable to the owners of the Company used in calculating basic and diluted loss per share

(1,551,924)	(1,202,807)
--------------------	-------------

Number of shares

2022	2021
------	------

(b) Weighted average number of shares used as the denominator

Weighted average number of ordinary shares used in calculating basic loss per share

137,905,181	136,055,432
--------------------	-------------

Options over ordinary shares

10,295,890	16,411,475
-------------------	------------

Weighted average number of shares used in calculating diluted loss per share

148,201,071	152,466,907
--------------------	-------------

Basic loss per share (cents per share)

(1.13)	(0.89)
---------------	--------

Diluted loss per share (cents per share)

(1.13)	(0.89)
---------------	--------

For 2022 and 2021 none of the options over ordinary shares are considered dilutive as the share price is lower than the exercise price of all options on issue, therefore the diluted loss per share is equal to that of the basic loss per share.

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 23 to 45 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

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



Seamus Cornelius

Non-Executive Chairman

Perth, 28 September 2022

ROTHSAY

AUDIT & ASSURANCE PTY LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUXTON RESOURCES LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Buxton Resources Limited (“the Company”) which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors’ declaration of the Company.

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

- (i) giving a true and fair view of the Company’s financial position as at 30 June 2022 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 these standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the “Code”) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Key Audit Matters

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

A Level 1/6 O’Connell Street
Sydney NSW 2000

A Level 1, Lincoln Building,
4 Ventnor Avenue, West Perth WA 6005

E info@rothsay.com.au
W www.rothsay.com.au

ABN 14 129 769 151
Rothsay Audit & Assurance Pty Ltd

Liability limited by a scheme approved under Professional Standards Legislation





**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BUXTON RESOURCES LIMITED (continued)**

Key Audit Matter - Cash and Cash Equivalents	How our Audit Addressed the Key Audit Matter
<p>The Company's cash and cash equivalents make up 67% of total assets by value and are considered to be the key driver of the Company's operations.</p> <p>We do not consider cash and cash equivalents to be at a high risk of significant misstatement or to be subject to a significant level of judgement.</p> <p>However due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.</p>	<p>Our procedures over the existence of the Company's cash and cash equivalents included but were not limited to:</p> <ul style="list-style-type: none"> • Documenting and assessing the processes and controls in place to record cash transactions; • Testing a sample of cash payments to determine they were bona fide payments, were properly authorised and recorded in the general ledger; and • Agreeing balances to independent confirmations. <p>We have also assessed the appropriateness of the disclosures included in the financial report.</p>
Key Audit Matter - Exploration and evaluation expenditure	How our Audit Addressed the Key Audit Matter
<p>The Company has expensed a significant amount of exploration and evaluation expenditure during the year.</p> <p>We do not consider exploration and evaluation expenditure to be at a high risk of significant misstatement, or to be subject to a significant level of judgement.</p> <p>However due to the materiality in the context of the financial statements as a whole, this is considered to be an area which had an effect on our overall strategy and allocation of resources in planning and completing our audit.</p>	<p>Our procedures in assessing exploration and evaluation expenditure included but were not limited to the following:</p> <ul style="list-style-type: none"> • We assessed exploration and evaluation expenditure with reference to AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. • We tested a sample of exploration and evaluation expenditure to supporting documentation to ensure they were bona fide payments; and • We documented and assessed the processes and controls in place to record exploration and evaluation transactions. <p>We have also assessed the appropriateness of the disclosures included in the financial report.</p>



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BUXTON RESOURCES LIMITED (continued)**

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

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

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

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

Directors' Responsibility 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 the 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 Company 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 Company or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/Home.aspx.

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BUXTON RESOURCES LIMITED (continued)

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2022.

In our opinion the remuneration report of Buxton Resources Limited for the year ended 30 June 2022 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.

Donovan Odendaal

Director

Sydney, 28 September 2022

Shareholder Information

Additional information required by Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. Unless otherwise stated, the information is current as at 15 September 2022.

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

BUXTON RESOURCES LIMITED		ORDINARY FULLY PAID SHARES (Total)	
Range of Units As Of 15/09/2022		Composition : ORD	
Range	Total holders	Units	% Units
1 - 1,000	74	9,593	0.01
1,001 - 5,000	170	616,588	0.42
5,001 - 10,000	250	2,110,981	1.45
10,001 - 100,000	620	25,009,790	17.15
100,001 Over	225	118,082,142	80.97
Rounding			0.00
Total	1,339	145,829,094	100.00

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum \$ 500.00 parcel at \$ 0.1100 per unit	4,546	188	348,687

(b) Substantial shareholders

At the date of this report the following shareholders had lodged substantial shareholder notices with the Company, in accordance with section 671B of the *Corporations Act 2001* are:

1. Independence Group NL is a substantial shareholder holding a relevant interest in 21,987,262 shares representing 15.08% of the voting power.
2. National Business Holding (VU) Ltd is a substantial shareholder holding a relevant interest in 10,841,659 shares representing 7.43% of the voting power.

(c) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

Shareholder Information

(d) Twenty largest shareholders

The names of the twenty largest holders of quoted ordinary shares are:

BUXTON RESOURCES LIMITED		ORDINARY FULLY PAID SHARES (Total)	
Top Holders (Grouped) As Of 15/09/2022		Composition : ORD	
Rank	Name	Units	% Units
1	ZERO NOMINEES PTY LTD	21,987,262	15.08
2	NATIONAL BUSINESS HOLDING (VU) LTD	10,841,659	7.43
3	A & R DEARLOVE PTY LTD <ANT & RENAES SUPER FUND A/C>	5,990,000	4.11
4	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,748,055	1.88
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,703,020	1.85
6	CITICORP NOMINEES PTY LIMITED	2,551,879	1.75
7	MR CRAIG PHILLIP CARBONE <CRAIG CARBONE A/C>	2,088,390	1.43
8	MS JULIE ANNE GOOD	2,000,987	1.37
9	GREENSEA INVESTMENTS PTY LTD	2,000,000	1.37
10	MR SEAMUS CORNELIUS	1,503,930	1.03
11	MS CASEY LANCEE	1,443,319	0.99
12	NEW WORLD COBALT LIMITED	1,333,333	0.91
13	MR BRADLEY PETER BRYANT + MRS JOSEPHINE ALEXANDA BRYANT <B & J BRYANT A/C>	1,268,593	0.87
14	MR PETER JOHNSON	1,119,414	0.77
15	GOLDRICH HOLDINGS PTY LTD <THE GOLDRICH INVESTMENT A/C>	1,091,434	0.75
16	MR JONATHAN G BENNETT	1,072,915	0.74
17	MR BRADLEY STUART FALCONER	1,010,000	0.69
18	MR RICHARD CHALLINOR HAYES	1,000,000	0.69
19	ANGELINE PTY LTD <GOLDNER SUPER FUND ACCOUNT>	968,000	0.66
20	SMIT AND SCHOEMAN PTY LTD <SMIT SCHOEMAN SUPERFUND A/C>	960,030	0.66
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		65,682,220	45.04
Total Remaining Holders Balance		80,146,874	54.96

(e) Schedule of interests in mining tenements

E04/1533	Merlin - IGO JV	49
E04/2026	Merlin - IGO JV	49
E04/2142	Merlin - IGO JV	49
E04/2451	West Kimberley - Baracus / IGO JV	16
E04/2462	West Kimberley - Baracus / IGO JV	16
E04/2060	West Kimberley Regional - IGO JV	20

Shareholder Information

E04/2407	West Kimberley Regional - IGO JV	20
E04/2408	West Kimberley Regional - IGO JV	20
E04/2411	West Kimberley Regional - IGO JV	20
E04/2466	West Kimberley Regional - IGO JV	20
E04/2467	West Kimberley Regional - IGO JV	20
E04/2468	West Kimberley Regional - IGO JV	20
E04/2469	West Kimberley Regional - IGO JV	20
E04/2480	West Kimberley Regional - IGO JV	20
E04/2527	West Kimberley Regional - IGO JV	20
E04/2530	West Kimberley Regional - IGO JV	20
E04/2536	West Kimberley Regional - IGO JV	20
E04/2549	West Kimberley Regional - IGO JV	20
E04/2550	West Kimberley Regional - IGO JV	20
E04/2578	West Kimberley Regional - IGO JV	20
E04/2579	West Kimberley Regional - IGO JV	20
E04/2580	West Kimberley Regional - IGO JV	20
E04/2581	West Kimberley Regional - IGO JV	20
E04/2584	West Kimberley Regional - IGO JV	20
E04/2585	West Kimberley Regional - IGO JV	20
E04/2609	West Kimberley Regional - IGO JV	20
E04/2610	West Kimberley Regional - IGO JV	20
E04/2611	West Kimberley Regional - IGO JV	20
E04/2612	West Kimberley Regional - IGO JV	20
E04/2613	West Kimberley Regional - IGO JV	20
E04/2614	West Kimberley Regional - IGO JV	20
E04/2615	West Kimberley Regional - IGO JV	20
E04/2617	West Kimberley Regional - IGO JV	20
E04/2629	West Kimberley Regional - IGO JV	20
E04/2630	West Kimberley Regional - IGO JV	20
E04/2631	West Kimberley Regional - IGO JV	20
E04/2636	West Kimberley Regional - IGO JV	20
E04/2648	West Kimberley Regional - IGO JV	20
E04/2649	West Kimberley Regional - IGO JV	20
E04/2650	West Kimberley Regional - IGO JV	20
E04/2651	West Kimberley Regional - IGO JV	20
E04/1972	West Kimberley – IGO/NWC/TT JV	16
E04/2314	West Kimberley – IGO/NWC/TT JV	16
E04/2423	West Kimberley – IGO/NWC/TT JV	20
E28/1959	Fraser Range - IGO JV	10
E28/2201	Fraser Range - IGO JV	10
EL09/2427	Narryer Project	100
EL09/2428	Narryer Project	100
EL09/2429	Narryer Project	100

Shareholder Information

E09/1985	Yalbra Project	100
EL80/5545	Lateron	100
EL80/5579	Centurion Project JV (TKM earning 75%)	100
ELA59/2595	Fatboy Project	100
MEP 008-121028	Copper Wolf Project (Section 16)	100
SM-01 through SM-054 inclusive	Copper Wolf Project, Yavapai Co, Arizona (Federal Lode Mining Claims)	100