PEARL GULL IRON LIMITED

ABN 62 621 103 535

ANNUAL REPORT

2022

Contents

Corporate Directory

Directors:

Mr Russell Clark
Non-Executive Chairman

Mr Jonathan Fisher
Non-Executive Director

Mr Alex Passmore
Non-Executive Director

Company Secretary:

Mr Chris Hunt

Bank:

Westpac Banking Corporation
40 St George's Terrace
Perth WA 6000

Auditor:

KPMG
235 St Georges Terrace
Perth WA 6000

Telephone: (08) 9322 2022
Facsimile: (08) 9322 1262

Solicitors:

Thomson Geer
Level 27, Exchange Tower
2 The Esplanade
Perth WA 6000

Telephone: (08) 9404 9100
Facsimile: (08) 9300 1338

Gilbert & Tobin
Level 16, Brookfield Place
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For shareholder information contact:

Share registry:

Automic Group

Level 2, 267 St Georges Terrace

Perth, WA 6000

Email: hello@automic.com.au

Website: www.automic.com.au

Stock exchange:

ASX Limited
ASX: PLG

Capital structure:

54,902,308 Fully paid ordinary shares

48,125,552 Fully paid ordinary shares (escrow until 20 September 2023)
4,425,550 Unlisted options exercisable at $0.30, expiring on or before 13 September 2024 (escrow until 20 September 2023), 9 holders

6,469,998 Unlisted incentive options, nil exercise price, expiring on or before 1 June 2026 (escrow until 20 September 2023), 7 holders

32,352,307 Unlisted options exercisable at $0.30, expiring on or before 13 September 2024, 152 holders

20,000,000 Unlisted options exercisable at $0.30, expiring on 13 September 2024, 304 holders

For information on the Company contact:

Principal & Registered Office:

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Web: www.pearlgulliron.com.au

Chairman's Review

Dear Shareholder,

Pearl Gull satisfied the listing conditions, and subsequently listed on the ASX on 16 September 2021, with a ticker of PLG. On listing, the Company raised $4 million before costs with the primary aim of exploring a premium iron ore development opportunity on Cockatoo Island, located off the northwest coast of Western Australia. The island sits within the Buccaneer Archipelago in the West Kimberley Division of Western Australia, and has had a rich history of iron ore mining, first commencing in the 1950s. The Island is known to host some of the highest naturally occurring iron ore mineralisation in the world.

PLG holds a granted mining lease in the central part of Cockatoo Island, adjacent to the historic Seawall Pit mine (3rd party owned), one of the world's highest-grade historic iron ore mines, with visual continuity of the ore body onto PLG tenements. The Company identified three exploration targets: Switch Pit – with potential for near term Direct Shipping Ore (DSO), North Bay and Magazine Pit.

Over the course of the dry season the Company successfully and safely completed 18 diamond drill holes in a drill program covering the targeted areas. The Switch Pit prospect area was a key target as it was historically used as a mine access ramp into the high-grade Seawall Pit and was thought to contain significant iron mineralisation. The 'Seawall Haematite' deposit has been mined since the 1950's as a source of premium grade iron ore and was interpreted to extend south-east into the Switch Pit area held by Pearl Gull. Drilling results in the Switch Pit area confirmed high-grade iron material as an along strike extension of the main Seawall Haematite unit and the adjacent lower grade footwall iron mineralisation. Development related studies including resource modelling for DSO potential and metallurgical test work on beneficiation of mid-grade ore types have commenced. Progress on some of the activities has been stifled by the covid pandemic and its effect on availability of labour and materials.

Results from the North Bay prospect showed modest iron mineralisation which was both deeper and narrower than predicted and further exploration in the area has been curtailed.

In January the Company signed an MOU with Transhipment Australia Pty Ltd regarding ore loading solutions for Cockatoo Island Project and initial concepts have been developed to ship ore from the island without the requirement of a dedicated ship loader.

From a Corporate perspective we have seen a number of changes. Cathy Moises, one of the founding directors, resigned for personal reasons and has not been replaced. I take this opportunity to thank Cathy for her valuable contribution. Mr Evan Spencer was appointed as the interim Chief Executive Officer (CEO) in March and is a seasoned mining executive, with extensive experience internationally and domestically operating large scale multi-site operations as well as small scale operations in both gold and base metals. With qualifications in both mining engineering and geology he has a strong background in mining and development, permitting, feasibility studies and corporate strategy. As a result of Evan's appointment, Mr Jonathan Fisher and Mr Alex Passmore ceased working in an executive capacity. Also in March, Mr Chris Hunt replaced Mr Matt Worner as Company Secretary for Pearl Gull. Mr Hunt is an experienced finance executive with over 25 years' experience predominately in the resources and construction industries. The changes made have resulted in significant savings in corporate costs.

I would like to acknowledge the continued support of our shareholders and extend my appreciation of the work of my fellow board members, executive and staff.

Russell Clark
Non-Executive Chairman

30 September 2022

Review of Operations

Pearl Gull Iron Limited ("Pearl Gull", the "Company") is a focussed iron ore exploration and development company with mining title over a significant portion of Cockatoo Island. Cockatoo Island is situated off the coast of Northwest Australia and has a rich history of high-grade iron ore mining since the 1950's. Pearl Gull holds a significant tenure position as well as critical infrastructure on Cockatoo Island. Pearl Gull's experienced Board and Management has the skills and track record to have the Company move forward with a number of commercial opportunities that exist at this world class iron ore project location.

Highlights

- Listed on the ASX 16 September 2021 and raised $4m (before costs)
- High-grade results from drilling at Cockatoo
- Binding Memorandum of Understanding with Transhipment Services Australia to assist with design parameters for a barge loading facility
- Multiple work streams progressed, including resource modelling, with the aim to undertake a Scoping Study for the export of iron ore from Cockatoo Island

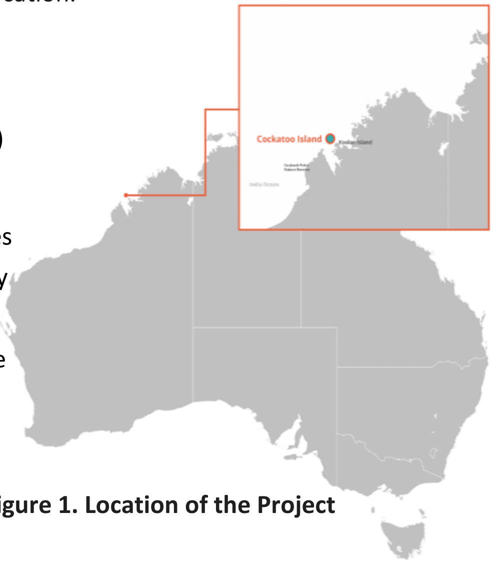


Figure 1. Location of the Project

Drilling

The Company commenced exploration drilling in July 2021, initially focussed on the Switch Pit prospect followed by drilling of the North Bay and Magazine Pit prospects. The Switch Pit prospect area is a key target as it was historically used as a mine access ramp and thought to contain significant iron mineralisation. In addition, the 'Seawall Haematite' deposit has been mined since the 1950's as a source of premium grade iron ore and was interpreted to extend south east into Mining Lease M04/235, held by Pearl Gull.

The diamond drilling program was completed during financial year 22. The Switch Pit diamond drilling program comprised a total of 11 holes for 1,098.8m with assay results displaying high-grade iron material from the main Seawall haematite unit and the adjacent footwall iron mineralisation. As part the drilling program a total of 7 holes for 1,528m were drilled in the North Bay prospect on the north side of the island. Whilst the expected geologic sequence was intercepted, the thickness and grade of iron mineralisation was not sufficient to warrant further drilling.

Review of Operations

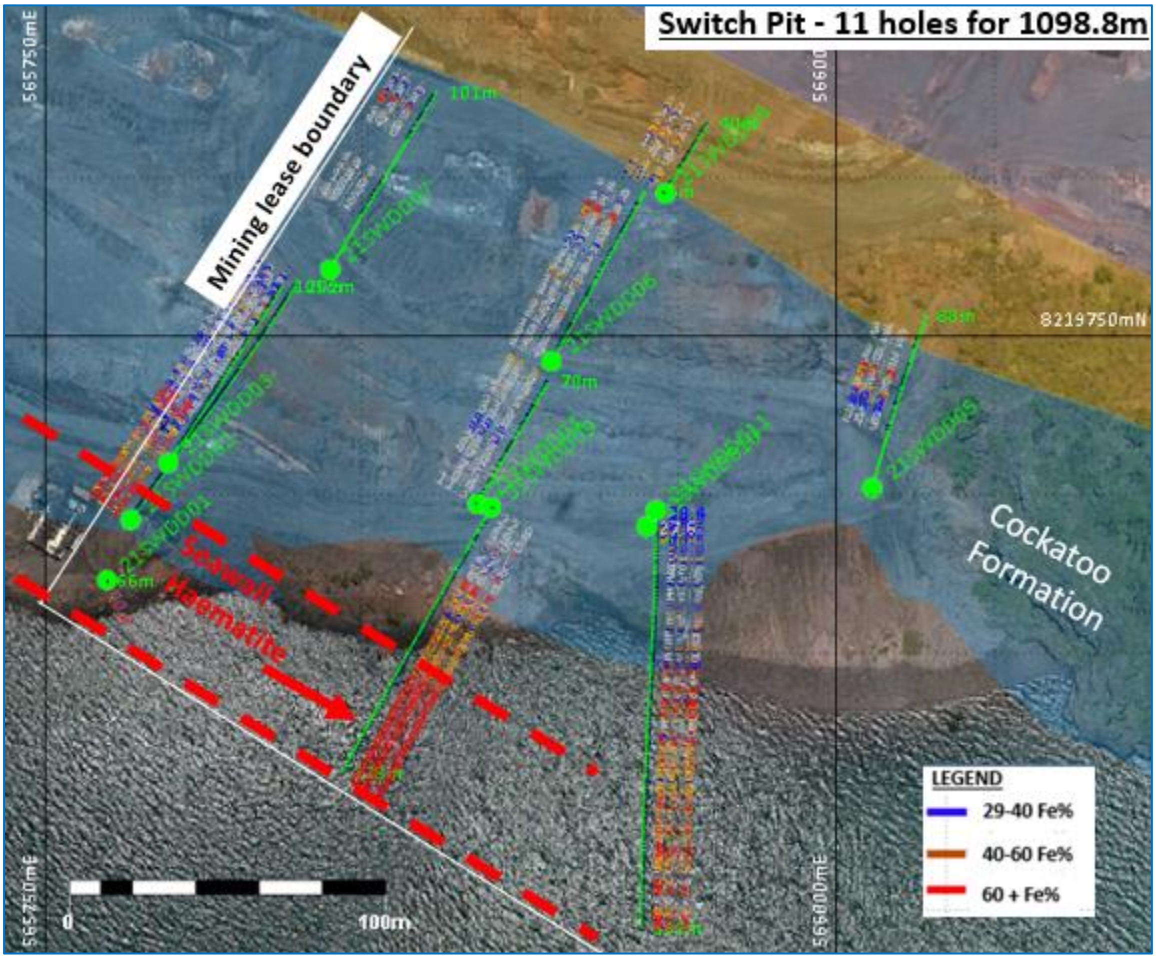


Figure 2: Plan view of the Switch Pit holes with iron assays, the interpreted Seawall Haematite and Cockatoo Formation.

A plan view image of the Switch Pit drill hole traces is shown in Figure 2, along with the interpreted trend of the high-grade Seawall Haematite intersected in holes 21SWDD01, 21SWDD02, 21SWDD09 and 21SWDD011 (Figure 1). The three holes 21SWDD09, 21SWDD010 (abandoned at 5.4m) and 21SWDD011 were drilled down dip to the mineralisation due to practical access reasons with the aim of confirming the continuation of the Seawall Haematite unit and the associated high iron grades. The 'Cockatoo Formation' is a key target for iron mineralisation and its surface expression has been draped over the image in transparent blue.

Key work streams

The Company is progressing a number of work streams In line with the Company's stated strategy, to develop a maiden resource for its Cockatoo Island project. These work streams include, resource modelling at Switch Pit and the Magazine Pit, ore loading (transhipping) and preliminary metallurgical test works.

Resource Modelling

Resource modelling commenced with a review of historical geology, mining and metallurgical studies and the transformation of the 2021 drilling into local mine. Models are being developed for the Switch Pit area and the Magazine Pit area. Resource modelling for the North Bay area has not been progressed at this time as the thickness and grade of iron mineralisation identified in the diamond drill core was not sufficient to warrant further work.

Review of Operations

The 2021 drilling at the Switch Pit confirmed the extension of the high-grade Sea Wall haematite mineralisation onto the Company's lease M04/235 by some 220 metres. Mineralisation extends beyond the recent 2021 drilling and additional drilling would be required to confirm the strike extent of the main high grade haematite mineralisation continuing across the Company's M04/235 tenement. The narrow, mineralised bands of the southern highwall previously beneficiated to benchmark grade product in historical mining operations on the adjacent tenement have also been interpreted to extend onto the Company's tenement.

Modelling at the Magazine Pit has interpreted 9 mineralised lenses, indicated by intervals of escalated Fe mineralisation in the drilling. The orientation of the lenses was modelled to generally coincide with a broad, shallow synclinal structure exposed in the adjacent outcropping ridgeline

Barge Loading and Transhipping Options

Key to the establishment of a mineral resource is the ability to develop a viable solution to access shipping and international markets. Cockatoo Island offers immediate access to shipping services, without the need for road or rail transport. The Company has engaged the services of Transhipment Services Australia ("TSA") to scope and design barge loading and transhipping facilities.

TSA has identified 2 low-cost options for barge loading and transhipping to larger bulk carriers of up to 62,000t capacity.

Metallurgical Test Work

Metallurgical test work completed on the North Bay drilling and the Magazine Pit in 2022 has been reviewed in parallel with 2007 historical test work from the Magazine Pit. Whilst further test work is required, the Company is encouraged by the previous Wet High Intensity Magnetic Separation ("WHIMS") test work from 2022 and 2007 whereby it is reasonable to assume that improvement in concentrate grades and recovery can be achieved to produce a saleable product for the Magazine Pit.

Innovative Seawall Concept

In addition to the barge and transhipping design work currently being undertaken, the Company has progressed discussions with Foreshore Marine Queensland and Civil Marine, a marine, civil and foreshore engineer, to develop a conceptual design and cost for its Combiloc system. Combiloc is an innovative seawall concept that has the potential to offer significant time and capital cost benefits over the traditional seawall construction methodology.

Review of Operations

Corporate

During the financial year ended 30 June 2022 the following key activities were undertaken by the Company from a Corporate perspective:

Strengthening of Management Team

Mr Evan Spencer was appointed in March 2022 as Interim Chief Executive Officer

Mr Spencer is a seasoned mining executive, with extensive experience internationally and domestically operating large scale multi-site operations as well as small scale operations in both gold and base metals. With degrees in both mining engineering and geology he has a strong background in mining, project funding, mine construction and development, permitting, evaluation, feasibility studies, JV management and corporate strategy. Mr Spencer will manage all the Company's project activities as the Company continues its journey to be a producer of high-quality iron ore.

Mr Chris Hunt was appointed as Company Secretary in April 2022. Mr Hunt is an experienced finance executive with over 25 years' experience predominately in the resources and construction industries. He has held senior finance roles for close to 15 years and has strong experience in feasibility studies, corporate financing, and mining operations.

Pearl Gull has also engaged two consultants, Mr Alastair Watts, Consulting General Manager Geology and Exploration and Mr Iain Wearing, Consulting General Manager Operations.

Cockatoo Island Mining Infrastructure Pty Ltd Miscellaneous Licence Application Update

The Company notes that in relation to the miscellaneous licence application (L04/117) lodged by Cockatoo Island Mining Infrastructure Pty Ltd ("CIM"), the owner of the adjacent mining tenement, the Warden made a final decision on 13 June 2022. The Warden granted the miscellaneous licence to CIM subject to conditions on how the miscellaneous licence will interact with the Company's Mining Lease (M04/235), including conditions that read:

"The grant of the licence only allows the licensee to use the existing aerodrome to the extent that such use does not interfere with the existing rights of the holder of M04/235". [emphasis added]

"The grant of the licence only allows the licensee to use the existing roads to the extent that such use does not interfere with the existing rights of the holder of M04/235". [emphasis added]

Competent Person Statements

Exploration Results

The information in this report that relates to previous Exploration Results was prepared and first disclosed under the JORC Code 2012 and has been properly and extensively cross-referenced in the text to the date of the original announcement to the ASX.

Directors' Report

The Directors present their report on Pearl Gull Iron Limited ("Pearl Gull" or the "Company") for the financial year ended 30 June 2022 (the "financial year").

Directors

The names and details of the Directors of the Company in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Russell Clark	Non-Executive Chairman *(appointed on 1 July 2021)*
Mr Alexander Passmore	Director *(appointed on 15 August 2017)*
Mr Jonathan Fisher	Director *(appointed on 1 February 2021)*
Ms Catherine Moises	Non-Executive Director *(appointed 1 February 2021, resigned 5 April 2022)*

Names, Qualifications, Experience and Special Responsibilities

Mr Russell Clark *(Non-Executive Chairman, appointed 1 July 2021)* – B.Science, GradDipFinInv, Fellow of AICD

Mr Clark is an internationally experienced executive mining professional with over 40 years' experience in board, senior corporate, operational and project development roles. He holds a Bachelor of Science (Hons) in Mineral Resources Engineering from the Royal School of Mines and a Graduate Diploma in Finance and Investment Analysis from the Securities Institute of Australia. Mr Clark is a Fellow of the Australian Institute of Company Directors.

Mr Clark has held Board and management roles and has been Chief Executive Officer and Chief Executive Officer at various ASX listed mining companies. Mr Clark is currently Non-Executive Chairman of CZR Resources Limited and a Non-Executive Director of Tungsten Mining Limited

Mr Alex Passmore *(Chief Executive Officer, appointed 15 August 2017)* – B.Sc (Hons), GradDipAppFin, GAICD

Mr Passmore is a qualified geologist with extensive corporate experience. Mr Passmore holds a Bachelor of Science degree with First Class Honours in Geology from the University of Western Australia and a Graduate Diploma of Applied Finance from the Securities Institute of Australia.

Mr Passmore is an experienced corporate executive and company director with appointments including Chief Executive Officer of Cockatoo Iron NL, Non-Executive Director of Aspire Mining Ltd, Non-Executive (and Executive) Director of Equator Resources Ltd/Cobalt One Ltd (which merged with TSX-listed First Cobalt Corp), and CEO of Draig Resources Ltd (now Bellevue Gold Ltd).

Mr Passmore has also spent a considerable time in the finance sector, where he became well known over ten years at Patersons Securities Ltd in roles such as Director – Corporate Finance, Head of Research, Resources Analyst, and Institutional dealer. He was also Executive Director – Natural Resources & Institutional Banking for Commonwealth Bank of Australia for two years.

Mr Passmore is currently the Chief Executive Officer of Rox Resources Limited, Non-Executive Director of Cannon Resources Limited and Blencowe Resources Limited (London listed).

Mr Jonathan Fisher *(Non-Executive Director, appointed 1 February 2021)* – B.Com, B.Law, GradDipAppFin, MAppFin, GAICD, F.Fin

Mr Fisher is an experienced corporate finance and mining executive. He was formerly Chief Financial Officer of Tellus Holdings Ltd, where he was extensively involved in that Company's accounting, reporting, corporate finance transactions and relations, as well as Government approval functions. Prior to this he was general manager corporate finance at Atlas Iron Limited and was responsible amongst other things for banking, investment banking treasury, investment analysis as well as funding strategies for that company. Mr Fisher is currently the Chief Financial Officer of ASX listed TNG Ltd. He holds a Bachelor of Commerce and Bachelor of Laws from the University of Western Australia and a Graduate Diploma of Applied Finance from the Securities Institute of Australia and a Master of Applied Finance from Macquarie University. He is a Graduate of the Australian Institute of Company Directors and a fellow of Finsia.

In the last three years Mr Fisher was a Non-executive Director of M8 Sustainable Ltd.

Directors' Report

MS Catherine Moises *(Non-Executive Director, appointed 1 February 2021, resigned 5 April 2022) (B.Science(Hons), DipFin Inv)*

Ms Moises has extensive experience in the resources sector having worked as a senior resources analyst for several major stockbroking firms including McIntosh (now Merrill Lynch), County Securities (now CitiCompany) and Evans and Partners where she was a partner of that firm. Most recently, between 2017 and 2019, Ms Moises was Head of Research at Patersons Securities Limited. Ms Moises has substantial experience in company management, capital markets and institutional investor engagement. She is currently Non- executive Director of Arafura Resources Limited and WA Kaolin Limited. Ms Moises holds a Bachelor of Science with Honours in Geology from the University of Melbourne and a Diploma of Finances and Investment from the Securities Institute of Australia.

Ms Moises has not been a Director of any other listed company in the last three years.

Mr Chris Hunt *(Company Secretary, appointed 30 March 2022) – B.Bus, FCPA, GAICD*

Mr Hunt is an experienced finance executive with over 25 years' experience predominately in the resources and construction industries. He has held senior finance roles for close to 15 years and has strong experience in feasibility studies, corporate financing, and mining operations. Mr Hunt's most recent resources' experiences were as the Chief Financial Officer for BC Iron Limited, Crossland Resources Limited, FerrAus Limited and Cliffs Natural Resources.

Mr Hunt holds a Bachelor of Business, is a Fellow CPA, a graduate from the Australian Institute of Company Directors and has completed a Graduate Diploma of Applied Finance from the Securities Institute of Australia.

Mr Hunt has not been a Director of any other listed company in the last three years

Interest in the Share and Options of the Company

As at the date of this report, the interest of the Directors in the shares and options of Pearl Gull Iron Limited were as follows:

Shareholder	Ordinary Shares	Unlisted Options
Russell Clark	316,667	633,333
Jonathan Fisher	1,106,667	2,213,333
Alex Passmore	1,251,361	2,358,027

(Loss)/Profit Per Share

Basic and diluted (loss)/profit per share for the year was (5.24) cents, 2021: (0.07) cents.

Dividends

No amounts have been paid or declared by way of dividend of the Company since the date of incorporation and the Directors do not recommend the payment of any dividend.

Rounding of Amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Directors' Report

Operating and Financial Review

Pearl Gull Iron Limited is a public company limited by shares which is incorporated and domiciled in Australia.

Nature of Operations and Principal Activities

The principal activity of the Group during the financial year was mineral exploration.

Results from Operations and Financial Position

The Company incurred a net loss after tax for the year ended 30 June 2022 of $5.0 million (2021: $2.4 million loss). The loss includes exploration expenditure charged directly to the consolidated statement of comprehensive income of $2.9 million (2021: $1.2 million). Net cash outflows from operating activities were $4.6 million (2021: $1.2 million).

At 30 June 2022, the Company had cash on hand of $0.9 million (2021: $2.2million). The Directors believe the Company maintains a prudent capital structure and is in a robust position to continue progressing its projects.

Review of Operations

During the financial year, the Company was principally focussed on exploration at Cockatoo Island.

For further information on these projects please refer to the Review of Operations within this Annual Report.

Risk Management

The Company takes a proactive approach to risk management. The Board is responsible for ensuring that risks, including emerging risks, and also opportunities, are identified on a timely basis and the Company's objectives and activities are aligned with the risks and opportunities identified by the Board.

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 designed to meet stakeholders needs and manage business risk; and
- Implementation of Board approved budgets and Board monitoring of progress against those budgets.

Directors' Meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the financial year and the numbers of meetings attended by each Director were as follows:

	Directors' Normal Meetings		Directors' Remuneration and Nomination Meetings		Directors' Audit and Risk Management Meetings	
	No. Eligible	No. Attended	No. Eligible	No. Attended	No. Eligible	No. Attended
Russell Clark	10	10	-	-	-	-
Jonathan Fisher	10	10	-	-	-	-
Alex Passmore	10	10	-	-	-	-
Catherine Moises[1]	8	8	-	-	-	-

Notes:

1. *Ms Moises resigned on 5 April 2022*
2. *There were no meetings held for the Remuneration and Nomination Committee or Audit and Risk Management Committee during FY22 as the full Board met to discuss matters pertaining to these Committees.*

Committee Membership

As at the date of this report, the Group does have separately constituted Audit and Risk, Remuneration and Nomination Committees, with the full Board residing on those Committees under specific charters.

Directors' Report

Significant Changes in State of Affairs

During the financial year, the following significant changes in state of affairs occurred:

- The Company listed on the ASX, 16 September 2021 and raised $4m (before costs) via an Initial Public Offering.

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

Matters Subsequent to the End of the Financial Year

No other matter or circumstance has arisen since the end of the financial year 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 subsequent financial periods.

Environmental Issues

The Company carries out mineral exploration at its various projects which are subject to environmental regulations under both Commonwealth and State legislation. During the financial year, there has been no breach of these regulations.

Likely Developments and Expected Results of Operations

The Company will continue to explore its mineral tenements, with particular focus on the Cockatoo Island Project.

Indemnification and Insurance of Directors and Officers

During the financial year, the Company paid an insurance premium to insure certain officers of the Company.

The Director and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the Directors and Officers in their capacity as officers of the Company. The total amount of insurance premium paid is confidential under the terms of the insurance policy.

Indemnification of Auditors

The Company has not indemnified its auditors, KPMG, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify KPMG during or since the financial year.

Directors' Report

Share Options

At the date of the Directors' Report, the following unlisted options are exercisable:

Options (Number)	Exercise Price ($)	Expiry Date
156,667[1]	Nil	30 September 2022
32,352,307	$0.30	13 September 2024
20,000,000	$0.30	13 September 2024
4,425,550[2]	$0.30	13 September 2024
56,934,524		

Notes:

1. The Company completed a drilling program of 2,500m of diamond drilling at M04/235 by the Performance hurdle vesting date of 30 September 2022. ASX escrow to 20 September 2023, with a voluntary escrow expiry of 20 September 2024.
2. ASX escrow to 20 September 2023.

During the year, the following options were issued:

Options (Number)	Exercise Price ($)	Expiry Date
9,470,000[1]	Nil	1 June 2026
32,352,307	$0.30	13 September 2024
20,000,000	$0.30	13 September 2024
4,425,550[2]	$0.30	13 September 2024
66,247,857		

Notes:

1. ASX escrow to 20 September 2023. Voluntary escrow expiry 20 September 2024.
2. ASX escrow to 20 September 2023.

During the year no options were exercised.

Since the year of the financial year 3,000,002 options were exercised at a nil price and converted to ordinary shares.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate or in the interest issue of any other registered scheme.

Auditor Independence and Non-Audit Services

Section 307C of the *Corporations Act 2001* requires the Company's Auditors to provide the Directors of Pearl Gull Iron Limited with an Independence Declaration in relation to the audit of the full-year financial report. This report has been received and is attached to the Directors' Report at page 23.

Non-Audit Services

During the financial year the entity's auditor, KPMG, provided nil non-audit services.

Directors' Report

Remuneration Report (Audited)

This Remuneration Report outlines the Director and Executive remuneration arrangements of the Company in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purposes of this report, Key Management Personnel (KMP) are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including all Directors of the Company.

Details of Key Management Personnel

Russell Clark	Non-executive Chairman *(appointed 1 July 2021)*
Alex Passmore	Non- executive Director *(appointed on 15 August 2017)*
Jonathan Fisher	Non-executive Director (*appointed 1 February 2021)*
Catherine Moises	Non-executive Director (*appointed 1 February 2021, resigned 5 April 2022)*
Chris Hunt	Company Secretary *(appointed 30 March 2022)*
Evan Spencer	Chief Executive Officer *(appointed 1 April 2022)*

There were no changes of KMP after the reporting date and before the date the financial report was authorised for issue.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee comprises Mr Russell Clark, Alex Passmore and Jonathon Fisher. Mr Russell Clark is the Chair of the Remuneration and Nomination Committee. The remuneration of any Non-Executive Director will be decided by the Board following the recommendation of the Remuneration and Nomination Committee, without the affected Non-Executive Director participating in that decision-making process.

The Remuneration and Nomination Committee reviews and approves the Company's remuneration policy in order to ensure that the Company is able to attract and retain executives and Directors who will create value for Shareholders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility.

The Remuneration and Nomination Committee is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

For the financial year ending 30 June 2022 decisions regarding remuneration were first established by the full Board upon listing of the Company.

Remuneration Philosophy

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre Executives;
- Establish appropriate hurdles for variable executive remuneration; and
- Encouragement for Directors to sacrifice a portion of their fees to acquire shares in the Company at market price.

Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive Remuneration is separate and distinct.

Directors' Report

Remuneration Report (Audited) (Continued)

Non-Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst keeping costs acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Each Non-Executive Director receives a fee for serving as a Director of the Company. The remuneration of Non-Executive Directors for the years ended 30 June 2022 and 30 June 2021 is detailed later in this report.

Non-Executive Directors have long been encouraged by the Board to hold shares in the Company (purchased by the Director on market). In addition, long term incentives in the form of options may be awarded to Non-Executive Directors, subject to shareholder approval, in a manner which aligns this element of remuneration with the creation of shareholder wealth.

Executive Remuneration

Objective

The Company aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- Reward Executives for Company and individual performance against targets set by reference to appropriate benchmarks;
- Align interests of Executives with those of shareholders;
- Link reward with strategic goals; and
- Ensure total remuneration is competitive by market standards.

Structure

In determining the level and make-up of Executive remuneration the Board considers market conditions and remuneration paid to Senior Executives of companies similar in nature to Pearl Gull Iron Limited. Remuneration consists of the following key elements:

- Fixed Remuneration
- Variable Remuneration:
    - long term incentive ("LTI")

Directors' Report

Remuneration Report (Audited) (Continued)

Fixed Remuneration

Objective

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the Board and the process consists of a review of individual performance, relevant comparative remuneration in the market and, where appropriate, external advice on policies and practices.

Structure

Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

The fixed remuneration component of the Directors is detailed later in this report.

Variable Remuneration - LTI

Objective

The objective of the LTI plan is to reward Executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. As such LTI grants are only made to Executives who are able to influence the generation of shareholder wealth. The Company considers that shareholder wealth is measured by changes to the Company's share price.

Structure

LTI grants to Executives are delivered in the form of options. The options, when issued to Executives, will not be exercisable for a price less than the then current market price of the Company's shares. The grant of LTI's is reviewed annually, although LTI's may not be granted each year. Exercise price and performance hurdles, if any, are determined at the time the LTIs are granted.

To date no performance hurdles have been set on options issued to Executives. The Company may, and at times has, imposed time-based service conditions. The Company believes that as options are issued at not less than the current market price of the Company's shares there is an inherent performance hurdle on those options as the share price of the Company's shares must increase significantly before there is any benefit to the Executive.

Employment Contracts

The Interim Chief Executive Officer, Mr Evan Spencer is employed under contract. The material terms of Mr Evan Spencer's consultancy agreement are as follows:

- Commencement date: 1st April 2022
- Term: No fixed term Remuneration:
- $250 per hour (including GST)
- Termination: 1 month notice by either Mr Spencer or the Company

Mr Spencer will be engaged by the Company through his consultancy company, CS Investments.

Directors' Report

Remuneration Report (Audited) (Continued)

Services Agreements – Non-Executive Directors

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board's policies and terms, including compensation, relevant to the director, and among other things:

- the terms of the Directors appointment, including governance, compliance with the Company's Constitution, committee appointments, and re-election;
- the Directors' duties, including disclosure obligations, exercising powers, use of office, attendance at meetings and commitment levels;
- the fees payable, in line with shareholder approval, any other terms, timing of payments and entitlements to reimbursements;
- insurance and indemnity;
- disclosure obligations; and
- confidentiality

Name	Base Salary (inc-superannuation)
Russell Clark	$70,000
Alex Passmore[1]	$50,000
Jonathan Fisher[1]	$50,000
Catherine Moises[2]	$50,000

Notes:

1. *Mr Passmore and Mr Fisher acted in an executive capacity until 30 March 2022, then transferred to a Non-Executive Director capacity. Whilst in their executive capacity they were remunerated at $96,000 per annum excluding superannuation.*
2. *Mr Moises resigned 5 April 2022.*

Directors' Report

Remuneration Report (Audited) (Continued)

Remuneration of Key Management Personnel

The remuneration tables below set out the remuneration information for the Directors and Executives, which includes the Chief Executive Officer, who are considered to be KMP of the Company.

			Short-term		Long-term	Post-employment	Total	Performance related
2022	Salary & fees $	STI bonus $	SBP Options $	Other $	Other $	Superannuation $	$	%
Directors								
Russell Clark[1]	66,589	-	-	-	63,333	6,659	136,581	-
Jonathan Fisher[2]	83,250	-	-	-	221,333	8,325	312,908	-
Catherine Moises[3]	34,649	-	-	-	31,333	3,464	69,446	-
Alex Passmore[2]	87,210	-	-	-	221,333	8,721	317,264	-
Total Directors	**271,698**	-	-	-	537,332	**27,169**	**836,199**	-
Executives								
Evan Spencer	19,330	-	-	-	-	-	19,330	-
Chris Hunt	-	-	-	-	-	-	-	-
Total Executives	**19,330**	-	-	-	-	-	**19,330**	-
Total KMP	**291,028**	-	-	-	**537,332**	**27,169**	**855,529**	-

Notes:

1. *Mr Clark performed additional services throughout the financial year in an Executive capacity.*
2. *Mr Fisher and Mr Passmore were Executive Directors until 30 March 2022, then transferred to a Non-Executive Director capacity.*
3. *Ms Moises resigned 5 April 2022.*
4. *Mr Spencer commenced 1 April 2022 and is paid through CS Investments.*
5. *Mr Hunt commenced providing services, through Rox Resources Limited, on 30 March 2022. Mr Hunt has agreed under his contract with Rox Resources Limited to not receive remuneration for his role (see Related Party Note 24).*

			Short-term		Long-term	Post-employment	Total	Performance related
2021	Salary & fees $	STI bonus $	SBP Options $	Other $	Other $	Superannuation $	$	%
Directors								
Russell Clark[1]	-	-	-	-	-	-	-	-
Jonathan Fisher[2]	40,000	-	-	-	-	3,800	43,800	-
Catherine Moises[3]	19,026	-	-	-	-	1,807	20,833	-
Alex Passmore[2]	40,000	-	-	-	-	3,800	43,800	-
Ian Macliver[4]	7,365	-	-	-	-	700	8,065	-
Aaron Constantine[5]	-	-	-	-	-	-	-	-
Total KMP	**106,391**	-	-	-	-	**10,107**	**116,498**	-

Notes:

1. *Mr Clark was appointed 1 July 2021 therefore no remuneration was paid to him during the year ended 30 June 2021.*
2. *Mr Passmore and Mr Fisher fees were paid from 1 February 2021.*
3. *Ms Moises was appointed on 1 February 2021.*
4. *Mr Macliver resigned on 29 March 2021.*
5. *Mr Constantine resigned on 7 December 2020 and he received no renumeration for the year.*

Directors' Report

Remuneration Report (Audited) (Continued)

Incentive Options: Granted and Vested during the year

During the financial year 8,060,000 incentive options were issued to the KMP of the Company (2021: nil).

	Granted in 2022				Terms and conditions for each grant				Vested 2022		Lapsed 2022
2022	Number	Date	Fair value $	Total fair value	Exercise price $	Expiry date	First exercise date	Last exercise date	Number	%	Lapsed during the year
Russell Clark	950,000	16 Sep 21	0.20	190,000	nil	1 Jun 26	30 Sep 22	1 Jun 24	950,000	33%	-
Alex Passmore	3,320,000	16 Sep 21	0.20	664,000	nil	1 Jun 26	30 Sep 22	1 Jun 24	3,320,000	33%	-
Jonathan Fisher[1]	3,320,000	16 Sep 21	0.20	664,000	nil	1 Jun 26	30 Sep 22	1 Jun 24	3,320,000	33%	-
Catherine Moises[2]	470,000	16 Sep 21	0.20	94,000	nil	1 Jun 26	30 Sep 22	1 Jun 24	470,000	33%	-
Total	**8,060,000**			**1,612,000**					**8,060,000**		-

Notes:

1. *Mr Fisher holds through JWest Nominees Pty Ltd*
2. *Ms Moises holds through Tooradin Park Superannuation Pty Ltd. Ms Moises resigned 5 April 2022.*

The vesting conditions of the incentive options granted to KMP are outlined below:

Tranche	Number	Grant Date	Exercise Price	Performance condition	Expiry Date	Performance Hurdle Expiry Date
1	2,686,666	16 Sep 21	Nil	The Company completes a drilling program of a minimum of 2,500m of diamond drilling at M04/235.	1 Jun 26	30 Sep 22
2	2,686,666	16 Sep 21	Nil	The Company announcing the delineation of a JORC compliant Indicated Mineral Resource of at least 500Kt of iron ore (as those terms are defined in the JORC Code 2012) on M04/235 at a minimum average grade of 60% Fe.	1 Jun 26	1 Jun 23
3	2,686,667	16 Sep 21	Nil	The Company announcing the delineation of a JORC compliant Indicated Mineral Resource of at least 5Mt of iron ore (as those terms are defined in the JORC Code 2012) on M04/235 at a minimum average grade of 60% Fe.	1 Jun 26	1 Jun 24
	8,060,000					

Other Transactions with Key Management Personnel

During the financial year, the Company had the following transactions with KMP:

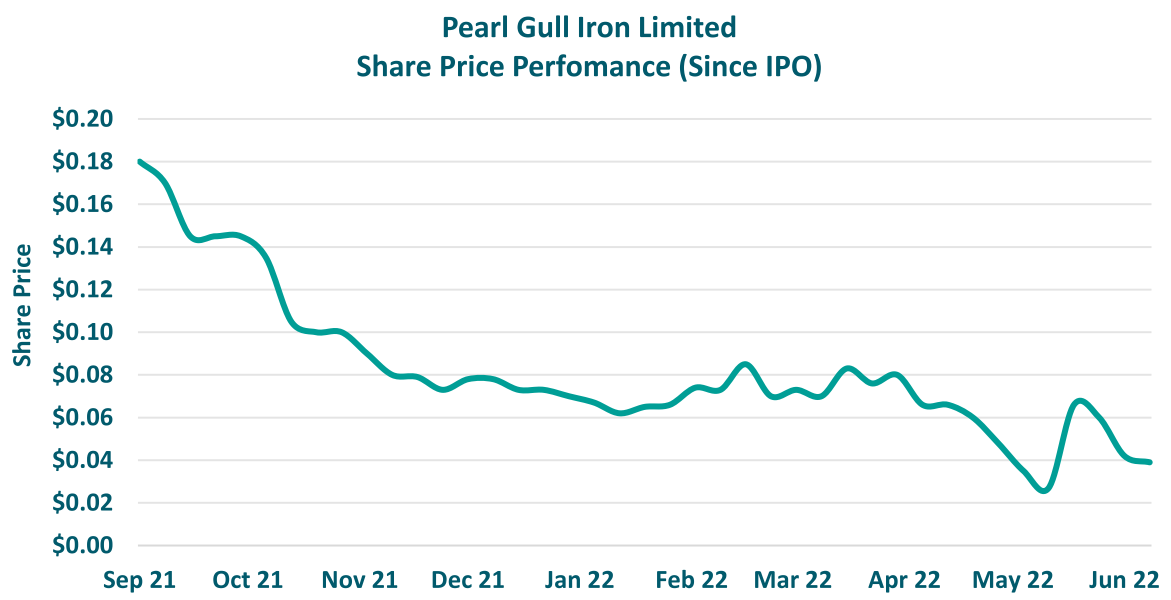
- The Company entered into two agreements with Rox Resources Limited ("Rox") whereby Rox will provide Company Secretarial and Finance Services for $8,000 per month (amended as mutually agreed) and to sub-lease office space to the Company at $2,000 per month (amended as mutually agreed). The amount paid by the Company for the financial year 30 June 2022 was $24,000 for Company Secretarial and Finance Services and $22,000 to sub-lease the office space. Mr Alex Passmore is the Chief Executive Officer of Rox and Mr Chris Hunt is the Chief Financial Officer and Company Secretary of Rox. Mr Chris Hunt does not receive any remuneration from Pearl Gull. There was nil balance outstanding as at 30 June 2022.

Directors' Report

Remuneration Report (Audited) (Continued)

Company Performance

The Company's share price performance shown in the below graph is a reflection of the Company's performance since listing on the ASX, 16 September 2021.



The table below sets out information about the Company's earnings and movements in shareholder value since listing on 16 September 2021 up to 30 June 2022.

	2022	2021
Net (loss)/profit after tax ($m)	**(5.0)**	(2.4)
Basic (loss)/profit per share (cents)	**(5.24)**	(0.07)
Share Price at year end (cents)	**4.00**	n/a
Total dividends (cents per share)	**-**	-

Directors' Report

Remuneration Report (Audited) (Continued)

Shareholdings of Key Management Personnel

The interests of KMP of the Company in shares at the end of the financial year 2022 is as follows:

2022	Balance as at 1 July 2021	Granted as Remuneration	Purchased	Net Change/ Other	Shares Issued on Exercise of Options	Balance as at 30 June 2022
Russell Clark	-	-	-	-	-	-
Alex Passmore	-	-	144,694	-	-	144,694
Jonathan Fisher	-	-	-	-	-	-
Catherine Moises	-	-	-	-	-	-
Chris Hunt	-	-	-	-	-	-
Evan Spencer	-	-	-	-	-	-
Total	-	-	**144,694**	-	-	**144,694**

Option holdings of Key Management Personnel

The options held by the KMP of the Group at the end of the financial year 2022 is as follows:

2022	Balance at 1 July 2021	Granted as Remuneration	Options Exercised	Net Change / Other	Balance as at 30 June 2022	Options Vested Not Yet Exercised[1]
Russell Clark	-	950,000	-	-	950,000	316,667
Alex Passmore[2]	-	3,320,000	-	144,694	3,464,694	1,106,667
Jonathan Fisher[3]	-	3,320,000	-	-	3,320,000	1,106,667
Catherine Moises[4]	-	470,000	-	(470,000)	-	-
Chris Hunt	-	-	-	-	-	-
Evan Spencer	-	-	-	-	-	-
Total	-	**8,060,000**	-	**(325,306)**	**7,734,694**	**2,530,001**

Notes:

1. *The Company completed a drilling program of 2,500m of diamond drilling at M04/235 by the Performance hurdle expiry date of 30 September 2022.*
2. *Issued on Initial Public Offering.*
3. *Mr Fisher holds through JWest Nominees Pty Ltd.*
4. *Ms Moises holds through Tooradin Park Superannuation Pty Ltd. Ms Moises resigned 5 April 2022.*

End of Remuneration Report

Directors' Report-

Other Related Party Transactions

During the year the Company had the following transactions with KMP:

Refer to Note 24 for further detail on Related Party transactions.

Signed in accordance with a resolution of the Directors.

Russell Clark

Non-Executive Chairman

Perth, 30 September 2022

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Pearl Gull Iron Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Pearl Gull Iron Limited for the financial year ended 30 June 2022 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

R Gambitta

Partner

Perth

30 September 2022

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Corporate Governance

Corporate Governance Statement

Pearl Gull Iron Limited ("the Company") has established a corporate governance framework, the key features of which are set out in this statement. In establishing its corporate governance framework, the Company has referred to the recommendations set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th edition. The Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has explained the reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at https://www.pearlgulliron.com.au/corporate/corporate-governance/

Charters

- Board
- Audit and Risk Management Committee
- Remuneration and Nomination Committee

Policies and Procedures

- Policy for Trading in Company Securities
- Shareholder Communication Policy
- Code of Conduct
- Disclosure Policy
- Whistleblower Protection Policy
- Diversity Policy
- Anti-Bribery and Anti-Corruption Policy
- Vision and Values Statement
- Board skills Matrix

The Company reports below on whether it has followed each of the recommendations during financial year 2022. The information in this statement is current at 30 September 2022. This statement was approved by a resolution of the Board on 30 September 2022.

Corporate Governance

Principle 1 - Lay solid foundations for management and oversight

Recommendation 1.1

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management and have documented this in its Board Charter, which is disclosed on the Company's website at:
https://www.pearlgulliron.com.au/corporate/corporate-governance/

Recommendation 1.2

The Company undertakes appropriate checks before appointing a person or recommending to shareholders a candidate for election as a Director and provides shareholders with all material information in its possession relevant to a decision on whether to elect or re-elect a Director.

The Company provided shareholders with all material information in relation to the re-election of all Directors at its 2021 Annual General Meeting.

Recommendation 1.3

The Company has a written agreement with each Director and Senior Executive/Consultant setting out the terms of their appointment. The material terms of any employment, service or consultancy agreement the Company, or any of its subsidiaries, has entered into with its Chief Executive Officer, any of its Directors, and any other person or entity who is a related party of the Chief Executive Officer or any of its Directors has been disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

Recommendation 1.4

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board as outlined in the Company's Board Charter.

Recommendation 1.5

The Company has a Diversity Policy. However, the Diversity Policy does not include requirements for the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the Company's progress in achieving them. Nor has the Board set measurable objectives for achieving gender diversity. Given the Company's stage of development as an exploration company and the number of employees, the Board considers that it is not practical to set measurable objectives for achieving gender diversity at this time.

The respective proportions of men and women on the Board, in Senior Executive positions and across the whole organisation as at the date of this statement are set out in the following table. "Senior Executive" for these purposes means a person who makes, or participates in the making of, decisions that affect the whole or a substantial part of the business or has the capacity to affect significantly the Company's financial standing. For the financial year, this included the Chief Executive Officer:

	Proportion of women
Whole organisation (including the Board)	0 out of 5 (0%)
Senior Executive positions	0 out of 2 (0%)
Board	0 out of 3 (0%)

Recommendation 1.6

The Chair is responsible for evaluating the Board and, when deemed appropriate, Board committees and individual Directors. During the financial year an evaluation of the Board, its committees, and individual Directors took place.

Recommendation 1.7

The Chief Executive Officer is responsible for evaluating the performance of Senior Executives. The Chair is responsible for evaluating the Chief Executive Officer, which was undertaken during the financial year.

Corporate Governance

Principle 2 - Structure the Board to be effective and add value

Recommendation 2.1

The Board has established a separate Remuneration and Nomination Committee, with the full Board being members of the Committee.

The Remuneration and Nomination Committee has adopted a Nomination Committee Charter, which describes the role, composition and responsibilities of the Committee.

Details of Director attendance at the Remuneration and Nomination Committee, during the financial year, are set out in a table in the Directors' Report on page 11. There were no meetings held for the Remuneration and Nomination Committee during financial year ended 30 June 2022 as the full Board met to discuss matters pertaining to this Committee.

Recommendation 2.2

The mix of skills and diversity for which the Board is looking to achieve in its membership is represented by the Board's current composition. Whilst the Company is at exploration stage, it does not wish to significantly increase the size of the Board and considers that the Board, which includes Directors with geological qualifications, exploration and mining industry experience, experience in the development and operation of mining projects in Australia and accounting and finance qualifications, is an appropriate mix of skills and expertise relevant to the Company. Notwithstanding the Board's current view that the composition of the Board is appropriate, as project acquisitions and development opportunities occur a review of the Board size and composition will be undertaken.

Recommendation 2.3

The Board considers the independence of Directors having regard to the relationships listed in Box 2.3 of the Principles & Recommendations and its Policy on Assessing the Independence of Directors. The independent Directors of the Company are Mr Russell Clark, Chairman of the Company, Mr Jonathan Fisher, a Non-Executive Director and Mr Alex Passmore, Non-Executive Director. None of the independent Directors of the Company have an interest, position or relationship of the type described in Box 2.3

The length of service of each Director is set out in the Directors' Report on page 9.

Recommendation 2.4

During the financial year, the Board had a majority of Directors who are independent. The Board considered that its composition was adequate for the Company's size and operations and included an appropriate mix of skills and expertise relevant to the Company's business.

As noted above, a review of the Board's size and composition, including the balance of independence on the Board may be undertaken in accordance with the Nomination Committee Charter.

Recommendation 2.5

The independent Chair of the Board is Mr Russell Clark, who is not also the Chief Executive Officer.

Recommendation 2.6

The Company has an induction program that it uses when new Directors join the Board and when new Senior Executives are appointed. The goal of the program is to assist new Directors to participate fully and actively in Board decision-making at the earliest opportunity and to assist Senior Executives to participate fully and actively in management decision-making at the earliest opportunity. The Company's induction program is disclosed on the Company's website.

The Remuneration and Nomination Committee regularly reviews whether the Directors of the Company have the skills, knowledge and familiarity with the Company and its operating environment required to fulfil their role on the Board and the Board committees effectively using a Board skills matrix. Where any gaps are identified, the Board considers the training or development that should be undertaken to fill those gaps. In particular, the Board ensures that any Director who does not have specialist accounting skills or knowledge has a sufficient understanding of accounting matters to fulfil his or her responsibilities in relation to the Company's financial statements. Directors also receive ongoing education on developments in accounting standards.

Corporate Governance

Principle 3 - Install a culture of acting lawfully, ethically and responsibly

Recommendation 3.1

The Company has articulated its values and disclosed them throughout its governance material, including its Code of Conduct which can be found on the Company website. The Company expects that its Board and Senior Executives will conduct themselves with integrity and honesty in accordance with the Code of Conduct. Directors, Executives and employees shall deal with the Company's customers, suppliers, competitors, shareholders and each other with honesty, fairness and integrity and observe the rule and spirit of the legal and regulatory environment in which the Company operates.

The Company aims to increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders and the financial community and to comply with systems of control and accountability which the Company has in place as part of its corporate governance with openness and integrity.

The Company complies with all legislative and common law requirements which affect its business wherever it operates. Currently the Company only operates in Australia. Should it in the future have operations overseas, it shall comply with the relevant local laws as well as any applicable Australian laws. Any transgression from the applicable legal rules is to be reported to the Chief Executive Officer as soon as a person becomes aware of such a transgression.

Recommendation 3.2

The Company has established a Code of Conduct for its Directors, Senior Executives and employees, which is disclosed on the Company's website. Any breach of that code is reported to the Board at the next meeting of Directors.

Recommendation 3.3

The Company has adopted a Whistleblower Policy to encourage the raising of any concerns or reporting of instances of any violations (or suspected violations) of the Code of Conduct (or any potential breach of law or any other legal or ethical concern) without the fear of intimidation or reprisal. Any material incidents may be reported to the Supervisors or Senior Managers, the Director, Company Secretary, the Whistleblower Protection Officer appointed by the Company as well as the other person and bodies outlined in the Company's Whistleblower Policy.

Recommendation 3.4

The Company has established an anti-bribery and corruption policy which is disclosed on the Company's website. Any material breach of that policy is immediately reported to the Chief Executive Officer and Chairman of the Board of Directors.

Principle 4 - Safeguard the integrity of corporate reports

Recommendation 4.1

The Board has established a separate Audit & Risk Management Committee.

The Audit and Risk Management Committee has adopted an Audit and Risk Committee Charter.

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. KPMG, the Company's auditor, was appointed at the 2021 AGM. The performance of the external auditor is reviewed on an annual basis by the Board.

Details of Director attendance at the Audit and Risk Management Committee, held during the financial year, are set out in a table in the Directors' Report on page 11. There were no meetings held for the Audit and Risk Management Committee during financial year ended 30 June 2022 as the full Board met to discuss matters pertaining to this Committee.

Corporate Governance

Principle 4 - Safeguard the integrity of corporate reports (continued)

Recommendation 4.2

Before the Board approved the Company financial statements for the half year ended 31 December 2021 and the full-year ended 30 June 2022, it received from the Chief Executive Officer and the Chief Financial Officer a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the Financial Statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively ("the Declaration").

The Board did not receive a Declaration for each of the quarters ending 30 September 2021, 31 December 2021, 31 March 2022 and 30 June 2022 because in the Board's view its quarterly reports are not financial statements to which the Declaration can be appropriately given.

Recommendation 4.3

Processes are in place to verify the integrity of the Company's periodic corporate reports released to the market that are not audited or reviewed by the external auditor. Examples of periodic corporate reports released by the Company include quarterly cash flow reports. The process to verify is includes circulation to Senior Executives and the Board for review prior to finalising and releasing to the market. The Company has adopted a Continuous Disclosure Policy which sets out how market announcements are prepared and released and has appointed the Company Secretary as the Continuous Disclosure officer who oversees the drafting of and approves the final release of announcements. The Company Secretary is responsible for satisfying themself that the content of any announcement is accurate and not misleading and is supported by appropriate verification.

Principle 5 - Make timely and balanced disclosure

Recommendation 5.1

The Company has established written policies and procedures for complying with its continuous disclosure obligations under the ASX Listing Rules, in particular Listing Rule 3.1. A summary of the Company's Policy on Continuous Disclosure and Compliance Procedures are disclosed on the Company's website.

Recommendation 5.2

The Company Secretary circulates all material market announcements to the Board prior to release to the ASX.

Recommendation 5.3

All new and substantive investor or analyst presentations are released to the ASX ahead of any presentation to investors.

Principle 6 - Respect the rights of security holders

Recommendation 6.1

The Company provides information about itself and its governance to investors via its website at https://www.pearlgulliron.com.au/ as set out in its Shareholder Communications Policy.

Recommendation 6.2

The Company has designed and implemented an investor relations program to facilitate effective two-way communication with investors. The program is set out in the Company's Shareholder Communication and Investor Relations Policy.

Recommendation 6.3

The Company has in place, a Shareholder Communication and Investor Relations Policy, which outlines the policies and processes that it has in place to facilitate and encourage participation at meetings of shareholders. The Company encourages shareholder attendance and participation at its meetings. The Chair of the meeting allows a reasonable opportunity for members to ask questions or make comments on the management of the Company.

Corporate Governance

Principle 6 - Respect the rights of security holders (continued)

Recommendation 6.4

All resolutions put to meetings of shareholders are decided by way of a poll.

Recommendation 6.5

Shareholders are given the option to receive communications from, and send communications to, the Company and its share registry electronically. The Company engages its share registry to manage the majority of communications with shareholders. Shareholders are encouraged to receive correspondence from the Company electronically, thereby facilitating a more effective, efficient and environmentally friendly communication mechanism with shareholders. Shareholders not already receiving information electronically can elect to do so through the share registry, Automic Group, at www.automic.com.au.

Principle 7 - Recognise and manage risk

Recommendation 7.1

The Board has established a separate Audit and Risk Management Committee which considers risks, with the full Board being members. There were no meetings held for the Audit and Risk Management Committee during financial year ended 30 June 2022 as the full Board met to discuss matters pertaining to this Committee.

Recommendation 7.2

The Audit and Risk Management Committee reviews the Company's risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks that the Company faces and to ensure that the Company is operating within the risk appetite set by the Board. The full Board met to discuss the Company's risk management framework for financial year ended 30 June 2022.

Recommendation 7.3

The Company does not have an internal audit function. To evaluate and continually improve the effectiveness of the Company's governance risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks. The Board also reviews the effectiveness of its governance, risk management and internal control processes in accordance with its Audit and Risk Management Committee Charter and Board Charter.

Recommendation 7.4

As with most exploration projects and mining operations, the Company's operations and activities are expected to have an impact on the environment. This impact will likely increase once the Company is in production. The Company takes care to ensure that its operations comply with any environmental laws applicable to it, including the conditions attaching to any of its tenements.

Except as identified above the Company has not identified any significant exposure to any environmental and/or social sustainability risks in this financial year.

However, the Company does have a material exposure to the following economic risks:

- Market risk - movements in commodity prices. The Company manages its exposure to market risk by monitoring market conditions and making decisions based on industry experience.
- Future capital risk - cost and availability of funds to meet the Company's business requirements. The Company manages this risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

Corporate Governance

Principle 7 - Recognise and manage risk (continued)

Recommendation 7.4 (continued)

The Board has adopted a Risk Management Policy and Risk Management Procedures. Under the Risk Management Policy, the Board oversees the processes by which risks are managed. This includes defining the Company's risk appetite, monitoring of risk performance and the risks that may have a material impact on the business. Management is responsible for the implementation of the risk management and internal control system to manage the Company's risk and to report to the Board whether those risks are being effectively managed.

The Company's system to manage its material business risks includes the preparation of a risk register by management to identify the Company's material business risks, analyse, evaluate, and treat those risks (including assigning a risk owner to each risk). Risks and their management are to be monitored and reviewed at least annually by senior management. The risk register is to be updated and a report submitted to the Chief Executive Officer. The Chief Executive Officer is to provide a risk report at least annually to the Board.

Principle 8 – Remunerate fairly and responsibly

Recommendation 8.1

The Board has established a separate Remuneration and Nomination Committee. The Committee considers the level and composition of remuneration for Directors and Senior Executives and ensures that such remuneration is appropriate and not excessive, in accordance with the Remuneration and Nomination Committee Charter.

Details of Director attendance at meetings of the full Board, in its capacity as the Remuneration Committee, during the financial year, are set out in a table in the Directors' Report on page 11. There were no meetings held for the Remuneration and Nomination Committee during financial year ended 30 June 2022 as the full Board met to discuss matters pertaining to this Committee.

Recommendation 8.2

Details of remuneration, including details of the Company's Non-Executive remuneration and Executive remuneration practices and the Company's policy on "clawback policy" regarding the lapsing of performance-based remuneration in the event of fraud or serious misconduct and the clawback of the performance-based remuneration in the event of a material misstatement in the Company's financial statements, are contained in the "Remuneration Report" which forms of part of the Directors' Report and commences at page 14 of the Company's Annual Report for year ended 30 June 2022.

Recommendation 8.3

The Company's Securities Trading Policy includes a statement of the Company's policy that participants in the Company's equity-based remuneration schemes are prohibited from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

PEARL GULL IRON

Financial Statements

2022

Statement of Financial Position

As at 30 June 2022

	Notes	2022 ($000's)	2021 ($000's)
Assets			
Current assets			
Cash and cash equivalents	10	**911**	2,159
Trade and other receivables	11	**22**	243
Total current assets		**933**	2,402
Non-current assets			
Property, plant and equipment	12	**45**	64
Capitalised exploration and evaluation expenditure	13	**9,183**	10,544
Total non-current assets		**9,228**	10,608
Total assets		**10,161**	13,010
Liabilities			
Trade and other payables	14	**164**	699
Convertible notes payable	15	**-**	6,976
Provision	16	**698**	698
Total current liabilities		**862**	8,373
Non-current liabilities			
Provisions	16	**6,286**	7,528
Deferred tax liabilities	6	**-**	349
Total non-current liabilities		**6,286**	7,877
Total liabilities		**7,148**	16,250
Net assets/(liabilities)		**3,013**	(3,240)
Equity			
Issued capital	17a	**13,243**	2,058
Other contributed equity	19	**(2,005)**	(1,463)
Reserves	17b	**631**	-
Accumulated losses	20	**(8,856)**	(3,835)
Total equity attributable to shareholders		**3,013**	(3,240)

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

Statement of Comprehensive Income

For the year ended 30 June 2022

	Notes	2022 ($000's)	2021 ($000's)
Expenses			
Corporate expenses		**(997)**	(391)
Salaries, wages and superannuation		**(327)**	(117)
Exploration expenditure		**(2,912)**	(1,215)
Share based payments		**(631)**	-
Finance expense		**(1,026)**	(1,326)
Depreciation and amortisation		**(19)**	(2)
Loss before income tax		**(5,912)**	(3,051)
Income tax (expense)/benefit	6	**891**	625
Net loss after income tax		**(5,021)**	(2,426)
Other comprehensive income			
Other comprehensive income net of tax		**-**	-
Total comprehensive loss for the year		**(5,021)**	(2,426)
Loss per share for the year attributable to shareholders		cents	cents
Basic loss per share	7	**(5.24)**	(0.07)
Diluted loss per share	7	**(5.24)**	(0.07)

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

PEARL GULL IRON

Statement of Cash Flows

For the year ended 30 June 2022

	Notes	2022 ($000's)	2021 ($000's)
Cash flows from operating activities			
Payments to suppliers and employees		**(1,283)**	(421)
Expenditure on mineral interests		**(3,291)**	(821)
Net cash used in operating activities	10	**(4,574)**	(1,242)
Cash flows from investing activities			
Purchase of property, plant and equipment		**-**	(66)
Net cash used in investing activities		**-**	(66)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		**4,000**	4,212
Share issue costs		**(350)**	(95)
Proceeds from borrowings		**-**	185
Repayment of borrowings		**-**	(835)
Proceeds from issue of convertible notes		**25**	-
Interest paid on convertible notes		**(349)**	-
Net cash provided by financing activities		**3,326**	3,467
Net increase in cash and cash equivalents		**(1,248)**	2,159
Cash and cash equivalents at the beginning of the year		**2,159**	-
Cash and cash equivalents at the end of the year		**911**	2,159

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

Statement of Changes in Equity

For the year ended 30 June 2022

	Issued Capital ($000's)	Contributed equity ($000's)	Reserves ($000's)	Accumulated losses ($000's)	Total ($000's)
Balance as at 1 July 2021	-	(1,109)	-	(1,409)	(2,518)
Loss for the year	-	-	-	(2,426)	(2,426)
Other comprehensive loss	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(2,426)	(2,426)
Transactions with shareholders					
Issue of share capital	2,098	-	-	-	2,098
Share issue costs	(40)	-	-	-	(40)
Derecognition of current tax assets[1]	-	(354)	-	-	(354)
Share-based payments	-	-	-	-	-
Balance as at 30 June 2021	2,058	(1,463)	-	(3,835)	(3,240)
Balance as at 1 July 2022	**2,058**	**(1,463)**	**-**	**(3,835)**	**(3,240)**
Loss for the year	**-**	**-**	**-**	**(5,021)**	**(5,021)**
Other comprehensive loss	**-**	**-**	**-**	**-**	**-**
Total comprehensive loss for the year	**-**	**-**	**-**	**(5,021)**	**(5,021)**
Transactions with shareholders					
Issue of share capital	**11,535**	**-**	**-**	**-**	**11,535**
Share issue costs	**(350)**	**105**	**-**	**-**	**(245)**
Derecognition of current tax assets[1]	**-**	**(647)**	**-**	**-**	**(647)**
Share-based payments	**-**	**-**	**631**	**-**	**631**
Balance as at 30 June 2022	**13,243**	**(2,005)**	**631**	**(8,856)**	**3,013**

Notes:

1. Tax assets assumed by the parent entity.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 1 – Corporate Information

Pearl Gull Iron Limited is a for profit company incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange (ASX). The financial statements of the Company for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the Directors on 30 September 2022.

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

Note 2 – Significant Accounting Policies

Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis, except for certain financial investments that have been measured at fair value. The financial report is presented in Australian dollars.

As a result of the uncertainties inherent in business and other activities, certain items in a financial report cannot be measured with precision but can only be estimated. The estimation process involves best estimates based on the latest information available, which are set out in Note 4.

Comparatives

Certain prior financial year amounts have been reclassified for consistency with the current financial year presentation.

Rounding of Amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Going concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Company has incurred a net loss after tax for the year ended 30 June 2022 of $5.0m (2021: $2.4m) and experienced net cash outflows from operating activities of $4.6m (2021: $1.2m). As at 30 June 2022, the Company had net current assets of $0.1m (30 June 2021: net current liabilities of $5.9m).

The Directors recognise that additional funding either through the issue of further shares, or convertible notes, or the sale of assets, or a combination of these activities will be required for the Company to continue to actively explore its mineral properties and fund corporate administration. The Directors are also aware that the Company can relinquish certain projects in order to maintain its cash at appropriate levels.

The Directors have reviewed the business outlook and the assets and liabilities of the Company and are of the opinion that the use of the going concern basis of accounting is appropriate as the Directors believe the Company will be able to pay its debts as when they fall due.

In forming this view, the Directors have taken into consideration the following:

- The Company's ability to reduce expenditure as and when required including, but not limited to, reviewing all expenditure for deferral or elimination, until the Company has sufficient funds; and
- Assets sales, including sale of tenure.
- The ability to raise additional capital.
- The ability to defer rehabilitation expenditure by working with the relevant authorities.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 2 – Significant Accounting Policies (continued)

Going concern (continued)

The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

Should the Company be unsuccessful with the initiatives detailed above then, there is a material uncertainty as to whether the Company will be able to continue as a going concern and may therefore be required to realise assets and extinguish liabilities other than in the ordinary course of business with the amount realised being different from those shown in the financial statement.

(a) Compliance statement

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(b) Accounting standards issued but not yet effective

The Australian Accounting Standards Board (AASB) has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company has decided not to early adopt any of these new and amended pronouncements. The Company's assessment of the new and amended pronouncements that are relevant to the Company but applicable in future reporting periods is set out below.

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018 – 2020 and Other Amendments

AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date

AASB 2021-7a: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

AASB 17: Insurance Contracts, AASB 2020-5: Amendments to Australian Accounting Standards – Insurance Contracts and AASB 2021-7b : Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

AASB 2022-1: Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information

AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

(c) New Accounting standards applicable to 30 June 2022 year end

AASB 2020-8: Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2

AASB 2021-3: Amendments to Australian Accounting Standards – Covid 19 Related Rent Concessions beyond 30 June 2021

The impact of these standards is unlikely to be material.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 2 – Significant Accounting Policies (continued)

(d) Summary of significant accounting policies

(i) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position and Statement of Cash Flows comprise cash at bank and in hand and deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(ii) Capitalised exploration and evaluation expenditure

Exploration and evaluation costs are expensed in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

(iii) Trade and other payables

Trade payables and other payables are initially recognised at fair value and are subsequently carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

(iv) Issued capital

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction, net of tax, of the share proceeds received.

(v) Income tax

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

Current income tax expense charged to the Statement of Comprehensive Income is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expenses reflect movements in deferred tax assets and deferred tax liability balances during the period as well as unused tax losses.

Current and deferred income tax expense (benefit) charged is credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 2 – Significant Accounting Policies (continued)

(d) Summary of significant accounting policies (continued)

(v) Income tax (continued)

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

When temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future. Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

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

(vi) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently carried at amortised cost less an allowance for impairment. Refer also to Note 2 (d)(xvi) Financial instruments.

(vii) Property, plant and equipment

All classes of equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line basis over the estimated useful life of the specific asset as follows:

Asset	2022	2021
Equipment	**3-10 years**	3-10 years

Depreciation is not charged on plant until production commences.

Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

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

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

Derecognition

Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Note 2 – Significant Accounting Policies (continued)

(d) Summary of significant accounting policies (continued)

(vii) Property, plant and equipment (continued)

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statement of Comprehensive Income in the period the item is derecognised.

(viii) Employee benefits

Provision is made for the employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, sick leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits expected to be settled within 12 months of the reporting date are measured at the nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national corporate bonds, which have terms to maturity approximating the terms of the related liability, are used.

(ix) Revenue recognition

Interest revenue

Interest income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Sale of Assets

Revenue from the sale of assets is recognised when the significant risks and rewards of ownership of the assets have passed to the buyer, usually on delivery of the asset.

(x) Goods and services tax (GST)

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

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 2 – Significant Accounting Policies (continued)

(d) Summary of significant accounting policies (continued)

(xi) Earnings/loss per share

Basic earnings/loss per share is calculated by dividing the profit/loss from ordinary activities after related income tax expense by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings/loss per share is calculated as net profit/loss attributable to members, adjusted for:

- costs of servicing equity (other than dividends)
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses
- other discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares
- divided by the weighted average number of ordinary shares and dilutive potential ordinary shares adjusted for any bonus element

(xii) Share based payment transactions

The Company provides benefits to employees (including Directors) of the Company in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (‘equity-settled transactions’).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the shares at the grant date.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Pearl Gull Iron Limited (‘market conditions’).

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

Notes to the Financial Statements

For the year ended 30 June 2022

Note 2 – Significant Accounting Policies (continued)

(d) Summary of significant accounting policies (continued)

(xiii) Share based payment transactions (continued)

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance sheet date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transactions a result of the modification, as measured at the date of modification.

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

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share, unless the Company is loss making, then it is anti-dilutive as the inclusion of these options would reduce the loss per share.

(xiv) Provisions

Rehabilitation provision

The Company makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of acquiring, or developing, the mines and installing and using those facilities.

The rehabilitation provision represents the present value of rehabilitation costs relating to the Company's mine site. Further information on the assumptions used in the determining the rehabilitation provision is set out in Note 16.

(xv) Financials instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, this is the date that the Company commits itself to either purchase or sale of assets.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 3 – Financial Risk Management and Policies

Overview

This note presents information about the Company's exposure to each of the below risks, its objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company through regular reviews of the risks.

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk
- interest rate risk

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk exposure arises principally from the Company's other financial assets, receivables, including receivables from related parties, security deposits and cash and cash equivalents.

Cash and cash equivalents

The Company's cash and cash equivalents are maintained in banks with credit ratings of AA as per Standard & Poor's as at year-end.

Trade and other receivables

As the Company operates in the mining exploration sector its receivables generally relate to GST receivable from the Australian Taxation Authority and the credit risk is assessed similar to other financial instruments under AASB 9 and the credit risk is low.

Presently, the Company undertakes exploration and evaluation activities in Australia. At the balance sheet date there were no significant concentrations of credit risk and none of the Company's receivables are past due or impaired (2021: Nil).

Exposure to credit risk

The carrying amount of the Company's financial assets represents the Company's maximum credit exposure. None of the Company's trade and other receivables are past due (2021: nil). As at 30 June 2022, the Company does not have any collective impairment on its other receivables (2021: nil).

Guarantees

At the date of this report there are no outstanding guarantees (2021: nil).

Notes to the Financial Statements

For the year ended 30 June 2022

Note 3 – Financial Risk Management and Policies (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows.

The Company's liquidity risk arises from other financial liabilities and trade and other payables, together comprising the Company's financial liabilities.

Financial liabilities maturing profiles as follows:

Maturity profiles	2022 ($000's)	2021 ($000's)
Less than 6 months	**164**	7,463
6 months to 1 year	**-**	-
1 year to 5 years	**-**	-
Greater than 5 years	**-**	-
Total	**164**	7,463

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Equity risk

The Company considers its exposure to equity risk minimal and has not developed any policies or procedures to manage such risk.

Currency risk

The Company considers that its exposure to currency risk is minimal and has not developed any policies or procedures to manage such risk.

The Company has not entered into any derivative financial instruments to hedge such transactions and anticipated future receipts or payments that are denominated in a foreign currency.

Exposure to currency risk

The Company's exposure to foreign currency risk at reporting date was nil (2021: nil).

Interest rate risk

The Company is exposed to interest rate risk. The Company considers that its exposure to interest risk is minimal, however it has a policy of monitoring interest rates offered by competing financial institutions to ensure it is aware of market trends and it receives competitive interest rates.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 3 – Financial Risk Management and Policies (continued)

Profile

At the reporting date the Company's only exposure to interest rate risk is related to the balance of its cash and cash equivalents. The following table represents the Company's exposure to interest rate risk:

Variable rate instruments	2022 ($000's)	2021 ($000's)
Cash and cash equivalents	**911**	2,159

A change of 1% in variable interest rates would have increased or decreased the Company's equity and profit by $9k (2021: 22k) and would have had the same effect on cash. The 1% sensitivity is based on reasonable possible movements over a financial year, after observation of a range of actual historical rate movement over the past five years.

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows:

		2022		2021	
Financial assets and liabilities	Note	Carrying amount ($000's)	Fair value ($000's)	Carrying amount ($000's)	Fair value ($000's)
Cash and cash equivalents	10	**911**	**911**	2,159	2,159
Trade and other receivables	11	**22**	**22**	243	243
Trade payables	14	**(164)**	**(164)**	(699)	(699)
Convertible notes payable	15	**-**	**-**	(6,976)	(6,976)
Total		**769**	**769**	(5,273)	(5,273)

The Directors consider the carrying amount of the financial instruments to be a reasonable approximation of their fair value on account of their short to medium-term maturity cycle.

Capital management

When managing capital, management's objective is to ensure that the Company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Company.

The Company will raise equity through the issue of shares from time to time as the board sees fit to ensure it meets its objective of continuing as a going concern. The Company does not have any borrowings and has no current plans to obtain any debt facilities; as a result, the Company's total capital is defined as shareholders' equity, and at 30 June stood at:

	2022 ($000's)	2021 ($000's)
Equity	**3,013**	(3,240)

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

Notes to the Financial Statements

For the year ended 30 June 2022

Note 4 – Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Exploration and evaluation

The Company's accounting policy for exploration and evaluation is set out in Note 2(d)(ii) to the accounts. The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves have been found. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under our policy, management conclude that they are unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the Statement of Comprehensive Income.

Share options

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 the binominal formula. For options issued in this financial year, the assumptions detailed as per Note 18 were used.

Rehabilitation

The Company made a full provision for its share of the future cost of rehabilitating the Cockatoo Island Project and related production facilities on a discounted basis, recognised initially on acquisition of its interest in mine and related facilities.

The rehabilitation provision represents the estimated present value of rehabilitation costs relating to the Company's mine properties as at balance date. Assumptions are based on the current economic environment at each balance date, which management believe provide a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to consider and material changes to the assumptions.

Actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time.

Furthermore, the timing of rehabilitation is likely to depend on when the mine commences and ultimately (if a decision to mine is made) ceases to produce at economically viable rates. This, in turn, will depend upon commodity prices, which are inherently uncertain.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 5 – Segment information

Identification of Reportable Segments

Operating segments that meet the quantitative criteria of AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to the users of the financial statements.

The Company operates within the mineral exploration industry within Australia.

The Company determines its operating segments by reference to internal reports that are reviewed and used by the Board of Directors (the chief operating decision maker) in assessing performance and in determining the allocation of resources. The Board of Directors currently receive Statement of Financial Position and Statement of Comprehensive Income information that is prepared in accordance with Australian Accounting Standards.

The Statement of Financial Position and Statement of Comprehensive Income information received by the Board of Directors does not include any information by segment. The executive team manages each exploration activity of each exploration concession through review and approval of statutory expenditure requirements and other operational information. Based on this criterion, the Company has only one operating segment, being exploration, and the segment operations and results are the same as the Company results.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 6 – Income tax expense

	2022 ($000's)	2021 ($000's)
(a) Income tax expense/(benefit)		
Current tax		
Current tax on profit/(loss) for the year	**(1,312)**	(455)
(Over)/under provision in respect to prior year	**(9)**	-
Total current tax expense/(benefit)	**(1,321)**	(455)
Deferred tax		
Change in tax rate	**56**	(27)
Movement in temporary differences	**-**	(11)
Adjustment for temporary differences of prior periods	**14**	(132)
Total deferred tax expense/(benefit)	**70**	(170)
Income tax expense/(benefit)	**(1,251)**	(625)
Income tax expense/(benefit) not brought to account	**360**	-
Income tax expense/(benefit)	**(891)**	(625)
(b) Numerical reconciliation of income tax expense/(benefit) to prima facie tax		
Profit/(loss) from continuing operations before tax	**(5,912)**	(3,051)
Tax at the Australian rate of 30% (2021: 26%)	**(1,773)**	(794)
Tax effect of amount which are not deductible/(taxable) in calculating taxable income:		
Finance cost	**272**	327
Share based payments	**189**	-
(Over)/under provision in respect to prior year	**5**	-
Change in tax rate	**56**	(27)
Adjustment for temporary differences of prior periods		(131)
Tax losses not recognised/(recognised)	**421**	-
Net movement in temporary differences from prior year not recognised	**(61)**	-
Total tax expense/(benefit)	**(891)**	(625)
(c) Amounts recognised directly in equity		
Aggregate current and deferred tax arising in the financial year and not recognised in the net profit or loss but directly credited/(debited) to equity as follows:		
Capital raising costs	**(105)**	-

Notes to the Financial Statements

For the year ended 30 June 2022

Note 6 – Income tax expense (continued)

	2022 ($000's)	2021 ($000's)
(a) Deferred taxes		
Deferred tax assets		
Employee provisions	**8**	9
Rehabilitation provisions - current	**209**	182
Rehabilitation provisions – non current	**1,968**	1,957
Convertible notes – business related costs	**63**	73
Tax only assets – business related costs	**218**	123
Carried forward tax losses	**315**	-
Total deferred tax assets	**2,781**	2,344
Deferred tax liabilities		
Explorations assets	**(735)**	(637)
Rehabilitation asset	**(2,046)**	(2,056)
Total deferred tax liabilities	**(2,781)**	(2,693)
Net deferred tax assets/(liabilities)	**-**	(349)

Notes

The Company has carried forward tax losses arising in Australia of $2,215,072 (2021: nil) available for offset against future assessable income. The deferred tax asset in respect of these losses has been recognised only to offset a deferred tax liability.

Tax losses carried forward have no expiry date.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 7 – Earnings per share

	2022	2021
The following reflects the income and share data used in the calculation of basic and diluted earnings per share:		
Net loss	**($5,021,418)**	($2,426,025)
Weighted average number of ordinary shares used in calculating basic earnings per share	**95,863,474**	34,704,879
Effect of dilutive securities: Share options[1]	**-**	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**95,863,474**	34,704,879
Basic and diluted profit/(loss) cents per share	**(5.24)**	(0.07)

[1]Share options are not dilutive as their inclusion would give rise to a reduced loss per share.

There was a total of 66,247,857 share options that were potentially dilutive to shares on issue at 30 June 2022 (2021: nil).

The above weighted average number of shares incorporates an adjustment to the calculation to incorporate the effects of bonus elements (if any) in relation to rights issues in the current and previous financial year.

Conversion, calls, subscriptions or issues after 30 June 2022

There have been no other options issued, conversions to, calls of, or subscriptions for ordinary shares since the reporting date and before the completion of this financial report.

Note 8 – Director and Executive disclosures

(a) Details of Key Management Personnel

Russell Clark	Non-executive Chairman *(appointed 1 July 2021)*
Alex Passmore	Non- executive Director *(appointed on 15 August 2017)*
Jonathan Fisher	Non-executive Director (*appointed 1 February 2021)*
Catherine Moises	Non-executive Director (*appointed 1 February 2021, resigned 5 April 2022)*
Chris Hunt	Company Secretary *(appointed 30 March 2022)*
Evan Spencer	Chief Executive Officer *(appointed 1 April 2022)*

There were no changes of Key Management Personnel after the reporting date and before the date that the financial report was authorised for issue.

(b) Compensation of Key Management Personnel by category

	2022 ($'s)	2021 ($'s)
Incentive plan		
Short-term	**291,028**	106,391
Share based payments	**537,332**	-
Post-employment	**27,169**	10,107
Total	**855,529**	116,498

Notes to the Financial Statements

For the year ended 30 June 2022

Note 9 – Auditor’s remuneration

	2022 ($’s)	2021 ($’s)
Remuneration of the current auditor of the Company, KPMG, for:		
Prior year audit fee not accrued	**25,720**	-
Audit and review of the financial report	**40,812**	46,575
Independent limited assurance reports	**-**	61,065
Total	**66,532**	107,640

Note 10 – Cash and cash equivalents

	2022 ($000’s)	2021 ($000’s)
Cash and cash equivalents	**911**	2,159
Cash at bank earns interest at floating rates based on daily deposit rates		
Reconciliation of net loss after income tax to net cash flow from operations		
Net loss after income tax	**(5,021)**	(2,426)
Adjustments to reconcile profit before tax to net operating cash flows		
Depreciation and amortisation	**19**	2
Share based payments	**631**	-
Finance expense	**1,026**	1,326
Increase/(decrease) in income tax benefit	**(891)**	(625)
Changes in assets and liabilities		
(Increase)/decrease in receivables	**197**	(218)
Increase/(decrease) in trade payables/accruals	**(535)**	699
Cash out-flow from operations	**(4,574)**	(1,242)

The Company does not have any credit standby arrangements, used or unused loan facilities.

Note 11 – Trade and other receivables

	2022 ($000’s)	2021 ($000’s)
Current		
Other receivables (i)	**22**	243
Total	**22**	243

(i) Receivables generally have 30-day terms and are unsecured.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 12 – Property, plant and equipment

	2022 ($000's)	2021 ($000's)
Plant and equipment at cost	**66**	66
Accumulated depreciation	**(21)**	(2)
Total property, plant and equipment	**45**	64
Movement in property plant and equipment		
Balance as at 1 July, net of accumulated depreciation	**64**	-
Plant and equipment additions – at cost	-	66
Depreciation	**(19)**	(2)
Balance as at 30 June, net of accumulated depreciation	**45**	64

Note 13 – Capitalised exploration and evaluation expenditure

	2022 ($000's)	2021 ($000's)
Areas of interest in exploration and evaluation phases:		
Balance at the beginning of the year	**10,544**	10,660
Movement in rehabilitation asset (see Note 16)	**(1,361)**	(116)
Total	**9,183**	10,544

Ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation or, alternatively, sale of the respective areas.

Note 14 – Trade and other payables

	2022 ($000's)	2021 ($000's)
Trade payables (i)	**137**	632
Accruals	**27**	25
Payroll liabilities and superannuation	**-**	42
Total	**164**	699

(i) Creditors, are non-interest bearing and generally on 30-day terms

Notes to the Financial Statements

For the year ended 30 June 2022

Note 15 – Convertible notes payable

	2022 ($000's)	2021 ($000's)
Convertible Notes Payable	-	6,976
Total	**-**	**6,976**

(a) Movement in reconciliation	Number of Notes (000's)	2022 ($000's)
Balance at the beginning of the period – 1 July 2021	**6,044**	6,976
Capitalised interest (at 10% per annum)[1]	**-**	125
Capitalised effective interest[2]	**-**	783
Conversion of the convertible notes into share capital at IPO	**(6,044)**	(7,535)
Less payment of interest payable at IPO1	**-**	(349)
Balance at the end of the period – 30 June 2022	**-**	**-**

[1]The capitalised interest represents the interest payable on the convertible notes. It is calculated based on 10% (per annum) of the face value the convertible notes on issue, from the issue date to 16 September 2021 (IPO date). The interest expense of $349k is payable in cash and was paid on the IPO date.

[2]The convertible notes have a clause where the notes will convert at a discount of 70% to fair value of cash received plus interest payable on the notes at maturity. The finance costs of $783k is to recognise the discount value up to various maturity dates depending on each class of convertible notes.

Note 16 – Provisions

	2022 ($000's)	2021 ($000's)
Current		
Rehabilitation provision	**698**	698
Total	**698**	698
Non-current		
Rehabilitation provision		
Carrying amount at the beginning of the year	**7,528**	7,578
Unwind of discount	**119**	66
Changes in rehabilitation estimate	**(1,361)**	(116)
Carrying amount at the end of the year	**6,286**	7,528

The rehabilitation provision represents a provision for site rehabilitation of the area previously disturbed.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 17 – Contributed equity and reserves

(a) Contributed Equity	2022 ($000's)	2021 ($000's)
(i) Issued and paid-up capital		
Ordinary shares fully paid	**13,243**	2,058

(ii) Movement in ordinary shares on issue	Date	2022 (Number)	2022 ($000's)	2021 (Number)	2021 ($000's)
Ordinary shares					
Balance at beginning of year		43,250,001	2,058	1	-
Cash issue (net of costs)	15 Jan 2021	-	-	43,250,000	2,058
Initial public offering (net of costs)	14 Sep 2021	20,000,000	3,650	-	-
Conversion of notes (net of costs)[1]	14 Sep 2021	36,777,857	7,535	-	-
Balance at end of year		100,027,858	13,243	43,250,001	2,058

[1]See Note15(a) for further details on the conversion of convertible notes on initial public offering.

(iii) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting on the Company.

(b) Reserves	2022 ($000's)	2021 ($000's)
(i) Share based payments reserve		
Balance at the beginning of the year	-	-
Options issued to Directors (Note 18) and consultants	631	-
Balance at the end of the year	**631**	**-**

This reserve is used to record the value of equity benefits provided to employees and unrelated parties for services and the acquisition of mineral exploration projects.

(c) Share Options

On listing in September 2021, 1:1 bonus options were issued to all participants of the initial public offering and to convertible note holders. The number of options issued were 52.4m at an exercise price of $0.30. For the financial year ended 30 June 2022 nil options were exercised.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 18 – Share based payments: Directors and Employees

(i) Employee share incentive scheme – Pearl Gull Iron Limited

An Employee Share Scheme (ESS) has been established where Pearl Gull Iron Limited may, at the discretion of Directors, grant options over the ordinary shares of Pearl Gull Iron Limited to Directors, Executives and employees of the Company. The plan is designed to provide long-term incentives for employees and to deliver long term shareholder returns. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive guaranteed benefits. In addition, under the Plan, the Board determines the terms of the options including exercise price, expiry date and vesting conditions, if any.

Options granted under the plan are unlisted and carry no dividend or voting rights. When exercised, each option is convertible into an ordinary share of the Company with full dividend and voting rights.

During the financial year 9,470,000 options were issued pursuant to the ESS (2021: nil) and there are no other options on issue that have been issued under the plan.

Set out below is a summary of options issued.

For the year ended 30 June 2022

Grant date	Expiry date	Exercise price (cents)	Value per option at grant date (cents)	Balance of options at the start of the year (000's)	Options granted during the year (000's)	Options exercised during the year (000's)	Options lapsed during the year (000's)	Balance of options at the end of the year (000's)	Options exercise-able at the end of the year (000's)
16 Sep 21	**1 Jun 26**	**Nil**	**20.0**	**-**	**9,470,000**	**-**	**-**	**9,470,000**	**3,156,667**
				-	**9,470,000**	**-**	**-**	**9,470,000**	**3,156,667**
Weighted average exercise price (cents) [1]				**-**	**nil**	**-**	**-**	**nil**	**nil**

The weighted average remaining contractual life of share options outstanding at the end of the year was 4.0 years.

1. Exercise price is nil, as the options have performance hurdles as outlined below:

Tranche	Number	Grant Date	Exercise Price	Performance condition	Expiry Date	Performance Hurdle Expiry Date
1	3,156,666	16 Sep 21	Nil	The Company completes a drilling program of a minimum of 2,500m of diamond drilling at M04/235.	1 Jun 26	30 Sep 22
2	3,156,666	16 Sep 21	Nil	The Company announcing the delineation of a JORC compliant Indicated Mineral Resource of at least 500Kt of iron ore (as those terms are defined in the JORC Code 2012) on M04/235 at a minimum average grade of 60% Fe.	1 Jun 26	1 Jun 23
3	3,156,667	16 Sep 21	Nil	The Company announcing the delineation of a JORC compliant Indicated Mineral Resource of at least 5Mt of iron ore (as those terms are defined in the JORC Code 2012) on M04/235 at a minimum average grade of 60% Fe.	1 Jun 26	1 Jun 24
	9,470,000					

Notes to the Financial Statements

For the year ended 30 June 2022

Note 18 – Share based payments: Directors and Employees (continued)

(i) Employee share incentive scheme – Pearl Gull Iron Limited

Fair value of options granted under ESS

For financial year ended 30 June 2022, the fair value for options issued under the ESS was calculated using the Black-Scholes Model calculation methodology, using the following parameters.

	2022
Grant Date	**16 Sep 21**
Spot rate	**$0.20**
Exercise price	**Nil**
Expected share price volatility	**95%**
Dividend yield	**Nil**
Number of options issued	**9,470,000**
Fair value per option (cents)	**20.0**

Historical volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future trends, which may not eventuate.
The life of the options is based on historical exercise patterns, which may not eventuate in the future.
No other features of options granted were incorporated into the measurement of fair value.

Note 19 – Other contributed equity

	2022 ($000's)	2021 ($000's)
Balance at the beginning of the year	**(1,463)**	(1,109)
Current tax losses derecognised	**(647)**	(354)
Capital raising costs – tax effect	**105**	-
Balance at the end of the year	**(2,005)**	(1,463)

The Company does not have a tax funding arrangement in place with Cockatoo Iron during the year ended 30 June 2022. The Company transferred tax losses of $647,162 @30% (2021: $354,146) to Cockatoo Iron NL, its previous parent entity, under tax consolidation. This is recorded in equity because there is no compensation from Cockatoo Iron NL for these tax losses. The Company deconsolidated from Cockatoo Iron NL on 16 September 2021, when the Company was listed on the ASX.

Note 20 – Accumulated losses

	2022 ($000's)	2021 ($000's)
Balance at the beginning of the year	**3,835**	1,409
Net loss attributable to members of Pearl Gull Iron Limited	**5,021**	2,426
Balance at the end of the year	**8,856**	3,835

No dividends were paid during or since the financial year. There are no franking credits available (2021: nil).

Notes to the Financial Statements

For the year ended 30 June 2022

Note 21 – Expenditure commitments

(a) Exploration commitments

The Company has entered into certain obligations to perform minimum work on mineral tenements held. The Company is required to meet tenement minimum expenditure requirement which are set out below. These may be varied or deferred on application and are expenditures expected to be met in the normal course of business.

	2022 ($000's)	2021 ($000's)
No later than one year	**16**	16
Later than one year and not later than five years	**-**	
Later than five years	**-**	
Total	**16**	16

Note 22 – Contingent liabilities

At the financial reporting date there are no contingent liabilities.

Note 23 – Events subsequent to the reporting date

No matter or circumstance has arisen since the end of the financial year, other than mentioned above, 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 subsequent financial periods.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 24 – Related party transactions

The Company entered into two agreements with Rox Resources Limited ("Rox") whereby Rox will provide Company Secretarial and Finance Services for $8,000 per month (amended as mutually agreed) and to sub-lease office space to the Company at $2,000 per month (amended as mutually agreed). The amount paid by the Company for the financial year 30 June 2022 was $24,000 for Company Secretarial and Finance Services and $22,000 to sub-lease the office space. Mr Alex Passmore is the Chief Executive Officer of Rox and Mr Chris Hunt is the Chief Financial Officer and Company Secretary of Rox. Mr Chris Hunt does not receive any remuneration from Pearl Gull. There was nil balance outstanding as at 30 June 2022.

Directors' Declaration

For the year ended 30 June 2022

In accordance with a resolution of the Directors of Pearl Gull Iron Limited, I state that:

In the opinion of the Directors':

(a) The financial statements and notes of the Company are 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 its performance for the year ended on that date; and

  (ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2(a); and

(c) Subject to the matters set out in Note 2, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(d) This declaration is made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2022.

On behalf of the Board

Russell Clark

Non-Executive Chairman

Perth, 30 September 2022

Independent Auditor's Report

To the shareholders of Pearl Gull Iron Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Pearl Gull Iron Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

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

The ***Financial Report*** comprises:

- Statement of financial position as at 30 June 2022
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with 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 fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to Note 2, "Going Concern" in the financial report. The conditions disclosed in Note 2, indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

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In concluding there is a material uncertainty related to going concern we evaluated the extent of uncertainty regarding events or conditions casting significant doubt in the Company's assessment of going concern. Our approach to this involved:

- Assessing the Company's cash flow forecasts for incorporation of the Company's operations and plans to address going concern, in particular in light of the history of loss making operations;
- Evaluating the feasibility, quantum and timing of the Company's plans to raise additional shareholder funds to address going concern; and
- Determining the completeness of the Company's going concern disclosures for the principal matters casting significant doubt on the Company's ability to continue as a going concern, the Company's plans to address these matters, and the material uncertainty.

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.

In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matter described below to be the Key Audit Matters.

Exploration and evaluation assets ($9.183 million)	
Refer Note 13 in the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
Exploration and evaluation expenditure capitalised (E&E) relating to the Cockatoo Island project is a key audit matter due to: • the significance of the balance (being 90% of total assets); and • the greater level of audit effort to evaluate the Company's application of the requirements of the accounting standard AASB 6 *Exploration for and Evaluation of Mineral Resources*. This includes the analysis of the conditions allowing capitalisation of relevant expenditure and in particular the assessment of the presence of impairment indicators. The presence of impairment indicators would necessitate a detailed analysis by the Company of the value of E&E. Given the criticality of this to the scope and depth of our work, we involved senior team members to challenge the Company's determination of non-existence of such indicators.	Our procedures included: • evaluating the Company's accounting policy to recognise exploration and evaluation assets against the criteria of the accounting standard; • assessing the Company's current rights to tenure for the Cockatoo Island project, by checking the ownership of the relevant licenses to government registries. We also tested for compliance with conditions, such as minimum expenditure requirements, on a sample of licenses; • testing the movements to E&E for the year by evaluating consistency to underlying records. We also checked the movements against the Company's accounting policy and the requirements of the accounting standard; • evaluating documents, such as minutes of Board meetings and ASX announcements for consistency with the Company's stated intentions for continuing exploration and evaluation activities. We challenged this through interviews with key operational and finance personnel;

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In assessing the conditions allowing capitalisation of relevant expenditure, we focused on documentation available regarding rights to tenure, via licensing, and compliance with relevant conditions, to maintain current rights to an area of interest. We also focused on the Company's intention and capacity to continue the relevant exploration and evaluation activities.

In assessing the presence of impairment indicators, we focused on those which may draw into question the commercial continuation of exploration and evaluation activities for the Cockatoo Island project. In addition to the assessments above and given the financial position of the Company, we paid particular attention to:

the Company's determination of the expectation of E&E to be recovered in full through successful development of the area of interest, or alternatively, by its sale; and
the ability of the Company to fund the continuation of activities.

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analysing the Company's determination of recoupment through successful development and exploitation of the Cockatoo Island project by evaluating the Company's documentation of planned future/continuing activities including work programmes and corporate budgets; and
assessing the Company's cash flow budget as outlined in the Material uncertainty related to going concern section for evidence of the ability to fund continued activities and capacity of the Company to secure such funding.

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<tr>
<td colspan="2">Rehabilitation Provision ($6.984 million)</td>
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<td colspan="2">Refer note 16 in the Financial Report</td>
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<tr>
<td>The key audit matter</td>
<td>How the matter was addressed in our audit</td>
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The rehabilitation provision is considered to be a key audit matter. This is due to the additional audit effort from the:

Inherent complexity in estimating future environmental restoration and rehabilitation costs, and
Significant judgement applied by the Company, particularly for those costs to be incurred several years in the future.

The estimate of the rehabilitation provision is influenced by:

The complexity in current environmental and regulatory requirements, and the impact to completeness of the rehabilitation provision;
The expected environmental management strategy of the Company and the nature of the costs incorporated into the rehabilitation provision; and
The expected timing of expenditure which is planned to occur several years into the future, and the associated inflation and discounting of costs in the present value calculation of the rehabilitation provision.

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Our procedures included:

Comparing the basis for recognition and measurement of the rehabilitation provision for consistency with environmental and regulatory requirements and criteria in the accounting standards;
Obtaining the Company's rehabilitation provision estimation, and critically evaluated by:

Comparing the nature and quantum of costs contained in the Company's rehabilitation provision to the Company's third party expert report and internal and external underlying documentation. We checked the inputs of the Company's rehabilitation provision estimation to the Company's third party expert report;
Assessing the planned timing of restoration and rehabilitation activities through comparison to the Company's strategy and plans for commencement and completion of restoration and rehabilitation activities;

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The Company uses third party and internal experts when assessing their obligations for restoration and rehabilitation activities and associated estimates of future costs.	– Assessing the competence, scope and objectivity of the Company's internal and third party experts used in the determination of the rehabilitation provision estimate; and – Comparing inflation rate and discount rate assumptions in the Company's rehabilitation provision determination to external market data for Australian bond rates and Australian inflation targets. • Evaluating the completeness of the rehabilitation provision against the Company's analysis of where disturbance requires rehabilitation or restoration, and comparing to our understanding of the Company's operations. We did this by each operating location. • Assessing the disclosures in the financial report using our understanding obtained from our testing against the requirements of the accounting standard. This included evaluating the current and non-current rehabilitation provision disclosure for consistency to the planned timing of the rehabilitation expenditure.

Other Information

Other Information is financial and non-financial information in Pearl Gull Iron Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Pearl Gull Iron Limited for the year ended 30 June 2022, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' 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 responsibilities

We have audited the Remuneration Report included in pages 14 to 22 in the Directors' report for the year ended 30 June 2022.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

R Gambitta
Partner

Perth

30 September 2022

Schedule of Mining Tenements

as at 12 September 2022

Tenement Number	Location	Nature of Interest	Interest held (%)
M04/235-I	WA	Granted	100
L04/102	WA	Granted	100
L04/103	WA	Granted	100
P04/299	WA	Application	-
L04/120	WA	Application	-
L04/121	WA	Application	-
L04/122	WA	Application	-
L04/123	WA	Application	-

Other Information

as at 12 September 2022

Top 20 shareholders - Ordinary Shares

No.	Shareholder	Shares held	% of issued capital
1	Cockatoo Iron NL	43,250,001	43.24
2	Jasper Hill Resources Pty Ltd <A/C>	2,194,082	2.19
3	BNP Paribas Noms Pty Ltd <DRP>	2,000,000	2.00
4	HSBC Custody Nominees (Australia) Limited	1,790,625	1.79
5	TT Nicholls Pty Ltd <Superannuation A/C>	1,608,725	1.61
6	Alderhaus Pty Ltd	1,409,931	1.41
7	Kahala Holdings Pty Ltd <Kilauea Super Fund A/C>	1,209,908	1.21
8	Mr Benjamin Mok	1,181,325	1.18
9	Geordie Bay Holdings Pty Ltd	1,122,238	1.12
10	Mr Ludger David Kohmascher	1,000,000	1.00
10	Mr Edmond Michael Rothnie	1,000,000	1.00
10	Mr Leonardo D'Agostino & Mrs Consiglia D'Agostino <Stuguz Sup[er Fund A/C>	1,000,000	1.00
11	Loktor Holdings Pty Ltd <Taybird A/C>	921,445	0.92
12	Mr Michael Frank Manford <No 2 A/C>	850,000	0.85
13	Mr Michael Frank Manford <Alto Super Fund A/C>	825,000	0.82
14	Mr Abraham Johannes Nijdam	800,000	0.80
14	Mr Cheyne Michael Dunford	800,000	0.80
15	Mr Karun Dhiman	792,137	0.79
16	Matori Pty Ltd	750,000	0.75
17	Ilwella Pty Ltd <No 2 A/C>	700,000	0.70
18	Crazy Dingo Pty Ltd	678,661	0.68
19	Darmal Pty Limited	625,736	0.63
20	Tooradin Park Superannuation Pty Ltd <Tooradin Park S/Fund A/C>	625,000	0.62
	Total	**67,134,814**	**67.12**

Substantial Shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2011 are:

Shareholder	Shares held	% of issued capital
Cockatoo Iron NL	43,250,001	43.24

Distribution of Shareholders Number

Size of shareholding	Number of holders	Number of shares	% of issued capital
1 – 1,000	10	2,048	0.00
1,001 – 5,000	25	88,341	0.09
5,001 – 10,000	99	878,665	0.88
10,001 – 100,000	255	10,412,739	10.41
100,001 Over	115	88,646,065	88.62
Total	**504**	**100,027,858**	**100.00**

Other Information

as at 12 September 2022

Distribution of Shareholders Number (continued)

There is a total of 100,027,858 fully paid ordinary shares on issue, all of which are listed on the ASX. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Unmarketable Parcels

There were 185 shareholders holding 1,653,937 shares, which is less than a marketable parcel of shares in the Company at $0.03 per share.

Restricted Securities

ASX Code	Type of Security	No. of Holders	No. of securities
PLGAB	Fully paid ordinary shares, escrow until 20 September 2023, being 24 months from the date of commencement of Official Quotation.	10	45,125,550
PLGAD	Unlisted options exercisable at $0.30, expiring on or before 13 September 2024, escrow until 20 September 2023, being 24 months from the date of commencement of Official Quotation.	9	4,425,550
PLGAE	Unlisted incentive options, nil exercise price, expiring on or before 1 June 2026, escrow until 20 September 2023, being 24 months from the date of commencement of Official Quotation.	7	9,470,000

There are no other restricted securities.