



2022

Annual Report

ASX:1AE

auroraenergymetals.com

ACN 604 406 377

Contents

Chairman's Letter	4
Review of Operations	6
Directors' Report	15
Directors' Declaration	24
Consolidated Statement of Profit or Loss and Other Comprehensive Income	25
Consolidated Statement of Financial Position	26
Consolidated Statement of Changes in Equity	27
Consolidated Statement of Cash Flows	28
Notes to the Financial Statements	29
Auditor's Independence Declaration	42
Independent Auditor's Report	43
ASX Additional Information	47

Corporate Directory

DIRECTORS

Mr Peter Lester - Non-Executive Chair

Mr Greg Cochran - Managing Director

Mr Alasdair Cooke - Non-Executive Director

COMPANY SECRETARY

Mr Steven Jackson

REGISTERED & BUSINESS OFFICE

Suite 1, 245 Churchill Avenue
Subiaco, Western Australia, 6008

Telephone: +61 8 6465 5500

Email: info@auroraenergymetals.com

WEBSITE

www.auroraenergymetals.com

SOLICITORS

Fairweather Corporate Lawyers

Suite 2, 589 Stirling Highway
Cottesloe, Western Australia, 6011

AUDITOR

BDO Audit (WA) Pty Ltd

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, Western Australia, 6000

SHARE REGISTRY

Link Market Services Limited

Level 12, QV1 Building
250 St Georges Terrace
Perth, Western Australia, 6000

Telephone: 1300 554 474
(within Australia)



Chairman's Letter

Dear Shareholders,

I would like to start by thanking you all for your consistent and ongoing support. I welcome our new shareholders who participated in our successful IPO in May 2022 and those who have bought into our story since then, as well as our longstanding shareholders who have been with the Company since 2015 and have patiently followed our journey all this time.

The Company's IPO was a major milestone in the year, achieved in less than six months. The pre-IPO board recognised the changing sentiment in the uranium sector and growing market support for lithium, which prompted the decision to list on the ASX. An experienced Board of Directors was assembled to guide the Company into the future, which included the recruitment of our Managing Director Greg Cochran. Greg is an experienced international mining executive that has operated at the managing director/CEO level for the last 15 years. He also has extensive uranium experience, having been the CEO/Managing Director of ASX-listed Deep Yellow Limited and previously, Executive Vice President Australia and Asia and managing director of Uranium One Australia of the then TSX-listed Uranium One Inc.

The Company's 100% owned Aurora Energy Metals Project (the Project), located in southeast Oregon, USA, hosts a well-defined uranium resource and has proven prospectivity for lithium, which is found in the surrounding and overlying sediments of the uranium deposit. This is a unique project that is ideally positioned to support the USA's clean energy transition, a policy shift that now, for the first time, has bipartisan support. The USA still operates the largest fleet of nuclear reactors, yet produces negligible amounts of the uranium that is required to fuel those reactors. Lithium also has a critical role to play in the USA's clean energy transition but like uranium, is not a significant lithium producer. However, our Aurora Energy Metals Project is in the same geological domain as the USA's two largest lithium deposits, which give us much hope in our quest to prove up a lithium resource and to bring it, and the uranium component of the Project, successfully to account.

Having completed the Company's IPO only a few months ago, under which the Company raised \$8m before costs, we are well-funded and on the verge of starting the first drill program on the Project in a decade. The team is incredibly excited to be

getting on with exploration activities at the Project and has designed a drill program targeting the existing uranium resource as well as widely testing the extent of the lithium mineralisation across the claim area.

The Company has been very active since listing, including pursuing permitting for future drilling and confirming the presence of lithium mineralisation in historic drill core, which was entirely consistent with the Company's expectations.

Additionally, the Company has been taking practical steps towards future Project development by acquiring private land just inside the Nevada border, close to our Project. This is considered an ideal location for future plant and tailings facilities, is serviced by excellent infrastructure and offers environmental, permitting and operational advantages. Nevada is globally a leading mining jurisdiction with a well-developed mining industry and regulatory framework which we believe puts the Company ahead of the game.

“The Company's 100% owned Aurora Energy Metals Project, located in southeast Oregon, USA, hosts a well-defined uranium resource and has proven prospectivity for lithium.”

The coming year is set to be another positive one for the Company, with continued strong market interest in and support for the uranium and lithium sectors, combined with our robust planned work program of drilling, metallurgical testwork and technical studies. Clearly, there is much to keep the team and our shareholders engaged.

We look forward to your continued support of the Company at this exciting time.

Yours faithfully,



Mr Peter Lester
Non-Executive Chair





Review of Operations

The Company successfully listed on the Australian Securities Exchange (ASX) in May 2022, completing an \$8m raise at 20 cents per share. The Company is focused on the exploration and development of its dual uranium and lithium Aurora Energy Metals Project (AEMP) located in southern Oregon.

The Company has held the AEMP for over a decade and during that period, has defined a robust uranium mineral resource with a combined Indicated and Inferred Resource of 69.3Mt @ 248ppm eU_3O_8 for 37.9Mlb eU_3O_8 . (See Resource Table on page 13)

During its previous diamond drill campaign in 2011, which was focussed on the uranium, the Company identified the potential for lithium mineralisation within the deposit's overlying lakebed sediments. This style of mineralisation is relatively well known in the region, with Jindalee Resources (ASX:JRL) and Lithium Americas (TSX: LAC) both defining lithium mineral resources within the McDermitt Caldera. These projects have the two of the largest lithium resources in the USA.

For the reporting period, the Company's main objectives were to re-establish an operating presence in the region, progress its understanding of the uranium deposit and commence the assessment of the lithium potential of the project.

Having previously assayed the core for lithium in selected holes from its 32-hole, 2011 PQ drilling campaign, in April this year Aurora retrieved the core from an additional 15 holes to be sent to a laboratory in Reno to conduct assays for lithium. All the core from the 2011 PQ drilling campaign has been in storage in McDermitt, Nevada in locked, sealed sea containers, well protected from the weather and other potential interference. The objective of the assay program was to confirm the presence of lithium mineralisation in the shallow lakebed sediments lying directly above the well-defined Aurora Uranium Deposit.



Figure 1: Aurora core being delivered to the laboratory in Reno

**SELECTED ASSAY RESULTS,
AT A CUT-OFF OF 1,000 PPM LI, INCLUDED:**

- AUD013: 7.3m @ 2,431 ppm Li from 50.3m, and 8.2m @ 1,411 ppm Li from 63.1m
- AUD014: 2.7m @ 1,753 ppm Li from 19.2m
- AUD015: 6.4m @ 2,145 ppm Li from 25.6m
- AUD016: 5.5m @ 1,884 ppm Li from 30.2m
- AUD018: 6.4m @ 2,009 ppm Li from 97.8m
- AUD030: 9.1m @ 2,414 ppm Li from 21.9m, and 17.4m @ 1,350 ppm Li from 43.0m

The confirmation that lithium is mostly present across the entire area of the generally thin, overlying lakebed sediments of the Aurora Uranium Deposit has encouraging implications. Firstly, it means that the overburden to the uranium is mineralised (although the economics of potential exploitation of these lakebeds still need to be assessed) and importantly, that the grades encountered are at least comparable to those encountered at Jindalee Resources' nearby McDermitt Lithium Project. Secondly, it can be inferred that the lithium is shallow, flat-lying and easily mineable (possibly free-dig).

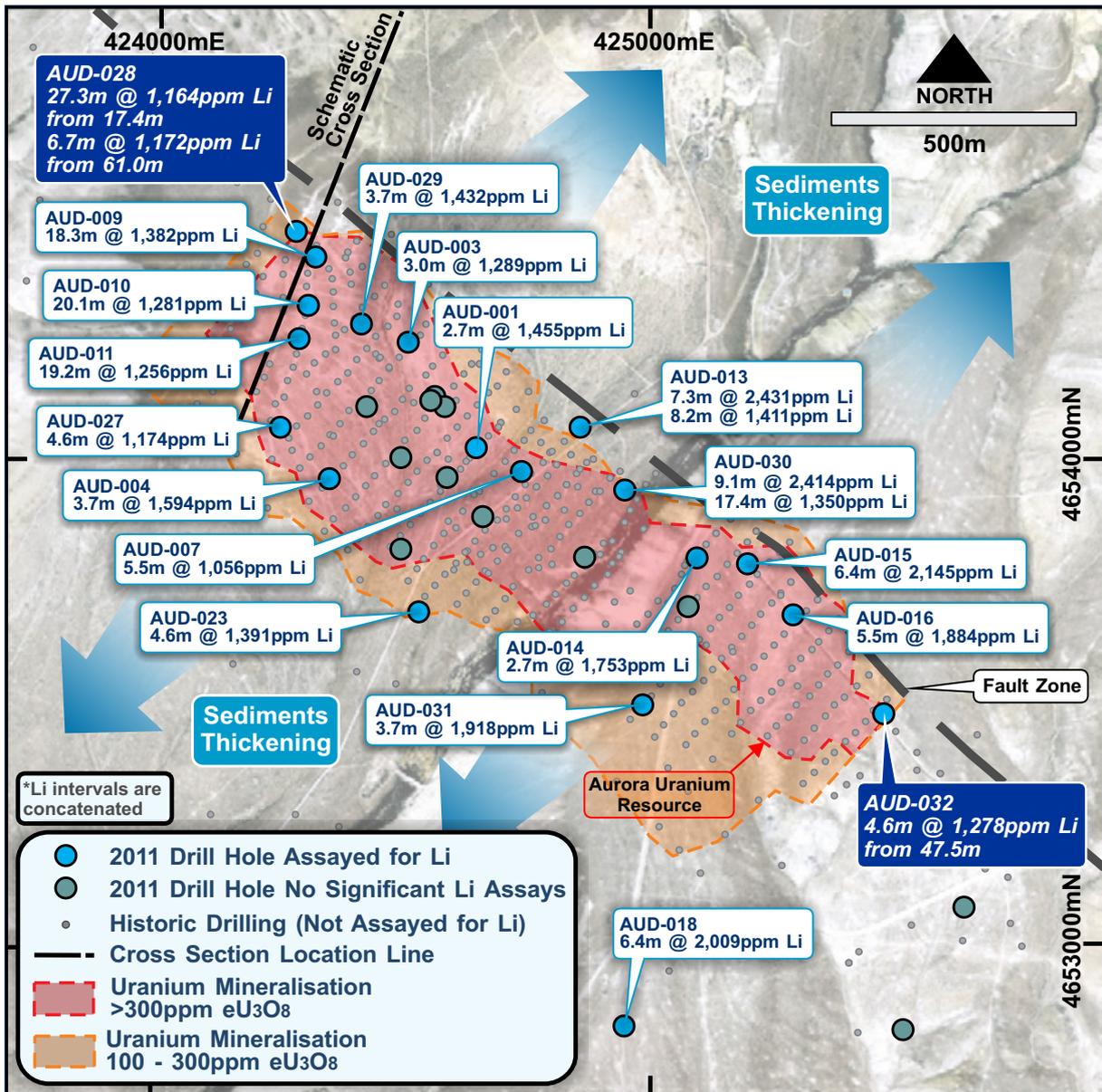


Figure 2: Map showing lithium assays results



Figure 3: Aurora and Bureau of Land Management staff clearing proposed drill sites

SITE VISIT AND STAKEHOLDER RELATIONS

In the June quarter, senior management of the Company travelled to the US to conduct an extensive site visit as well as hold meetings with, inter alia, advisors and consultants, as well as various stakeholders, including community groups, tribal nation's representatives, state and federal regulators and politicians. The Company aims to build on the strong relationships that it established historically with these stakeholders.

The team visited the laboratory in Reno that was conducting the aforementioned lithium assays and also met with its environmental (and permitting) consultants. A videoconference was held with the State Senator who represents much of Eastern Oregon in the State Legislature, as well the State Representative for the district in which AEMP is located.

At site, the team hosted a case officer and an archaeologist from the federal Bureau of Land Management to clear 17 drill pad locations for the first phase of Aurora's planned drill program.

Once the field clearance was successfully completed, the team continued to re-acquaint itself with the region and conducted scouting trips to the more recent claim positions, including Crotalus Creek, at the far western boundary of the AEMP. Some consideration was also given to potential plant and tailings facility locations given that the AEMP now has a dual commodity focus.

The team also re-established ties with the local community whilst investigating locations for a suitable local project office.

DRILL PERMIT APPLICATIONS SUBMITTED

The Company planned a phased drill program for FY23. The program will test the potential for an extension of the existing, predominantly Indicated, JORC 2012 Mineral Resource, and will also target lithium in the lakebed sediments overlying and surrounding the uranium mineral resource. The program will also generate core for a uranium metallurgical test work program.

Approval for Phase 1 of the program was obtained from the (Federal) Bureau of Land Management prior to the end of the June quarter, which is a prerequisite before DOGAMI (the Oregon Department of Geology and Mineral Industries), can assess the program and award its permit.

The Company's objective was to commence drilling in the September quarter and at the time of writing was in the final stages of DOGAMI's assessment, which seemed likely to cause a slight delay to the initiation of the drill program.

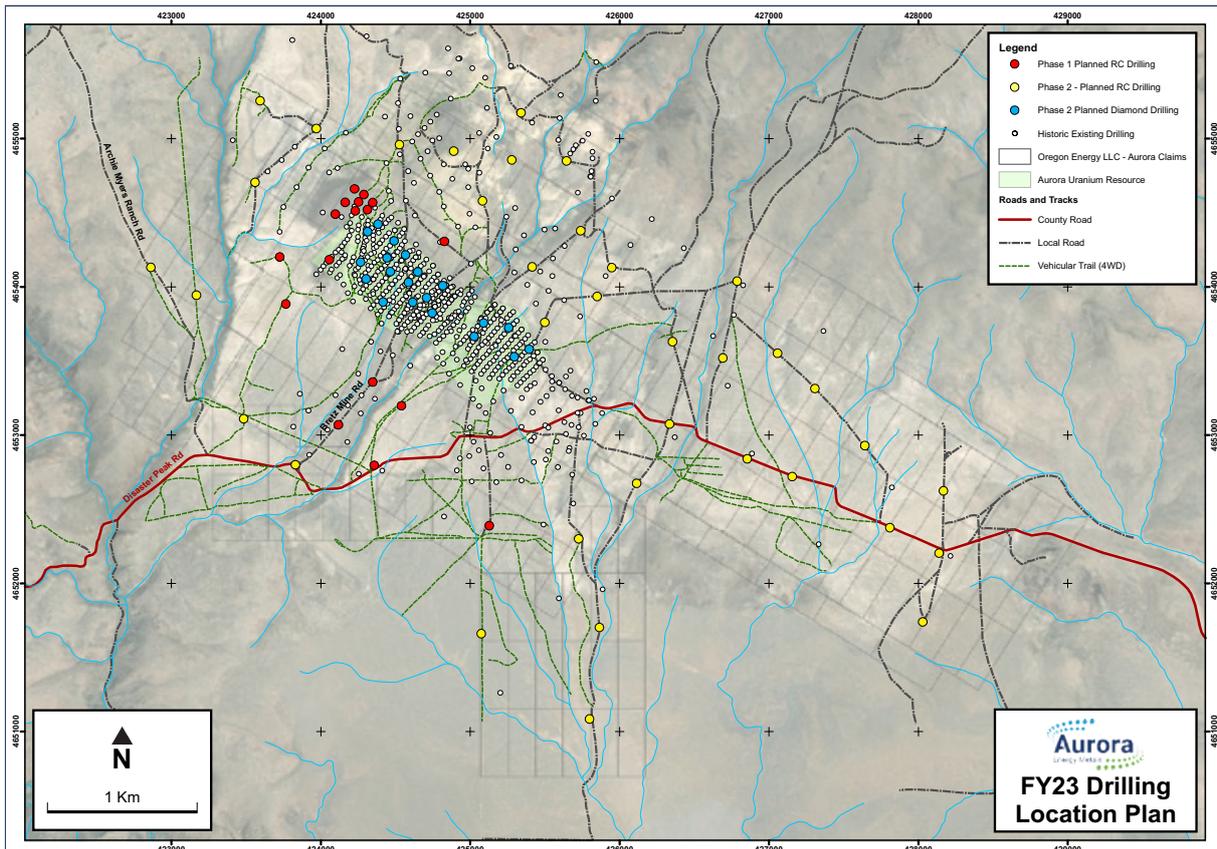


Figure 4: Map showing the proposed drill sites for the FY23 campaign

ADDITIONAL CLAIMS GRANTED

Prior to its IPO, Aurora staked an additional 188 claims over ground considered prospective primarily for lithium hosted in the lakebed sediments in the north to north-eastern region of the McDermitt Caldera. These claims were filed during the June quarter, taking the Company's total claim numbers to 395. Aurora is monitoring claim status throughout the region and may continue to increase the size of its landholding of prospective ground. As mentioned previously potential plant and tailings facility locations were assessed during the site visit in June. This assessment continued after the end of the reporting period with encouraging progress being made.

2023 WORK PROGRAM

The primary focus of the Company for the forthcoming financial year will be to complete its staged drill program which consists of both reverse circulation (RC) and diamond drill holes (Figure 4). A limited number of the RC holes will test the potential for an extension to the existing uranium deposit to the north-west, whilst the bulk of the RC drilling will focus on lithium exploration across the broad expanse of Aurora's IPO claims area. There is no immediate plan to explore in the new claims area.

Uranium is the focus of diamond drill program, to retrieve core for the next phase of metallurgical testwork. At the time that Energy Ventures Ltd was conducting metallurgical testwork in the period 2011 – 2014, encouraging results were obtained that demonstrated that:

- Approximately 30% of the material tested consisted of a hard, coarse material containing approximately 10% of total uranium. This material consists of the less altered and unmineralised volcanic units that occur within and surrounding the mineralised zones.
- Scrubbing attrition resulted in around 55% of total uranium mineralisation reporting to sizes less than 2 mm and around 35% reporting to sizes less than 149 µm.
- The fine mineralisation could be separated into clay and non-clay fractions.

THE SIGNIFICANCE OF THESE RESULTS IS:

Potential to reject internal waste through scrubbing and screening with minimal uranium losses, which would allow a higher-grade feed to the leach circuit.

The removal of this hard, coarse low-grade material should significantly reduce crushing and grinding costs, as well as capital costs due to less tonnes entering the crushing circuit.

Separation of clay and non-clay mineralisation will allow different leach processes for each ore type, with the potential for improved reagent consumption and higher recoveries.

“The Company has been very active since listing, including pursuing permitting for future drilling and confirming the presence of lithium mineralisation in historic drill core.”



TENEMENT SCHEDULE

Project Name	Location	Claim Name	Interest
AEMP	Oregon, USA	AURORA 11-60	100%
AEMP	Oregon, USA	AURORA 62-64	100%
AEMP	Oregon, USA	AURORA 69-78	100%
AEMP	Oregon, USA	AURORA 82-87	100%
AEMP	Oregon, USA	AURORA 97-108	100%
AEMP	Oregon, USA	AURORA 117-125	100%
AEMP	Oregon, USA	AURORA 134-145	100%
AEMP	Oregon, USA	AURORA 236	100%
AEMP	Oregon, USA	AURORA 238	100%
AEMP	Oregon, USA	AURORA 240	100%
AEMP	Oregon, USA	AURORA 242	100%
AEMP	Oregon, USA	AURORA 244	100%
AEMP	Oregon, USA	AURORA 246	100%
AEMP	Oregon, USA	AURORA 248	100%
AEMP	Oregon, USA	AURORA 250	100%
AEMP	Oregon, USA	CROTALUS CREEK 7-9	100%
AEMP	Oregon, USA	CROTALUS CREEK 23	100%
AEMP	Oregon, USA	CROTALUS CREEK 25	100%
AEMP	Oregon, USA	CROTALUS CREEK 27	100%
AEMP	Oregon, USA	CALD 01-91	100%
AEMP	Oregon, USA	CALD 092-279	100%

For a total area of approximately 2,842 hectares.

ANNUAL STATEMENT OF MINERAL RESOURCES

The Company completed its listing on the ASX during the period and the below Mineral Resources were first reported during the period in the Company's Prospectus. As of 30 June 2022, the Aurora Energy Metals deposit has an Indicated Resource of 65.7 Mt @ 253 ppm eU₃O₈ (36.7 Mlb eU₃O₈) and an Inferred Resource of 3.6 Mt @ 151 ppm eU₃O₈ (1.2 Mlb eU₃O₈), giving a total of 37.9 Mlb eU₃O₈.

Resource Zone	Indicated Resource			Inferred Resource			Total Resource		
	Mt	eU ₃ O ₈ ppm	Mlb eU ₃ O ₈	Mt	eU ₃ O ₈ ppm	Mlb eU ₃ O ₈	Mt	eU ₃ O ₈ ppm	Mlb eU ₃ O ₈
High Grade Zone ¹	18.4	444	18.0	-	-	-	18.4	444	18.0
Low Grade Zone ²	47.3	179	18.7	3.6	151	1.2	50.9	177	19.9
Total	65.7	253	36.7	3.6	151	1.2	69.3	248	37.9

1. High grade zone estimated using a 300 ppm eU₃O₈ cut-off

2. Low grade zone estimated using a 100ppm eU₃O₈ cut-off

Note: Appropriate rounding applied

GOVERNANCE OF MINERAL RESOURCES AND RESERVES

The Company ensures that the Mineral Resource and Reserve estimates for its projects are subject to appropriate levels of governance and internal controls. The Mineral Resource estimation procedures are well established and are subject to annual review internally and externally undertaken by suitable competent and qualified professionals. This review process has not identified any material issues or risks associated with the existing Mineral Resource estimates. The Company periodically reviews the governance framework in line with the development of the business. The Company reports its Mineral Resources in accordance with 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2012 edition'.



COMPETENT PERSONS STATEMENTS

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Lauritz Barnes, a Competent Person who is Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Barnes is a consultant to the Company and is also a shareholder of the Company. Mr Barnes has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Mr Barnes consents to the to the inclusion in this report of the matters based on his information in the form and context in which it appears.

PREVIOUS DISCLOSURE

The information in this report is based on the following ASX announcements, which are available from the Company's website www.auroraenergymetals.com.au and www.asx.com.au:

- 16 May 2022 - "Prospectus"
- 16 June 2022 - "Encouraging lithium assay results received"
- 31 January 2012 - "Initial Metallurgical Results for the Aurora Uranium Deposit" (released by Energy Ventures Limited)

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the Mineral Resources in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are represented have not been materially modified from the original market announcement.

DIRECTORS' REPORT

FOR THE YEAR ENDING 30 JUNE 2022

The Directors present their report together with the financial report of Aurora Energy Metals Limited (formerly Aurora Uranium Limited) ("the Company" or "AEM") and the Company and its controlled entities ("Group" or "Consolidated Entity"), for the financial year ended 30 June 2022.

Directors and Company Secretary

The Directors and Company Secretary in office at any time during or since the end of the financial year are:

Mr Peter Lester – Non-Executive Chairman (appointed 14 December 2021)
 Mr Gregory Cochran – Managing Director and Chief Executive Officer (appointed 1 December 2021)
 Mr Alasdair Cooke – Executive Chairman (until 14 December 2021), Non-Executive Director (from 14 December 2021)
 Mr Gregory (Bill) Fry – Executive Director (resigned 14 December 2021)
 Mr Steven Jackson – Non-Executive Director (resigned 14 December 2021) and Company Secretary

Directors' Meetings

	Present	Held / Eligible to Attend
Peter Lester	2	2
Alasdair Cooke	5	5
Gregory Cochran	2	2
Gregory Fry	3	3
Steven Jackson	3	3

Directors and Company Secretary

Mr Peter Lester B.E (Mining Hons), MAusIMM, MAICD | Non-Executive Chairman

Peter Lester has over 40 years' experience in the mining industry and has held senior executive positions with North Ltd, Newcrest Mining Limited, Oxiana Limited and Oz Minerals Limited. He was Executive Director for Citadel Resource Group Limited and has been a non-executive director and chairman with several ASX listed resource companies, including Toro Energy and Kidman Resources.

Mr Lester's experience covers operations, project and business development and broad corporate activities, including a period in financial services. He has had considerable international experience, including in North and South America, SE Asia and the Middle East.

<i>Other current directorships</i>	<i>Former directorships in the last three years</i>	<i>Interests in shares and options</i>
Gateway Mining Limited Helix Resources Limited	White Rock Minerals Limited	100,000 ordinary shares

Mr Greg Cochran M.Sc. Eng. (Mining and Mineral Economics) MBA | Managing Director

Mr Cochran is an international mining executive with over 30 years' experience in general management and in senior commercial and technical roles. He has operated at the MD/CEO level for the last 15 years, in Africa, Australia and Asia, in a broad spectrum of minerals including uranium, potash and other industrial minerals and base metals.

He has extensive uranium experience, having been CEO/Managing Director of ASX-listed Deep Yellow Limited for over five years. Previously, he was Executive Vice President (Australia & Asia) of the then TSX-listed Uranium One, where he was responsible for managing the company's assets in Kazakhstan as well as its Australian operations. Most recently, he was CEO of ASX-listed Reward Minerals Limited.

Mr Cochran is a Graduate Member of the Australian Institute of Company Directors and a Fellow of the Australasian Institute of Mining & Metallurgy. He holds an M.Sc. Eng. (Mining and Mineral Economics) and an MBA.

<i>Other current directorships</i>	<i>Former directorships in the last three years</i>	<i>Interests in shares and options</i>
Nil	Nil	855,782 ordinary shares 6,000,000 unlisted options

DIRECTORS' REPORT

FOR THE YEAR ENDING 30 JUNE 2022

Mr Alasdair Cooke BSc (Hons), MAIG | Non-Executive Director

Mr Cooke has over 30 years' experience in the resource exploration and mining industry throughout Australia and internationally, initially as part of BHP Minerals Business Development Group and the last 20 years managing public resource companies as part of the Mitchell River Group.

Mitchell River Group has been responsible for a number of successful mining operations and resource companies developed over the past 20 years, including Sally Malay Mining Ltd (now Panoramic Resources Ltd), Albidon Ltd, Mirabella Nickel Ltd, African Energy Resources Ltd (now Alma Metals Ltd) and Exco Resources Ltd.

Mr Cooke holds a first-class honours degree in Geology and a bachelor's degree in Science from the University of Western Australia and is a member of the Australian Institute of Geoscientists.

<i>Other current directorships</i>	<i>Former directorships in the last three years</i>	<i>Interests in shares and options</i>
Alma Metals Limited	Anova Metals Limited	19,888,053 ordinary shares
Caravel Minerals Limited		
EVE Health Group Limited		

Mr Gregory Fry | Non-Executive Director (resigned 14 December 2021)

Mr Fry has more than 20 years corporate experience in the mining and resources industry, specialising in accounting, management, business development and general corporate activities. He has vast experience in project evaluation and development, project funding, management, finance and operations. Over the past 15 years, Mr Fry has been a Director of several private and public companies with activities ranging from funds management, minerals exploration, mining and quarrying.

<i>Other current directorships</i>	<i>Former directorships in the last three years</i>	<i>Interests in shares and options</i>
EVE Health Group Limited	Alma Metals Limited	5,881,196 ordinary shares ¹
	Anova Metals Limited	

Mr Steven Jackson BEc CPA | Non-Executive Director (resigned 14 December 2021) and Company Secretary

Mr Jackson has over 10 years experience in company secretarial, advisory and financial management services to listed and unlisted public and private companies.

Mr Jackson has experience in company secretarial services, including capital raising, compliance, corporate governance and is also a qualified CPA responsible for financial reporting and processes.

Mr Jackson has acted as Company Secretary and CFO for a number of ASX listed companies, primarily in the mineral exploration sector.

<i>Other current directorships</i>	<i>Former directorships in the last three years</i>	<i>Interests in shares and options</i>
-	-	2,035,407 ordinary shares ¹

¹ Number of shares held at date of resignation as director.

Review of Operations

Aurora Energy Metals is an Australian company focused on the exploration and development of its Aurora Energy Metals Project in Oregon, USA. The Project hosts a defined uranium resource and is prospective for lithium.

In the year, the Company completed an Initial Public Offering of the ASX.

Remuneration Report – Audited

This Remuneration Report outlines the remuneration arrangements which were in place during the year and remain in place as at the date of this report, for the key management personnel of the Group. During the year the Company's Directors were the only key management personnel of the Group.

DIRECTORS' REPORT

FOR THE YEAR ENDING 30 JUNE 2022

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

Principles of compensation

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders and conforms with market practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation;
- transparency; and
- capital management.

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

Alignment to shareholders' interests:

- has economic profit as a core component of plan design;
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracts and retains high calibre executives.

Alignment to program participants' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives. As executives gain seniority with the Company, the balance of this mix shifts to a higher proportion of "at risk" reward. Currently no remuneration consultants are used by the Company in formulating remuneration policies.

Role of the Remuneration Committee

The Remuneration Committee role has not been separately established and currently the functions of the committee are handled by the Board as a whole. Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company, this includes being primarily responsible for:

- Non-Executive Director Fees;
- Remuneration levels of the Managing Director and other key management personnel;
- The over-arching executive remuneration framework and operation of the incentive plan; and
- Key performance indicators and performance hurdles for the executive team.

Non-Executive Directors

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Chairman's fees are determined independently to the fees of Non-Executive Directors based on comparative roles in the external market.

On appointment to the Board, all Non-Executive Directors enter into an agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of Director. The current base remuneration including superannuation for Non-Executive Directors is summarised below and is effective since 1 December 2021. Prior to this date, all Directors were entitled to a base fee of \$500 per month.

DIRECTORS' REPORT

FOR THE YEAR ENDING 30 JUNE 2022

Position	Annual fees (Inclusive of superannuation)
Chairman	75,000
Member	45,000

Executive pay

An executive's total remuneration comprises base pay and benefits, including superannuation, and long-term incentive through participation in the Aurora Energy Metals Employee Incentive Plan.

Base pay

Base pay is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executive's discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion. There are no guaranteed base pay increases included in any executives' contracts.

Long-term incentives

Long-term incentives are provided to certain Non-Executive Directors and executives under the Aurora Energy Metals Employee Incentive Plan.

Share trading policy

The trading of shares issued to participants under the Company's employee option plan is subject to, and conditional upon, compliance with the Company's employee share trading policy. Executives are prohibited from entering into and hedging arrangements over unvested options under the Company's employee option plan. The Company would consider a breach of this policy as gross misconduct which may lead to disciplinary action and potential dismissal.

Service contracts

On appointment to the Board, all Non-Executive Directors enter into an agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of Director.

The Company currently has the following executive agreement in place:

Gregory Cochran – Managing Director / CEO:

Base salary: \$275,000 plus superannuation

Term: On-going, with remuneration reviewed every twelve months

Termination benefit: Without notice for serious misconduct, in all other circumstances three months base salary

Director and Key Management Personnel remuneration

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

DIRECTORS' REPORT

FOR THE YEAR ENDING 30 JUNE 2022

Key management personnel of the Company

	Cash salary	Superannuation	Annual leave	Share based payments	Total	Performance based
	\$	\$	\$	\$	\$	%
2022						
Non-Executive Directors						
Peter Lester ¹	36,932	3,693	-	-	40,625	-
Alasdair Cooke	34,250	-	-	2,750	37,000	-
Gregory Fry ²	-	-	-	2,750	2,750	-
Steven Jackson ²	-	-	-	2,500	2,500	-
Total non-executive director remuneration	71,182	3,693	-	8,000	82,875	-
Executive Directors						
Gregory Cochran ³	160,416	16,042	11,265	109,277	297,000	37%
Total executive directors and other KMPs	160,416	16,042	11,265	109,277	297,000	37%
Total KMP remuneration expensed	231,598	19,735	11,265	117,277	379,875	29%
2021						
Non-Executive Directors						
Alasdair Cooke	-	-	-	17,600	17,600	-
Gregory Fry	-	-	-	17,600	17,600	-
Steven Jackson	-	-	-	16,000	16,000	-
Total non-executive director remuneration	-	-	-	51,200	51,200	-
Total KMP remuneration expensed	-	-	-	51,200	51,200	-

¹ Peter Lester was appointed as Non-Executive Chairman effective 14 December 2021.

² Gregory Fry and Steven Jackson resigned as Non-Executive Director effective 14 December 2021.

³ Gregory Cochran was appointed as Managing Director / CEO effective 1 December 2021.

Directors may participate in the Company's Employee Incentive Plan under which they will be offered equity incentives as performance-based remuneration.

Share-based compensation

Options

Options in the Company are granted under the Aurora Energy Metals Employee Incentive Plan. The Employee Incentive Plan is designed to provide long-term incentives for Directors and key management personnel 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 any guaranteed benefits.

Options are granted under the plan for no consideration. Options granted under the plan carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share.

Options were issued prior to the Company completing its listing on the ASX and were issued under an exception in Chapter 2E of the Corporation's Act without shareholder approval.

During the year, a series of options were issued to Gregory Cochran, which are summarised below:

DIRECTORS' REPORT

FOR THE YEAR ENDING 30 JUNE 2022

OPTIONS	Tranche A	Tranche B	Tranche C	Tranche D	Tranche E	Tranche F
Number of options	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Grant date	01-Dec-21	01-Dec-21	01-Dec-21	01-Dec-21	01-Dec-21	01-Dec-21
Issue price	-	-	-	-	-	-
Expiry date	30-Nov-25	30-Nov-25	30-Nov-25	30-Nov-25	30-Nov-25	30-Nov-25
Share price (cents)	10.57	10.57	10.57	10.57	10.57	10.57
Exercise price (cents)	20.00	20.00	20.00	20.00	20.00	20.00
Expected volatility	120%	120%	120%	120%	120%	120%
Option life (years)	4	4	4	4	4	4
Dividend yield	0%	0%	0%	0%	0%	0%
Risk-free interest rate	1.635%	1.635%	1.635%	1.635%	1.635%	1.635%
Fair value per option (cents)	7.38	7.38	7.38	7.30	7.13	6.93
Value per tranche \$	73,849	73,849	73,849	73,031	71,326	69,302
Vesting conditions	12 months continuous service	24 months continuous service	36 months continuous service	40c share price or higher for 10 consecutive days and 12 months continuous service	60c share price or higher for 10 consecutive days and 12 months continuous service	80c share price or higher for 10 consecutive days and 12 months continuous service

The value of options is expensed over the vesting period of the option, during the year \$109,277 was expensed (2021: nil).

Shares in lieu of remuneration

The Company has issued ordinary shares in consideration for accrued director fees in the current year valued at \$8,000 (2021: \$51,200). Shares were issued prior to the Company completing its listing on the ASX and were issued under an exception in Chapter 2E of the Corporation's Act without shareholder approval.

The number of securities and the fair value on the issue date is detailed below:

	1 December 2021		10 May 2021	
	Shares received	Value of shares received	Shares received	Value of shares received
Alasdair Cooke	26,022	2,750	733,333	17,600
Gregory Fry	26,022	2,750	733,333	17,600
Steven Jackson	23,656	2,500	666,667	16,000
	75,700	8,000	2,133,333	51,200

Equity instruments held by key management personnel

Share holdings

	Balance at 1/07/2021	Acquisitions	Issued as remuneration	Balance at 30/06/2022
Non-Executive Directors				
Peter Lester ¹	-	100,000	-	100,000
Alasdair Cooke	19,541,705	320,326	26,022	19,888,053
Gregory Fry ²	5,665,923	189,251	26,022	5,881,196
Steven Jackson ²	1,822,500	189,251	23,656	2,035,407
Total non-executive director remuneration	27,030,128	798,828	75,700	27,904,656
Executive Directors				
Gregory Cochran ³	-	801,564	-	801,564
Total executive directors and other KMPs	27,030,128	1,600,391	75,700	28,706,220

¹ Peter Lester was appointed as Non-Executive Chairman effective 14 December 2021.

² Gregory Fry and Steven Jackson resigned as Non-Executive Director effective 14 December 2021.

³ Gregory Cochran was appointed as Managing Director / CEO effective 1 December 2021.

DIRECTORS' REPORT

FOR THE YEAR ENDING 30 JUNE 2022

Options holdings

	Balance at 1/07/2021		Balance at 30/06/2022		Vested and Unvested	
	Issued	Exercised	Issued	Exercised	exercisable	Unvested
Non-Executive Directors						
Peter Lester ¹	-	-	-	-	-	-
Alasdair Cooke	-	-	-	-	-	-
Gregory Fry ²	-	-	-	-	-	-
Steven Jackson ²	-	-	-	-	-	-
Total non-executive director remuneration	-	-	-	-	-	-
Executive Directors						
Gregory Cochran ³	6,000,000	-	6,000,000	-	6,000,000	6,000,000
Total executive directors and other KMPs	6,000,000	-	6,000,000	-	6,000,000	6,000,000

¹ Peter Lester was appointed as Non-Executive Chairman effective 14 December 2021.

² Gregory Fry and Steven Jackson resigned as Non-Executive Director effective 14 December 2021.

³ Gregory Cochran was appointed as Managing Director / CEO effective 1 December 2021.

Loans to key management personnel

There were no loans made to key management personnel during the year ended 30 June 2022 (2021: nil).

Other transactions with related parties

The terms and conditions of the transactions with Directors, key executives and associates and their related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director related entities on an arm's length basis.

	Charges from:		Charges to:	
	2022 \$	2021 \$	2022 \$	2021 \$
Mitchell River Group Pty Ltd¹				
Provision of a serviced office and admin staff	88,278	90,628	-	-
Glenlaren Pty Ltd²				
Recharge of storage space	-	774	-	-

¹ Mitchell River Group is a company associated with Messrs Cooke and Fry.

² Glenlaren is a company associated with Mr Cooke.

Assets and liabilities arising from the above transactions

	2022 \$	2021 \$
Trade creditors	14,916	1,524

This is the end of the audited remuneration report.

Principal Activities

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

There were no significant changes in the nature of the Group's principal activities during the financial year.

DIRECTORS' REPORT

FOR THE YEAR ENDING 30 JUNE 2022

Operating Results

The operating loss of the Group attributable to equity holders of the Company for the year ended 30 June 2022 amounted to \$1,914,296 (2021: \$205,763).

Gain / Loss per Share

The basic loss per share for the Group for the year was 1.84 cents per share (2021: 0.24 cents per share).

Dividends Paid or Recommended

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

Events Since the End of the Financial Year

There are no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely Developments and Expected Results of Operations

The Group will continue pursue activities on its project in order to maximise shareholder returns.

Significant Changes in State of Affairs

In the opinion of the Directors, other than stated under Review of Operations, and Events Since the End of the Financial Year, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review and subsequent to the financial year end.

Corporate Governance Statement

The Company's Corporate Governance Statement for the year ended 30 June 2022 can be accessed from the Company's website at www.auroraenergymetals.com/corporate-governance.

Environmental Regulations

The Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes there are adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply.

The Group is not subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007.

Share Options/Rights

As at the date of this report, the following unlisted options were on issue:

Number of Options	Exercise Price (cents)	Expiry Date
6,000,000	20	30-Nov-25
2,852,220	30	11-May-25

DIRECTORS' REPORT

FOR THE YEAR ENDING 30 JUNE 2022

Non-Audit Services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 16 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 16 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

	2022 \$	2021 \$
Audit services – BDO Audit (WA) Pty Ltd Audit or review of the financial statements	43,474	8,153
Other services – BDO Corporate Finance (WA) Pty Ltd Preparation of the Independent Limited Assurance Report	15,450	-
	58,924	8,153

Auditors Independence Declaration under Section 307c of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 42 and forms part of the Directors' Report for the year ended 30 June 2022.

Indemnifying Officers

The Group has paid insurance premiums in respect of Directors' and officers' liability, legal expenses and insurance contracts, for current Directors and Executives of the Group.

On behalf of the Board of Aurora Energy Metals Limited

Dated at Perth this 30 September 2022.

Signed in accordance with a resolution of the Directors.



Gregory Cochran
Managing Director

DIRECTORS' DECLARATION

FOR THE YEAR ENDING 30 JUNE 2022

AURORA ENERGY METALS AND ITS CONTROLLED ENTITIES

The Directors of the Company declare that:

- 1 The financial statements, comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and accompanying notes, are in accordance with the Corporations Act 2001; and
 - (a) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Consolidated Entity.
- 2 In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- 3 In the Directors' opinion, the financial statements and notes are prepared in compliance with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board, as described in Note 1(a).
- 4 The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:



Gregory Cochran
Managing Director

Perth
30 September 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDING 30 JUNE 2022

	<i>Note</i>	2022 \$	2021 \$
Professional fees	3	(277,786)	(52,151)
Employee benefit expense	3	(273,988)	-
Exploration expenditure		(535,785)	(30,797)
Fair value gain / (loss) on financial assets at fair value through profit or loss		-	16,250
Share based payments expense	9	(477,213)	(51,200)
Other expenses	3	(349,524)	(87,865)
Loss before income tax		(1,914,296)	(205,763)
Income tax benefit / (expense)	10	-	-
Loss after income tax for the year		(1,914,296)	(205,763)
Loss is attributable to:			
Equity holders of the Company		(1,914,296)	(205,763)
Loss for the year		(1,914,296)	(205,763)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation reserve		(5,357)	(1,108)
Total other comprehensive loss for the year		(5,357)	(1,108)
Total comprehensive loss for the year		(1,919,653)	(206,871)
Loss per share for loss attributable to the ordinary equity holders of the Company:			
Basic and diluted earnings / (loss) per share (cents per share)	17	(1.84)	(0.24)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT ENDING 30 JUNE 2022

	<i>Note</i>	2022 \$	2021 \$
Assets			
<i>Current assets</i>			
Cash and cash equivalents	4	7,317,279	79,059
Trade and other receivables	5	66,199	46,916
Total current assets		7,383,478	125,975
<i>Non-current Assets</i>			
Plant and equipment		2,376	-
Total non-current assets		2,376	-
Total assets		7,385,854	125,975
Liabilities			
<i>Current Liabilities</i>			
Trade and other payables	6	292,041	17,123
Total current liabilities		292,041	17,123
Total liabilities		292,041	17,123
Net assets		7,093,813	108,852
Equity			
Issued capital	8	11,496,079	3,068,678
Reserves		482,611	10,755
Accumulated losses		(4,884,877)	(2,970,581)
Total equity attributable to shareholders of the Company		7,093,813	108,852

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDING 30 JUNE 2022

	Contributed equity	Accumulated losses	Share-based payments reserve	Foreign currency translation reserve	Total equity
	\$	\$	\$	\$	\$
Total equity at 1 July 2021	3,068,678	(2,970,581)	-	10,755	108,852
Loss for the year	-	(1,914,296)	-	-	(1,914,296)
Foreign currency translation	-	-	-	(5,357)	(5,357)
Total comprehensive loss for the year	-	(1,914,296)	-	(5,357)	(1,919,653)
Transactions with owners in their capacity as owners:					
Share issue net of issue costs (see note 8)	8,427,401	-	-	-	8,427,401
Share based payments	-	-	477,213	-	477,213
	8,427,401	-	477,213	-	8,904,614
Total equity at 30 June 2022	11,496,079	(4,884,877)	477,213	5,398	7,093,813

	Contributed equity	Accumulated losses	Share-based payments reserve	Foreign currency translation reserve	Total equity
	\$	\$	\$	\$	\$
Total equity at 1 July 2020	2,806,478	(2,764,818)	-	11,863	53,523
Loss for the year	-	(205,763)	-	-	(205,763)
Foreign currency translation	-	-	-	(1,108)	(1,108)
Total comprehensive loss for the year	-	(205,763)	-	(1,108)	(206,871)
Transactions with owners in their capacity as owners:					
Share issue net of issue costs (see note 8)	262,200	-	-	-	262,200
Share based payments	-	-	-	-	-
	262,200	-	-	-	262,200
Total equity at 30 June 2021	3,068,678	(2,970,581)	-	10,755	108,852

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 30 JUNE 2022

	<i>Note</i>	2022 \$	2021 \$
Cash flows from operating activities			
Cash paid to suppliers and employees		(757,792)	(180,588)
Payment for exploration and evaluation expenditure		(415,154)	(30,797)
Net cash used in operating activities	4	(1,172,946)	(211,385)
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,878)	-
Net cash used in investing activities		(2,878)	-
Cash flows from financing activities			
Proceeds from the issue of share capital		8,801,500	-
Payment for share issue costs		(392,099)	-
Sale of listed investments		-	52,395
Borrowings	7	10,000	200,000
Net cash provided by financing activities		8,419,401	252,395
Net increase in cash and cash equivalents		7,243,577	41,010
Cash and cash equivalents at beginning of year			
Effect of exchange rates on cash holdings in foreign currencies		79,059	39,157
		(5,357)	(1,108)
Cash and cash equivalents at 30 June	4	7,317,279	79,059

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIALS

FOR THE YEAR ENDING 30 JUNE 2022

1. Basis of preparation

a) Statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Interpretations) adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The financial report of the Company also complies with International Financial Reporting Standards ('IFRS') and interpretations as issued by the International Accounting Standards Board. Aurora Energy Metals Ltd is a for-profit entity for the purpose of preparing the financial statements.

b) New and amended standards adopted by the Group

There are no standard, interpretations or amendments to existing standards, issued by the Australian Accounting Standards Board ('AASB') that are effective for the first time for the financial year beginning 1 July 2021 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

c) Basis of measurement

The financial report is prepared on the historical cost basis, as modified by the revaluation of financial assets at fair value through the profit or loss.

d) Functional and presentation currency

The financial statements are presented in Australian dollars which is also the functional currency of the parent company. The Company's subsidiary has a United States dollars functional currency. For presentation purposes, the financial statements of the subsidiary is translated to Australian dollars at the closing rate on reporting date. Profit or loss items are translated on the prevailing rate on the date of transaction.

e) Use of significant estimates and judgments

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 5 – Trade and other receivables – The Group assesses loss allowances for trade and other receivables based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.
- Note 9 – Share-based payment arrangements – The Group measures the cost of equity settled share based payments at fair value at the grant date using either the Black-Scholes or Binomial option pricing model taking into account the exercise price, the term of the instrument, the impact of dilution, the share price at grant date, the expected volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the instrument. Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

2. Segment information

The Group operates only in one reportable segment, being exploration. Results are analysed as a whole by the chief operating decision maker. Consequently, revenue, profit net assets and total assets for the operating segment are reflected in this financial report.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIALS

FOR THE YEAR ENDING 30 JUNE 2022

3. Expenses from continuing operations

	2022 \$	2021 \$
Professional fees		
Audit fees	43,474	8,153
Tax consulting services	3,750	3,250
Legal costs	67,175	4,989
Corporate consultants	11,617	10,000
Other professional fees	151,770	25,759
	277,786	52,151
Employee benefit expense		
Wages	191,613	-
Directors fees	82,375	-
	273,988	-
Other expenses		
Corporate costs	142,767	7,309
Premises and insurance	55,624	76,711
Travelling costs	80,720	-
Depreciation	502	-
Other operating expenses	69,911	3,845
	349,524	87,865

4. Cash and cash equivalents

	2022 \$	2021 \$
Cash at bank	7,317,279	79,059
	7,317,279	79,059

Reconciliation of profit or loss after income tax to net cash inflow from operating activities

	2022 \$	2021 \$
Loss for the year	(1,914,296)	(205,763)
<i>Adjustments for:</i>		
Fair value (gain) / loss on listed investments	-	(16,250)
Share based payment expense	477,213	-
Equity settled expenses	8,000	58,000
Depreciation expense	502	-
Operating loss before changes in working capital and provisions	(1,428,581)	(164,013)
(Increase)/decrease in trade and other receivables	(19,283)	(43,755)
(Decrease)/increase in trade and other payables	274,918	(3,617)
Net cash provided by operating activities	(1,172,946)	(211,385)

Cash on hand and in banks and short-term deposits are stated at nominal value. For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within two working days, net of any outstanding bank overdrafts.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIALS

FOR THE YEAR ENDING 30 JUNE 2022

5. Trade and other receivables

	2022 \$	2021 \$
Other receivables	66,199	46,916
	<u>66,199</u>	<u>46,916</u>

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. The carrying amounts of trade and other receivables and trade payables are assumed to approximate their fair values due to their short-term nature.

6. Trade and other payables

	2022 \$	2021 \$
Trade creditors	197,603	2,080
Other payables	94,438	15,043
	<u>292,041</u>	<u>17,123</u>

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group. The amounts are unsecured and are usually payable within 30 days of recognition.

7. Borrowings

	2022 \$	2021 \$
Balance at the beginning of the year	-	-
Drawdowns	10,000	200,000
Conversion to equity	(10,000)	(200,000)
Balance at the end of the year	<u>-</u>	<u>-</u>

During the period, the Company entered into a Loan Agreement with an unrelated party for the provision of a convertible loan facility up to \$100,000. The loan had a nil interest rate and was convertible at the price of the Company's last capital raising. \$10,000 was drawn down in the year and was subsequently converted into equity during the year. In the prior year, the Company entered into a Loan Agreement with an unrelated party for the provision of a convertible loan facility up to \$200,000. The loan had a nil interest rate and was convertible at the price of the Company's last capital raising. \$200,000 was drawn down in the year and was subsequently converted into equity during that year.

8. Contributed equity

	2022 \$	2021 \$
Issued capital	11,888,178	3,068,678
Cost of share issue	(392,099)	-
	<u>11,496,079</u>	<u>3,068,678</u>

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIALS

FOR THE YEAR ENDING 30 JUNE 2022

Ordinary shares

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

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

Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Movement in share capital

2022		Number of shares	Issue price \$ cents	\$
01 Jul 2021	Opening Balance	758,849,327		3,068,678
19 Nov 2021	Placement	15,253,594	1.32	201,500
25 Nov 2021	Placement	1,892,506	1.32	25,000
25 Nov 2021	Conversion of loan	757,002	1.32	10,000
01 Dec 2021	Conversion of accrued fees	605,603	1.32	8,000
24 Jan 2022	Placement	43,527,631	1.32	575,000
09 Feb 2022	Effect of 1-for-8 share consolidation	(718,274,673)	-	-
11 May 2022	Initial public offering	40,000,000	20.00	8,000,000
	Capital raising costs			(392,099)
30 June 2022	Closing balance	<u>142,610,990</u>		<u>11,496,079</u>
2021				
01 Jul 2020	Opening Balance	671,449,326		2,806,478
10 May 2021	Conversion of accrued fees	20,733,334	0.30	62,200
10 May 2021	Conversion of loan	40,000,000	0.30	120,000
03 Jun 2021	Conversion of loan	26,666,667	0.30	80,000
30 June 2021	Closing balance	<u>758,849,327</u>		<u>3,068,678</u>

In the year, the Company entered into borrowings of \$10,000 (2021: \$200,000). Borrowings were converted to equity at 1.32 cents per share on a pre-consolidation basis (10.56 cents on a post-consolidation basis). In 2021 borrowings were converted at 0.3 cents per share on a pre-consolidation basis (2.4 cents on a post consolidation basis), refer to note 7 for further information.

9. Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of a Black-Scholes or Binomial option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIALS

FOR THE YEAR ENDING 30 JUNE 2022

	2022 \$	2021 \$
Employee options (a)	109,277	-
Lead manager options (b)	367,936	-
Shares in lieu (c)	8,000	51,200
	485,213	51,200

a) Employee options

The fair value of the options granted during the year as employee incentive options is \$435,206 (2021: \$nil). The value is calculated based off the following inputs:

OPTIONS	Tranche A	Tranche B	Tranche C	Tranche D	Tranche E	Tranche F
Number of options	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Grant date	01-Dec-21	01-Dec-21	01-Dec-21	01-Dec-21	01-Dec-21	01-Dec-21
Issue price	-	-	-	-	-	-
Expiry date	30-Nov-25	30-Nov-25	30-Nov-25	30-Nov-25	30-Nov-25	30-Nov-25
Share price (cents)	10.57	10.57	10.57	10.57	10.57	10.57
Exercise price (cents)	20.00	20.00	20.00	20.00	20.00	20.00
Expected volatility	120%	120%	120%	120%	120%	120%
Option life (years)	4	4	4	4	4	4
Dividend yield	0%	0%	0%	0%	0%	0%
Risk-free interest rate	1.635%	1.635%	1.635%	1.635%	1.635%	1.635%
Fair value per option (cents)	7.38	7.38	7.38	7.30	7.13	6.93
Value per tranche \$	73,849	73,849	73,849	73,031	71,326	69,302
Vesting conditions	12 months continuous service	24 months continuous service	36 months continuous service	40c share price or higher for 10 consecutive days and 12 months continuous service	60c share price or higher for 10 consecutive days and 12 months continuous service	80c share price or higher for 10 consecutive days and 12 months continuous service

During the year \$109,277 (2021: \$nil) of expense was recorded. The weighted average remaining contractual life of the options outstanding is 3.42 years (2021: nil years).

b) Broker options

In May 2022, the Company issued 2,852,220 broker options to in connection with the Company's Initial Public Offering on the ASX. The fair value of the options was \$367,936 (2021: \$nil). As options vested on issue, the entire \$367,936 (2021: \$nil) was recorded as an expense in the period. The fair value of services received was unable to be measured reliably and consequently the fair value of instruments granted has been determined to reflect the value of services received.

The value is calculated based off the following inputs:

OPTIONS	Tranche G
Number of options	2,852,220
Grant date	11-May-22
Issue price	-
Expiry date	10-May-25
Share price (cents)	20.00
Exercise price (cents)	30.00
Expected volatility	120%
Option life (years)	3
Dividend yield	0%
Risk-free interest rate	1.840%
Fair value per option (cents)	12.90
Value per tranche \$	367,936
Vesting conditions	Vest on issue

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIALS

FOR THE YEAR ENDING 30 JUNE 2022

The weighted average remaining contractual life of the options outstanding is 2.86 years (2021: nil years).

c) Shares in lieu

On 10 May 2021, the Company issued ordinary shares in consideration for accrued director fees.

The number of securities (on a post-consolidation basis) and the fair value on the grant date is detailed below:

	1 December 2021		10 May 2021	
	Shares received	Value of shares received	Shares received	Value of shares received
Alasdair Cooke	26,022	2,750	733,333	17,600
Gregory Fry	26,022	2,750	733,333	17,600
Steven Jackson	23,656	2,500	666,667	16,000
	75,700	8,000	2,133,333	51,200

Detailed remuneration disclosures are provided in the remuneration report on pages 16 - 21.

10. Income taxes

	2022 \$	2021 \$
Income tax expense / (benefit):		
Current tax	-	-
Deferred tax	-	-
	-	-
Reconciliation of income tax expense/ (benefit) to prima facie income tax payable / (refundable):		
Loss before income tax	(1,914,296)	(205,763)
Prima facie income tax at 25% (2021: 26%)	(478,574)	(53,498)
Tax effect of permanent differences	148,400	-
	(330,174)	(53,498)
Difference in overseas tax rates	(28,895)	(1,587)
Movement in temporary differences	(5,740)	(4,379)
Effect of tax loss not recognised as deferred tax assets	364,809	59,464
Impact of reduction in future domestic corporate tax rates	-	-
Income tax expense / (benefit)	-	-
Unrecognised net deferred tax assets (Domestic @ 25% & Foreign @ 30%):		
Losses - revenue (Domestic)	273,929	82,486
Losses - capital (Domestic)	51,371	51,371
Losses - revenue (Foreign)	3,052,874	669,470
Losses - capital (Foreign)	-	35,093
Business Related Costs	39,210	-
Provisions, accruals and other	10,065	3,050
	3,427,449	841,470
Unrecognised net deferred tax liabilities (Domestic @ 25% & Foreign @ 30%):		
Prepayments (Domestic)	5,357	867
	5,357	867

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIALS

FOR THE YEAR ENDING 30 JUNE 2022

The tax benefits of the above deferred tax assets will only be obtained if:

- a) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- b) the consolidated entity continues to comply with the conditions for deductibility imposed by law; and
- c) no changes in income tax legislation adversely affect the consolidated entity from utilising the benefits.

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

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

11. Financial risk management

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

Risk management is carried out by the Company's CEO and financial controller under policies approved by the Board of Directors.

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis (see table below) and cash flow forecasting.

The Group's risk management policy is to form a natural hedge to foreign exchange fluctuations by holding funds in the currency the costs are forecast to be expended in.

The Group's exposure to foreign currency risk at the end of the reporting year, was:

	2022 \$	2021 \$
Trade receivables	16,626	29,748
Trade payables	112,315	4,806

If the United States dollar had been 10% higher or lower at the reporting date the following adjustments would be required to carrying values:

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIALS

FOR THE YEAR ENDING 30 JUNE 2022

	Carrying amount	-10% Profit \$	Equity \$	10% Profit \$	Equity \$
30 June 2022					
Financial assets					
Cash	37,285	-	(3,729)	-	3,729
Trade receivables	16,626	-	(1,663)	-	1,663
Financial liabilities					
Trade payables	112,315	-	11,232	-	(11,232)

	Carrying amount	-10% Profit \$	Equity \$	10% Profit \$	Equity \$
30 June 2021					
Financial assets					
Cash	2,255	-	226	-	(226)
Trade receivables	-	-	-	-	-
Financial liabilities					
Trade payables	4,806	-	(481)	-	481

Interest rate risk

The Group does not have significant interest-bearing assets; therefore, a percentage change in interest rates would not have a material impact on the results.

Credit risk

The carrying amount of cash and cash equivalents, financial assets, trade and other receivables (excluding prepayments), represent the Group's maximum exposure to credit risk in relation to financial assets.

Cash and short term liquid investment are placed with reputable banks, so no significant credit risk is expected.

The Group does not have any material exposure to any single debtor or group of debtors, so no significant credit risk is expected.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit rates:

	2022 \$	2021 \$
Cash and cash equivalents A-1+	7,279,994	76,804
Cash and cash equivalents A-1	37,285	2,255
	7,317,279	79,059

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties. Surplus funds are only invested in instruments that are tradeable in highly liquid markets.

The table below analyses the Group's financial liabilities into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIALS

FOR THE YEAR ENDING 30 JUNE 2022

Contractual maturities of financial liabilities

2022	Less than 6 months	6 - 12 months	Total contractual cash flows
Trade and other payables	292,041	-	292,041
	292,041	-	292,041
2021			
Trade and other payables	17,123	-	17,123
	17,123	-	17,123

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

12. Contingent assets and liabilities

There were no contingent liabilities or contingent assets at 30 June 2022.

13. Capital and other commitments

The Group was required to pay \$94,631 in August 2022 for the on-going renewal of claims at the Company's Aurora Energy Metals Project. The Group will be required to pay a similar amount in August 2023 and in further years should it wish to retain the existing claims.

There were no other commitments at 30 June 2022.

14. Events occurring after reporting date

There are no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

15. Related parties

a) Parent entity

The parent entity of the Group is Aurora Energy Metals Limited (formerly Aurora Uranium Limited) and is incorporated in Australia.

b) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described under note 19(a).

	Country of incorporation	Equity holding 30-Jun-22 %	Equity holding 30-Jun-21 %
Direct subsidiaries of the parent			
Oregon Energy LLC	USA	100	100

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIALS

FOR THE YEAR ENDING 30 JUNE 2022

c) Key management personnel compensation

The totals of remuneration accrued to key management personnel of the Company and the Group during the year are as follows:

	2022 \$	2021 \$
Short-term employee benefits	242,863	51,200
Post-employment benefits	19,735	-
Equity compensation benefits	117,277	-
	379,875	51,200

d) Loans to key management personnel

There were no loans made to key management personnel during the year ended 30 June 2022 (2021: nil).

e) Other transactions with related parties

The terms and conditions of the transactions with Directors, key executives and associates and their related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director related entities on an arm's length basis.

	Charges from:		Charges to:	
	2022 \$	2021 \$	2022 \$	2021 \$
Mitchell River Group Pty Ltd¹	88,278	90,628	-	-
Provision of a serviced office and admin staff				
Glenlaren Pty Ltd²	-	774		
Recharge of storage space				

¹ Mitchell River Group is a company associated with Messrs Cooke and Fry.

² Glenlaren is a company associated with Mr Cooke.

f) Assets and liabilities arising from the above transactions

	2022 \$	2021 \$
Trade creditors	14,916	1,524

16. Remuneration of auditor

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

	2022 \$	2021 \$
Audit services – BDO Audit (WA) Pty Ltd		
Audit or review of the financial statements	43,474	8,153
Other services – BDO Corporate Finance (WA) Pty Ltd		
Preparation of the Independent Limited Assurance Report	15,450	-
	58,924	8,153

17. Earnings / loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary shareholders of \$1,914,296 (2021: \$205,763) and a weighted average number of ordinary shares outstanding during the financial year of 104,107,017 (2021: 85,242,086 on a post-consolidation basis) calculated as follows:

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIALS

FOR THE YEAR ENDING 30 JUNE 2022

	2022	2021 Restated
	\$	\$
<i>Profit / (loss) attributable to ordinary shareholders</i>		
Profit / (loss) for the year	(1,914,296)	(205,763)
Profit / (loss) attributable to ordinary shareholders	(1,914,296)	(205,763)
<i>Basic profit / (loss) per share</i>		
Basic loss per share (cents per share)	(1.84)	(0.24)
<i>Diluted profit / (loss) per share</i>		
Diluted profit / (loss) per share (cents per share)	n/a	n/a
	2022	2021
Weighted average number of shares	104,107,017	85,242,086
Options	-	-
Weighted average number of shares diluted EPS	104,107,017	85,242,086

Basic profit / loss per share

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

Diluted profit / loss per share

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

18. Parent company disclosures

	2022	2021
	\$	\$
Current assets	7,271,162	93,972
Non-current assets	3,683	27,197
Total assets	7,274,845	121,169
Current liabilities	179,726	12,317
Total liabilities	179,726	12,317
Contributed equity	11,496,079	3,068,678
Reserves	477,213	-
Accumulated losses	(4,878,170)	(2,959,826)
Total equity	7,095,122	108,852
Loss for the year	(1,918,343)	(206,873)
Other comprehensive income / (loss) for the year	-	-
Total comprehensive loss for the year	(1,918,343)	(206,873)

There were no commitments, contingent liabilities or contingent assets at the parent level at 30 June 2022.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIALS

FOR THE YEAR ENDING 30 JUNE 2022

19. Significant accounting policies

a) Basis of consolidation

i. Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of a controlled entity of Aurora Energy Metals Limited ("Company" or "Parent Company") as at 30 June 2022 and the results of the controlled entity for the year then ended. Aurora Energy Metals Limited and its controlled entity together are referred to in this financial statement as the Group or the Consolidated Entity.

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

ii. Transactions eliminated on consolidation

Intragroup balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

b) Foreign currency translation

i. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in the foreign currencies at the reporting date are translated to the functional currency at the foreign exchange ruling at that date. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Foreign exchange differences arising on the translation of monetary items are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

iii. Group Companies

The functional currency of the Company is Australian dollars and foreign operations in the Group have a functional currency of US Dollars.

The financial results and position of operations with a functional currency different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at exchange rates prevailing at the reporting date; and
- Income and expenses are translated at the exchange rates prevailing at the date of transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the Statement of Financial Position. These differences are recognised in the Statement of Profit or Loss and Other Comprehensive Income in the year the operation is disposed.

c) Impairment of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIALS

FOR THE YEAR ENDING 30 JUNE 2022

greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

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.

d) Financial assets

The Group classifies its investments in the following categories: financial assets at cost, financial assets at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

i. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in the category if it is held principally for the purpose of selling in the short term. Assets in the category are classified as current assets.

ii. Impairment

The Group assesses at the end of each reporting year whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

e) Exploration and evaluation costs

Exploration and evaluation costs, including the costs of acquiring licences, are recognised in the profit or loss.

f) Goods and services tax

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; and
- 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 Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

g) Comparative figures

Prior year comparatives are for the year from 1 July 2020 to 30 June 2021.

h) New standards and interpretations not yet adopted

Australian Accounting Standards and Interpretations that have been recently issued or amended but are not yet effective have not been adopted by the Company for the annual reporting period ended 30 June 2022.

AUDITOR'S INDEPENDENCE DECLARATION

FOR THE YEAR ENDING 30 JUNE 2022



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF AURORA ENERGY METALS LIMITED

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

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

This declaration is in respect of Aurora Energy Metals Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'J Prue', is written in a cursive style.

Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth
30 September 2022

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDING 30 JUNE 2022



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Aurora Energy Metals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Aurora Energy Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation



Key audit matters

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

Accounting for Share Based Payments

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>During the year, the Group issued options to consultants and key management personnel as disclosed in Note 9, which have been accounted for as share-based payments.</p> <p>Share-based payments are a complex accounting area and due to the complex and judgemental estimates used in determining the fair value of the share-based payment, we consider it to be a key audit matter.</p>	<p>Our procedures in respect of this area included but were not limited to the following:</p> <ul style="list-style-type: none"> • Reviewing relevant supporting documentation to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements; • Holding discussions with management to understand the share-based payment transactions in place; • Reviewing management’s determination of the fair value of the share-based payments granted, considering the appropriateness of the valuation models used and assessing the valuation inputs; • Involving our valuation specialists, to assess the reasonableness of management’s valuation inputs in respect of volatility; • Assessing the allocation of the share-based payment expense over the relevant vesting period; and • Assessing the adequacy of the related disclosures in Note 9 to the Financial Statements.



Other information

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

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

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

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

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

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

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

This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDING 30 JUNE 2022



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 21 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Aurora Energy Metals Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

BDO Audit (WA) Pty Ltd

BDO
A handwritten signature in black ink, appearing to read 'J Prue', is written over the BDO logo.

Jarrad Prue

Director

Perth

30 September 2022

ASX ADDITIONAL INFORMATION

FOR THE YEAR ENDING 30 JUNE 2022

1. Exchange listing

Aurora Energy Metals Limited shares are listed on the Australian Securities Exchange. The Company's ASX code is 1AE.

2. Substantial shareholders (holding not less than 5%)

The following substantial shareholders have lodged relevant disclosures with the Company.

Name of Shareholder	Number of shares held
MR ALASDAIR COOKE	19,888,053
PARADICE INVESTMENT MANAGEMENT PTY LTD	11,399,031
TERRA METALLICA NOMINEES PTY LTD <TERRA METALLICA A/C>	10,836,353
MR LAURITZ BARNES	10,113,769
MR DANIEL DAVIS	9,150,543

3. Class of shares and voting rights

At 31 August 2022, there were 1,817 holders of 142,610,990 ordinary fully paid shares of the Company. The voting rights attaching to the ordinary shares are in accordance with the Company's Constitution being that:

- each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid Share held by them, or in respect of which they are appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares, shall, have such number of votes as bears the proportion which the paid amount (not credited) is of the total amounts paid and payable (excluding amounts credited).

4. Distribution of shareholders

Range	Securities	Number of holders	% IC
100,001 and Over	116,346,266	162	8.92
10,001 to 100,000	23,162,634	590	32.47
5,001 to 10,000	1,527,347	206	11.34
1,001 to 5,000	1,470,736	539	29.66
1 to 1,000	104,007	320	17.61
	142,610,990	1,817	100.00
Unmarketable Parcels	251,181	429	0.17

5. Unlisted securities

Securities	Number on issue	Number of holders	Holders with 20% or more	Number held
Unlisted options exercisable at 30 cents on or before 11/05/2025	2,852,220	1	ZENIX NOMINEES PTY LTD	2,852,220
Unlisted options exercisable at 20 cents on or before 30/11/2025	6,000,000	1	n/a	n/a

ASX ADDITIONAL INFORMATION

FOR THE YEAR ENDING 30 JUNE 2022

6. Restricted securities

Shares	Restriction Period	Number held
Escrowed Shares	19 November 2022	762,730
Escrowed Shares	1 December 2022	23,349
Escrowed Shares	24 January 2023	2,557,255
Escrowed Shares	16 May 2023	19,856,808
Options	16 May 2023	8,852,220

7. Use of funds

Since the time of listing on the ASX, the entity has used its cash and assets in a form readily converted to cash that it had at the time of admission to the official list of the ASX in a manner which is consistent with its business objectives.

8. Listing of 20 largest shareholders as at 31 August 2022

Rank	Name	Number of shares held	% IC
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	12,004,042	8.42
2	TERRA METALLICA NOMINEES PTY LTD	8,383,485	5.88
3	MR ALASDAIR CAMPBELL COOKE	7,729,128	5.42
4	MR GREGORY FRY	5,089,227	3.57
5	HARTREE PTY LTD	4,803,341	3.37
6	GLENLAREN PTY LTD	3,541,667	2.48
7	GLENLAREN PTY LTD	3,505,550	2.46
8	MR DONAL PAUL WINDRIM	2,925,082	2.05
9	MR JOHN CAMPBELL SMYTH & DR ANN HOGARTH	2,900,000	2.03
10	CITICORP NOMINEES PTY LIMITED	2,857,610	2.00
11	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	2,563,300	1.80
12	GEARED INVESTMENTS PTY LTD	2,545,230	1.78
13	BNP PARIBAS NOMINEES PTY LTD	2,521,197	1.77
14	PS CONSULTING PTY LTD	2,500,000	1.75
15	UBS NOMINEES PTY LTD	2,500,000	1.75
16	MR STEVEN LUKE JACKSON	2,185,340	1.53
17	MR STACEY RADFORD	2,021,896	1.42
18	MR MIROSLAW JAN MARZEC & MRS BARBARA ANNE WISZNIEWSKI	1,619,081	1.14
19	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	1,466,808	1.03
20	MR BENEDICT JAMES ROHR	1,400,152	0.98
		75,062,136	52.63

9. Buy-back

There is no current on-market buy-back of the Company's securities.



info@auroraenergymetals.com

Suite 1, 245 Churchill Avenue
Subiaco, WA 6008

PO Box 162, Subiaco WA 6904

ASX:1AE

auroraenergymetals.com

ACN 604 406 377

