

TAITON  
— RESOURCES LIMITED

**ABN 41 062 284 084**

**Annual Report 2022**

**DIRECTORS:** Datuk Siak Wei Low  
Noel Kok Jin Ong  
Chee Cheong (David) Low  
Mark Strizek  
Florence Drummond

**COMPANY SECRETARY:** Ian Gregory

**REGISTERED OFFICE:** Level 13, 200 Queen Street  
Melbourne, VIC 3000

Tel: +61 (3) 8648 6431

**AUDITORS:** **William Buck**  
Level 20, 181 William Street,  
Melbourne  
Victoria 3000

**SHARE REGISTRY:** **Automic Group**  
Level 2, 267 St Georges Terrace  
PERTH WA 6000  
Tel: 1300 288 664 (within Australia)  
Int: +61 (2) 96985414

This annual report covers the Group comprising Taiton Resources Limited and its subsidiaries. The functional currency of Taiton Resources Limited and its subsidiaries is Australian Dollars (\$). A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Directors' Report.

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## DIRECTORS' REPORT

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The directors of Taiton Resources Limited (“**Taiton**”, “**Parent Entity**” or “**Company**”) present their report including the consolidated Annual Financial Report of the Company and its controlled entities (“**Group**”) for the year ended 30 June 2022. The Company is a public company limited by shares, incorporated and domiciled in Australia.

### DIRECTORS

The names of the directors of the Company in office at any time during or since the end of the financial year and up to the date of this Annual Financial Report are as follows:

Datuk Siak Wei Low

Noel Kok Jin Ong (appointed 2 December 2021)

David Chee Cheong Low

Mark William Strizek (appointed 23 September 2022)

Florence Athalia Drummond (appointed 23 September 2022)

Peter Ng (resigned 2 December 2021)

Daniel Polette (appointed 24 September 2021 and resigned 2 December 2021)

Aik Hong (Eric) Teo (appointed 24 September 2021 and resigned 2 December 2021)

### PRINCIPAL ACTIVITIES

The Company is an early-stage mineral exploration and development company focused on gold and other commodities within projects located in the South Australia and Western Australia

### OPERATING RESULTS

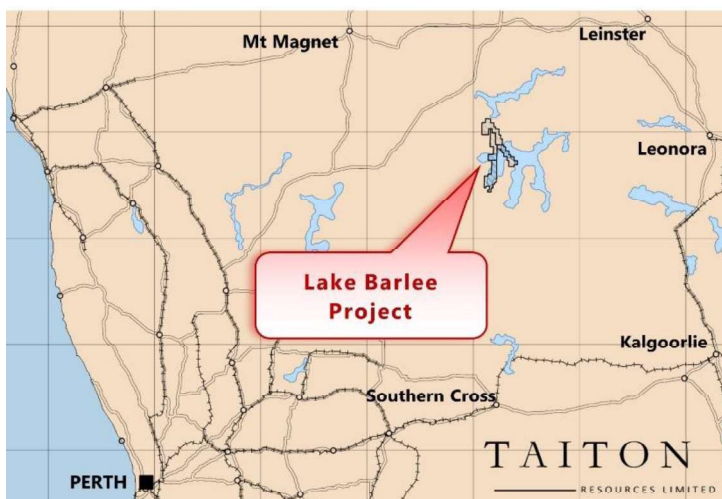
The consolidated operating profit of the Group, after income tax expense, amounted to \$1,229,950 (2021:loss \$484,099). The consolidated operating profit is mainly due to interest and debt waivers from debt restructuring completed during the financial year.

### REVIEW OF OPERATIONS

On 2 January 2021, the Company acquired 100% interest in Lake Barlee Gold Pty Ltd (“**Lake Barlee**”) for total cash consideration of \$100,000 comprising of \$41,492 in respect of the shares in Lake Barlee and \$58,508 debt advanced by the vendors. Lake Barlee holds four large tenements that straddle Lake Barlee, which is located in the Yilgarn and lies approximately 65 km southeast of Youanmi and 293 km north of the mining town of Southern Cross.

The tenements consist of 4 adjoining tenements (E77/2700, E77/2715, E57/1158 and E57/1168) which together total about 668 square kilometres.

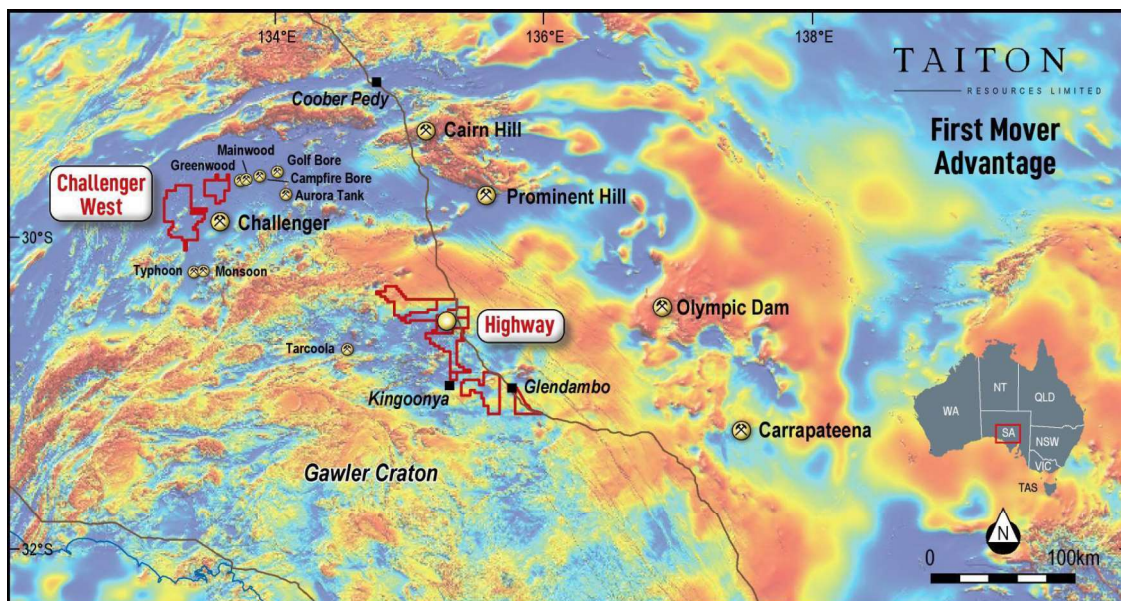
During the year, the Company undertook an airborne electromagnetic survey (EM) during December 2021 and February and March 2022 and the recent EM data interpretation has provided several drill ready targets. The Company has now secured a programme of work from the Western Australian Department of Mines, Industry, Regulation and Safety in relation to a drilling program at the Lake Barlee Project. The Company intend to proceed with the drilling program upon listing on the ASX.



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## DIRECTORS' REPORT

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On 5 June 2021, the Company entered into an agreement to acquire 2 exploration licence applications in South Australia (ELA 2020/00206 and ELA 2021/00013) totalling 1,132 sq km (Highway Project) for a total sum of \$100,000 and the issue of 2,000,000 Shares ("**Highway Project**"). Each of the exploration applications have been granted, being now tenements EL6658 and EL6706, respectively. The acquisition of EL6658 and EL6706 has since completed with the transfer of those tenements to the Company after consent from the South Australian Mining and Energy Minister was obtained. The Company has also applied and been granted 2 additional exploration tenements (EL6784 and EL6857) measuring a total of 1,798 sq km to add to the Highway Project.

In addition to the above Lake Barlee Project and Highway Project, the Company has applied and been granted another exploration licence in South Australia (EL6785) near the Challenger Gold Mine measuring approximately 997 sq km ("**Challenger West Project**").

On 22 October 2021, the shareholders approved amongst following:

- (a) Consolidation of 10 existing shares into 1 share;
- (b) Issuance of 3,775,000 new shares for conversion of \$1,510,000 outstanding loans owing into equity; and
- (c) Issuance of 13,000,000 new shares to management and creditors

With the shareholders' approval, the Company undertook the share consolidation in October 2021. The waivers of the directors and creditors' debts and accrued fees of \$860,636 were completed during the financial year. Further loan interests waiver of \$824,828 from the debt the restructuring and new share issues were completed with the issuance of a total of 16,775,000 new shares in January 2022.

During the period, the Company had drew down additional \$260,000 from the loan facilities with AsiaPacific Businesslink Sdn Bhd, an entity related to Datuk Siak Wei Low for working capital purposes and \$250,000 from Global Bridge Group Ltd. a shareholder of the Company refer to note 8(b) for further details. Taiton's cash-in-bank and cash equivalents as at 30 of June 2022 were \$321,718 (30 June 2021: \$584,848).

The Company has sought and obtained an in-principle advice from the ASX for the proposed listing of Taiton on the ASX. The proposed listing would involve an capital raising of a minimum of \$7,000,000 and a maximum of \$10,000,000 at an issue price of \$0.20 per share.

Taiton is financially supported by loans from a Director, Datuk Siak Wei Low and his related entities amounting to \$1,121,938 as at 30 June 2022 (2021: \$2,855,606), refer to note 8(b) for further details. Datuk Siak Wei Low has given a letter of undertaking to the Company to continue to provide sufficient financial assistance to the Company for next 12 months to continue its operations and fulfil its financial obligations. The entity as at 30 June 2022 remains an unlisted disclosing entity.

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## DIRECTORS' REPORT

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### DIVIDENDS

No dividends have been paid or declared since the start of the financial year. The directors have recommended that no dividend be paid in respect of the year ended 30 June 2022.

### MATERIAL RISKS

The Company, like all companies, faces risks inherent in its business and activities. These risks are both specific to the Company and also relate to general business and economic climate. The Board has adopted a Risk Management Policy whereby the primary objectives of the risk management system at the Company are to ensure:

- (a) all major sources of potential opportunity for and harm to the Company (both existing and potential) are identified, analysed and treated appropriately;
- (b) business decisions throughout the Company appropriately balance the risk and reward trade off;
- (c) regulatory compliance and integrity in reporting are achieved; and
- (d) senior management, the Board and investors understand the risk profile of the Company.

The Board reviews all major strategies and transactions and corporate actions for their impact on the risk facing the Company and makes appropriate recommendations. The Company also undertakes an annual review of operations to update its risk profile. This normally occurs in conjunction with the strategic planning process.

Neither the Directors, the Company nor any person associated with the Company can guarantee the performance of the Company.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year, there were no significant changes to the state of affairs of Taiton other than disclosed above in Review of Operations and Corporate.

### LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company has received the conditional approval from the ASX for the listing on the Official List of the ASX. The Board is in the midst of compiling the relevant documents and confirmations to meet the conditions of the aforesaid letter. Upon listing on the ASX, the Company will resume exploration work on its projects.

### SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to the financial year, the Company signed 3 Deeds of Novation with Third Parties and AsiaPacific Business Link Sdn Bhd (APB) to advance \$50,000 to the Company under the APB loan facilities based on the same terms and conditions. On 23 September 2022, the Company lodged with the ASIC, a prospectus to raise a minimum of \$7,000,000 and up to a maximum of \$10,000,000 for a listing on the ASX ("IPO"). The minimum of \$7,000,000 has been underwritten by Global Bridge Group Limited, a shareholder of the Company, APB, an entity related to Datuk Siak Wei Low and UBB Investment Bank Berhad. The IPO is currently pending the completion of \$7 million minimum capital raising for the issue of 35 million new shares at \$0.20 per share under the Prospectus. The \$1.887 million is currently held in trust whilst the balance of \$5.12 million is pending receipt from the Underwriters. Pursuant to the IPO, the Company will also issue 13.1 million new shares for conversion of debt and 2 million new shares to vendor of the Highway Project. The Company will also issue 3 million options to the Underwriters, up to 3 million broker options to the Lead Manager and up to 3.1 million options to existing shareholders under a priority offer. All the options carry an exercise price of \$0.25 and expires 4 years from the date of issue. The Company will also issue 5.6 million options and 6.0 million performance rights under its Employee Securities Incentive Plan. These options carry an exercise price of \$0.25 and expires 2 years from the date of issue and are subject to escrow for 2 years from date of issue whilst the performance rights expire 5 years from the date of issue. The Company anticipates that it would list on the Official List of the ASX before 22 December 2022.

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## DIRECTORS' REPORT

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### ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's activities are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for the Group to achieve.

Instances of environmental non-compliance by an operation are identified either by internal compliance audits or inspections by relevant government authorities.

There have been no significant known breaches by the Group during the financial year.

### INFORMATION ON DIRECTORS AND EXECUTIVES

#### **DATUK SIAK WEI LOW (AGE 63)**

CHAIRMAN

APPOINTED: 19 SEPTEMBER 2014

#### **Experience and Expertise**

Datuk Siak Wei Low is the Chief Executive Officer of Sepangar Bay Power Corporation Sdn Bhd, an independent power producer company which owns and operates a 100MW gas-fired power plant in Sabah, Malaysia. He is also President of several companies in Indonesia and Laos which are developing hydro power projects in Northern Sumatera and Laos with a total capacity of 1,680 MW.

Datuk Siak Wei Low is a Fellow of CPA Australia and alumni member of Harvard Business School.

#### **Other Current Directorships**

None

#### **Former Directorships in the Last Three Years**

None

#### **Special Responsibilities**

Non-Executive Chairman

#### **NOEL ONG (AGE 53)**

EXECUTIVE DIRECTOR

APPOINTED: 2 DECEMBER 2021

#### **Experience and Expertise**

Noel Ong is a geologist with over 30 years of experience in the resource industry. He has extensive mineral exploration and project management experience in the gold, lithium, iron ore (hematite and magnetite), tantalum and the diamond industry. Since 1992, Noel has worked predominantly in the goldfields of Western Australia, Pilbara iron ore fields and the Northern Territory. He has worked with Ashton Mining, Great Central Mines, and held management roles with API Management, Galaxy Resources, Citic Pacific Mining and Silver Lake Resources. Noel is a member of the AusIMM and the Australian Institute of Geoscientists.

#### **Other Current Directorships**

None

#### **Former Directorships in the Last Three Years**

None

#### **Special Responsibilities**

Executive Director

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## DIRECTORS' REPORT

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### INFORMATION ON DIRECTORS AND EXECUTIVES (CONTINUED)

**CHEE CHEONG (DAVID) LOW (AGE 53)**

EXECUTIVE DIRECTOR

APPOINTED: 2 NOVEMBER 2015

**Experience and Expertise**

David Low is a CPA and was previously an investment banker in Asia for more than 10 years and had advised on various mergers and acquisitions, initial public offerings, fund raising (both debt and equity) and during the Asian Financial Crisis, corporate and debt restructuring

David Low is currently director of JCL Capital Pty Ltd, a boutique corporate advisory house specialising in cross border corporate finance activities and bridging Australia and Asia.

**Other Current Directorships**

None

**Former Directorships in the Last Three Years**

VIP Gloves Ltd (ASX:VIP)

Ennox Group Ltd (ASX:EXO)

**Special Responsibilities**

Executive Director

**MARK STRIZEK (AGE 55)**

NON-EXECUTIVE DIRECTOR

APPOINTED: 23 SEPTEMBER 2022

**Experience and Expertise**

Mark Strizek has more than 25 years' experience in the resource industry having worked as geologist in various gold, base and technology metal projects. Mark has worked as an executive with management and Board responsibilities in exploration, feasibility, finance and development ready assets across Australia, West Africa, Asia and Europe. Notable companies which Mark has worked with includes Kalgoorlie Consolidated Gold Mines, Mines Resources Australia, Hellman & Schofield and Mineralogy.

Mark holds a Bachelor of Science in Geology/Earth Science from Macquarie University and a Post Graduate Certificate in Geostatistic from Edith Cowan University.

**Other Current Directorships**

Executive Director of Tietto Minerals Ltd (ASX:TIE)

**Former Directorships in the Last Three Years**

Managing Director of Vital Metals Limited (ASX:VML)

**Special Responsibilities**

Non-Executive Director

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## DIRECTORS' REPORT

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### INFORMATION ON DIRECTORS AND EXECUTIVES (CONTINUED)

**FLORENCE DRUMMOND (AGE 40)**

NON-EXECUTIVE DIRECTOR

APPOINTED: 23 SEPTEMBER 2022

**Experience and Expertise**

Florence Drummond is the Co-Founder and CEO of Indigenous Women in Mining and Resources Australia (IWIMRA) which works to elevate and empower Aboriginal and Torres Strait Islander women in the resources industry.

She is recognised as one of the most influential women across the women in mining space as an entrepreneur, thought leader, international speaker and industry advisor. She is an exceptional contributor in the area of Indigenous stakeholder engagement and value chain efficiency, specific to the mining and resources industry. Her continued work in trailblazing the network, Indigenous Women in Mining and Resources Australia, as a national body representing Indigenous women's participation in the sector, has organically developed the need of a greater space for community contribution. Launching the fit for purpose NFP agency, PIMARIC (Peoples in Mining and Resources Indigenous Corporation), an entity led by Indigenous people, now holds the space for a digital library and platform for all Indigenous stakeholders in the minerals and extractives industry to connect globally.

Florence serves on a number of Boards, including Tradeswomen Australia, K Farmer Dutjahn Foundation, to name a few, and is active in building the capacity of future leaders to Directorship roles. Her work in the evolving space of ESG, Sustainable Development Goals and United Nations agendas contributes to the holistic principle of global mechanisms with local solutions.

Her continuous involvement in the minerals industry as an advisor and leading the network IWIMRA, has demonstrated her continued support for women and Indigenous people in non-traditional roles. Additional to her consultancy and network building capabilities and reputation, her operational and project experience with Rio Tinto's Northern Operations and BHP's South Flank provides greater perspective on the direction of Indigenous engagement across the scope of the minerals industry.

**Other Current Directorships**

None

**Former Directorships in the Last Three Years**

None

**Special Responsibilities**

Non-Executive Director

**PETER NG (AGE 57)**

NON-EXECUTIVE DIRECTOR

APPOINTED: 1 NOVEMBER 2014 RESIGNED 2 DECEMBER 2021

**Experience and Expertise**

Mr Ng is a solicitor practising law in Melbourne. Prior to entering legal practise, Mr Ng was an Associate Director of a boutique private equity investment house specialising in managing and raising the public profiles of small and emerging companies in the mining and renewable energy sector.

Mr Ng holds a Bachelor of Economics, a Master of Business Administration, a Master of Laws and a graduate Diploma in Legal Practice.

**Other Current Directorships**

VIP Gloves Ltd (ASX:VIP)

**Former Directorships in the Last Three Years**

Nil

**Special Responsibilities**

Non-Executive Director



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## DIRECTORS' REPORT

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### INFORMATION ON DIRECTORS AND EXECUTIVES (CONTINUED)

**DANIEL POLETTE (AGE 53)**

NON-EXECUTIVE DIRECTOR

APPOINTED: 24 SEPTEMBER 2021 RESIGNED 2 DECEMBER 2021

**Experience and Expertise**

Mr Polette has more than 30 years of experience in the mineral resources exploration industry having worked in various roles whereby he was responsible for coordinating on project issues, arranging logistics, sampling, drilling activities, managing all issues related to having an operation, such as accommodations and dealing with the Mines Departments.

**Other Current Directorships**

None

**Former Directorships in the Last Three Years**

Nil

**Special Responsibilities**

Non-Executive Director

**AIK HONG (ERIC) TEO (AGE 55)**

NON-EXECUTIVE DIRECTOR

APPOINTED: 24 SEPTEMBER 2021 RESIGNED 2 DECEMBER 2021

**Experience and Expertise**

Mr Eric Teo has more than 30 years of experience in business development and project management having worked in various companies in the South East Asia Region such as the Salim Group and Wo Kee Hong group in Indonesia. He was also in charge of opening a mining service company in Indonesia and providing Mining Services ranging from project development, planning and design and resource valuation.

**Other Current Directorships**

None

**Former Directorships in the Last Three Years**

Nil

**Special Responsibilities**

Non-Executive Director

"**Other Current Directorships**" quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

"**Former Directorships in The Last Three Years**" quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

**IAN GREGORY B.BUS, FGIA, FCG, MAICD**

COMPANY SECRETARY

APPOINTED: 21 MAY 2009

Ian Gregory has over 30 years' experience in the provision of company secretarial and business administration services to listed and unlisted companies. Companies for which Ian has acted as Company Secretary include Iluka Resources Limited, IBJ Australia Bank Limited and the Griffin Coal Mining Group of companies. He currently consults on secretarial and governance matters to a number of listed and unlisted companies. Ian is a past member and Chairman of the Western Australian Branch Council of Governance Institute of Australia (GIA) and has also served on the National Council of GIA.

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## DIRECTORS' REPORT

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### DIRECTORS' INTERESTS

The directors' interests in the securities of the Company are as follows:

Directors	Balance 30.6.2021	Share Subscription	Issued for Debt Conversion	Share Consolidation	Balance 30.6.2022
Noel Ong	-	4,000,000	-	-	4,000,000
David Low	-	4,088,000	-	-	4,088,000
Datuk Siak Wei Low	11,319,292	-	3,350,000	(10,187,362)	4,481,930
Peter Ng	-	240,000	-	-	240,000
Daniel Polette	-	-	-	-	-
Eric Teo	-	-	-	-	-
	11,319,292	8,328,000	3,350,000	(10,187,362)	12,809,930

### DIRECTORS' MEETINGS

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

	Number eligible to attend	Number attended	Circular Resolutions passed	Total
Datuk Siak Wei Low	1	1	10	11
Noel Ong	-	-	6	6
David Low	1	1	10	11
Peter Ng	1	1	3	4
Daniel Polette	1	1	2	3
Eric Teo	1	1	2	3

Number eligible to attend represents the number of meetings held during the time the director held office.

### COMPENSATION OPTIONS: GRANTED AND VESTED

During the year there were no Options over unissued shares issued by the Company. The shareholders of the Company at a general meeting held on 5 August 2022 approved the issue of 3,800,000 options and 4,000,000 performance rights to directors of the Company. The options are exercisable at \$0.25 and expires 2 years from the date of issue.

### ADDITIONAL INFORMATION

#### Shares Under Option

The Company has no unissued ordinary shares under option at the date of this report.

### PROCEEDINGS ON BEHALF OF THE COMPANY

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

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## DIRECTORS' REPORT

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### INDEMNIFYING AND INSURING DIRECTORS, OFFICERS OR AUDITOR

Directors' and officers' liability insurance and indemnity insurance premiums paid during or since the end of the financial year for any person who is or has been an officer of the Group totalled \$Nil (2021: \$Nil). The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

The auditor is not indemnified under any circumstance.

### NON-AUDIT SERVICES

During the year, non-audit services amounting to \$6,748 were paid to the auditors (2021: \$5,750).

### AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the Corporations Act 2001 section 307C the auditors of the Company, William Buck, have provided a signed Auditor's Independence Declaration to the directors in relation to the year ended 30 June 2022. This declaration has been included on page 12 and forms part of this report.

There are no officers of the Company who were former partners of William Buck (Vic) Pty Ltd.

Signed in accordance with a resolution of the directors.



**Datuk Siak Wei Low**

**Chairman**

7 December 2022

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been:

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

William Buck

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



**N. S. Benbow**  
Director

Melbourne, 7<sup>th</sup> December 2022

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

		Group	
	Note	2022 \$	2021 \$
Interest received		34	63
Interest waiver	8(b)	824,828	-
Debt waiver	8(a)	860,636	-
Other expenses	4	(300,774)	(258,537)
Interest expense		(148,969)	(225,625)
Depreciation		(5,805)	-
<b>PROFIT/(LOSS) BEFORE INCOME TAX (EXPENSE)/BENEFIT</b>		<b>1,229,950</b>	<b>(484,099)</b>
Income tax (expense)/benefit		-	-
<b>PROFIT/(LOSS) AFTER INCOME TAX (EXPENSE)/BENEFIT</b>		<b>1,229,950</b>	<b>(484,099)</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD</b>		<b>1,229,950</b>	<b>(484,099)</b>
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS			
BASIC AND DILUTED EARNINGS/(LOSS) PER SHARE (CENTS PER SHARE)	5	9.16	(0.79)

The accompanying notes form part of these financial statements

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022**

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	Note	2022 \$	Group	2021 \$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents		321,718		584,848
GST receivables		12,165		-
<b>TOTAL CURRENT ASSETS</b>		<b>333,883</b>		<b>584,848</b>
<b>NON-CURRENT ASSETS</b>				
Plant and equipment	6	57,770		-
Capitalised exploration and evaluation	7	524,272		99,710
<b>TOTAL NON-CURRENT ASSETS</b>		<b>582,042</b>		<b>99,710</b>
<b>TOTAL ASSETS</b>		<b>915,925</b>		<b>684,558</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	8(a)	87,320		933,044
Borrowings	8(b)	1,374,662		3,050,521
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,461,982</b>		<b>3,983,565</b>
<b>TOTAL LIABILITIES</b>		<b>1,461,982</b>		<b>3,983,565</b>
<b>NET ASSETS</b>		<b>(546,057)</b>		<b>(3,299,007)</b>
<b>EQUITY</b>				
Share capital	9	36,689,571		35,166,571
Accumulated losses		(37,235,628)		(38,465,578)
<b>TOTAL EQUITY</b>		<b>(546,057)</b>		<b>(3,299,007)</b>

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	Group	2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Payments to suppliers & employees		(298,027)		(218,213)
Interest received		34		63
<b>NET CASH USED IN OPERATING ACTIVITIES</b>		<b>(297,993)</b>		<b>(218,150)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of tenements (net of cash acquired)	7	(105,998)		(99,710)
Purchase of plant and equipment	6	(63,575)		-
Exploration and evaluation capitalised	7	(318,564)		-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(488,137)</b>		<b>(99,710)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from Borrowings - Related Party	8(b)	260,000		1,770,000
Proceeds from Borrowings - Third Party	8(b)	250,000		500,000
Repayment of Borrowings - Related Party		-		(1,000,000)
Repayment of Borrowings - Third Party		-		(500,000)
Proceeds from issue of new shares	9	13,000		-
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>523,000</b>		<b>770,000</b>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS HELD</b>		<b>(263,130)</b>		<b>452,140</b>
Cash and cash equivalents at beginning of year		584,848		132,708
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>321,718</b>		<b>584,848</b>

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE ENDED 30 JUNE 2022**

	Share Capital \$	Accumulated Losses \$	Total Equity \$
At 1 JULY 2021	35,166,571	(38,465,578)	(3,299,007)
Issue for debt conversion	1,510,000	-	1,510,000
New share issue	13,000	-	13,000
Profit for the year	-	1,229,950	1,229,950
<b>Total comprehensive profit for the year</b>	<b>-</b>	<b>1,229,950</b>	<b>1,229,950</b>
<b>At 30 JUNE 2022</b>	<b>36,689,571</b>	<b>(37,235,628)</b>	<b>(546,057)</b>
At 1 JULY 2020	35,166,571	(37,981,479)	(2,814,908)
Loss for the year	-	(484,099)	(484,099)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(484,099)</b>	<b>(484,099)</b>
At 30 June 2021	<b>35,166,571</b>	<b>(38,465,578)</b>	<b>(3,299,007)</b>

The accompanying notes form part of these financial statements



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## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. BASIS OF PREPARATION OF THE FINANCIAL REPORT

#### Corporate Information

The Financial Report of Taiton Resources Limited ACN 062 284 084 ("**Parent Entity**" or "**Company**") and its controlled entities ("**Group**") for the year ended 30 June 2022 was authorised for issue in accordance with board of directors resolution dated 5 December 2022.

Taiton Resources Limited is a for-profit company limited by shares incorporated in Australia. The nature of the operations and principal activities of the Group are described in the Directors' Report.

#### Basis of Preparation of Accounts

The Financial Report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards ("AASBs") and other authoritative pronouncements adopted by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs and is presented in Australian dollars

#### Going concern

The Group recorded a consolidated profit of \$1,229,950 for the year ended 30 June 2022, net cash operating outflows of \$297,993 and has net current liabilities of \$1,128,099 as at 30 June 2022. There is material uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report. The Group's cash flow forecasts show that it will require additional funding to enable it to meet ongoing expenditure commitments for at least twelve months from the date of signing these financial statements.

The financial report has been prepared on the basis that the Group can continue to meet its commitments as and when they fall due and can therefore continue normal activities, including the settlement of liabilities and the realisation of assets in the ordinary course of business. In arriving at this position, the directors have had regard to the fact that they are actively pursuing further funding initiatives to provide additional working capital, including identification and implementation of projects, potential equity raising and have ongoing support of loan facilities in place (Note 8). Directors have received agreement from lenders to convert all outstanding principal debts into new Company shares at its listing. The Company is currently undertaking a \$7 million underwritten initial public offering on the ASX whereby currently it has \$1.88 million held in trust with the balance of \$5.12 million pending from the Underwriters. The directors consider that the planned minimum expenditure under tenement is not a commitment on the basis that if these expenditures are not achieved, there is a possibility that the regulatory authority that has set out those required expenditures may rescind the right to explore those tenement areas. In the experience of the directors, even if this is to eventuate, the directors consider this possibility to be remote. In any event, the directors intend to fund such commitments from existing loan facilities from its related parties.

The directors believe that at the date of the signing of the financial statements there are reasonable grounds to believe that, having regard to the matters set out above, the Company is able to meet its obligations as and when they fall due and continue to proceed with the Group's strategic objectives beyond the currently committed expenditure.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

#### Statement of Compliance

The Financial Report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board.

#### New or amended accounting standards and interpretations adopted

During the year the Company applied all new mandatory Standards and Interpretations as promulgated by the Australian Accounting Standards Board (AASB), including those not yet mandatory but available for early adoption.

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## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Taiton Resources Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 13.

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

#### b. Impairment of Assets

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

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

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

#### c. Provisions

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

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

#### d. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less.

#### e. Trade and Other Payables

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

#### f. Borrowing Costs

Borrowing costs are directly attributable to the interest bearing loans facilities/debt taken for tenement acquisition or working capital.

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

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## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUE)

g. **Borrowings**

Where borrowings feature share conversion clauses that entitle the investor to a variable number of shares, be this through an entitlement to settle interest through the conversion clause or through the terms specified in the conversion clause itself, an embedded derivative is separated from the underlying borrowing host contract only when the conversion clause is activated upon a movement in a market price at initial recognition. Thereafter the embedded derivative is revalued at each subsequent reporting date with changes taken to the profit or loss. The underlying host contract following initial recognition is recognised at amortized cost applying the effective interest rate method.

Where the conversion clause does not meet the definition of a derivative as the underlying share price is not quoted on an active market, both the conversion clause and underlying borrowing instrument are measured together at their fair value less transaction costs at initial recognition and thereafter at amortised cost.

h. **Current and non-current classification**

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

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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

i. **Exploration and Evaluation Assets**

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

***Impairment of exploration and evaluation costs***

The consolidated entity assesses impairment of exploration and evaluation costs at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. There were no indicators for impairment on the Group's areas of interest during the financial year.

j. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

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

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## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUE)

k. **Property, Plant and Equipment**

Each class of plant and equipment is carried at cost as indicated less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

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

**Depreciation**

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Depreciation on other assets is calculated on a straight-line basis over the estimated useful life of the asset as follows:

**Class of asset**

Office equipment	4 years
Motor vehicle	5 years

l. **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

m. **Key estimates**

In the process of applying the Group's accounting policies, management has made judgements, estimates and assumptions that affect the reported amounts in the financial statements. The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. directors consider there to be no material key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period.

### NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS

a. **Borrowings**

The directors have determined that variable share conversion clauses featured in borrowing instruments do not meet the accounting definition of a derivative as the shares of the Company are not quoted on an exchange. Accordingly, variable conversion clause is measured together with the underlying principal host contract applying historical cost as the most appropriate technique for valuing the entire debt agreement.

b. **Deferred tax assets not recognized**

The Company has potential deferred tax assets arising from both timing differences and carry-forward losses. Presently the directors have not recognised any of these potential deferred tax assets due to uncertainty as to when the Company will earn assessable tax income to which it will be able to apply those potential tax assets.

c. **Exploration and evaluation costs**

Exploration and evaluation costs relating to acquisition of tenements have been capitalised and are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

## NOTES TO THE FINANCIAL STATEMENTS

	2022	Group
	\$	\$
<b>NOTE 4. OTHER EXPENSES</b>		
Listing and share registry costs	16,980	25,241
Motor vehicle	3,504	-
IT and communication	6,449	7,794
Legal & Professional Fees	156,791	37,002
Employment expenses:		
Fees, wages and salaries	67,000	128,000
Superannuation	5,000	2,776
Other	45,050	57,724
TOTAL OTHER EXPENSES	300,774	258,537

### NOTE 5. EARNINGS PER SHARE

Profit/(loss) from continuing operations used in the calculation of basic and diluted earnings/(loss) per share	1,229,950	(484,099)
Profit/(loss) used in the calculation of basic and diluted earnings/loss per share	1,229,950	(484,099)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted earnings/loss per share	13,428,913	61,019,028

As at 30 June 2022, there are no financial instruments or contingently issuable share capital that would impact the diluted earnings per share.

### NOTE 6. PLANT AND EQUIPMENT

At cost	63,575	-
Accumulated depreciation	(5,805)	-
Net book value	57,770	-
Movements in the carrying value		
Carrying amount at the beginning of the year	-	-
Addition	63,575	-
(Disposals)	-	-
Depreciation expenses	(5,805)	-
AT THE END OF THE FINANCIAL YEAR	57,770	-

### NOTE 7. CAPITALISED EXPLORATION AND EVALUATION

Carrying amount at the beginning of the year	99,710	-
Addition/(Reduction):		
Acquisition of Lake Barlee <sup>(a)</sup>	-	97,964
Acquisition of Highway and Challenger West Projects <sup>(b)</sup>	105,998	1,746
Capitalised exploration and evaluation expenditure	318,564	-
TOTAL	524,272	99,710

(a) The acquisition of Lake Barlee was completed on 2 January 2021 with total cash payment of \$100,000 (before GST recovered and cash in hand of \$2,036).

(b) The acquisition of the 2 Exploration License Applications (ELA 2020/00206 & ELA 2021/00013) in South Australia for total cash consideration of \$100,000 was completed in June 2022. In addition, Taiton also applied for 3 Exploration License Applications (ELA 2021/00060, ELA 2021/00061 and ELA 2022/00039) in South Australia. All the applications have been granted as EL6784, EL6785 and EL6857 respectively.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 8(a).TRADE AND OTHER PAYABLES

	Group	
	2022	2021
	\$	\$
Directors' fees accrued	-	840,334
Other payables	87,320	95,710
	87,320	933,044

During the year, the Company received Deeds of waivers from directors and creditors forgiving \$832,334 directors' fees due and waiving \$28,302 creditors debts.

### NOTE 8(b).BORROWINGS

	\$	\$
Loan from Third Party	-	194,915
Loan from shareholder	252,724	-
Loan from Director and Director related entity	1,121,938	2,855,606
	1,374,662	3,050,521

AT THE END OF THE FINANCIAL YEAR

These borrowings are unsecured, interest bearing with fixed interest terms between 9.25% to 10.25% per annum, payable at maturity and are convertible into new shares in the Company at \$0.10 per share upon receipt of the conditional approval from the ASX for its listing of its shares on the ASX.

In December 2021, the Third Party lender entered in a Deed with the Company waiving all interests of \$33,438 due on the loan and convert the principal of \$170,000 into 425,000 new shares in the Company. The Deed was completed with the interest waiver and shares issued for the conversion in January 2022. In May 2022, the Company entered into a Deed with a shareholder of the Company to advance \$250,000 for working capital purposes. The new loan carries an interest of 9.25% per annum and If the Company is subsequently listed on the ASX, the principal amount owing then will be converted into new Taiton shares at listing and interest to be repaid from proceeds from the ASX listing.

In December 2021, the above Director and Director related entity lenders have also signed Deeds with the Company waiving all the interests on the certain loans and the Deeds were completed with the interest waiver and conversion of the principal sum of \$1.34 million into 3.35 million new shares in the Company in January 2022. Details are as follows :-

Lender	Maturity	Facility Limit	30.6.2021		Interest during the year	Interest waived	Draw down	30.6.2022	
			Amount Owning	Principal Converted				Balance	Balance
		\$	\$	\$	\$	\$	\$	\$	\$
Director and Director related entity	12-31-2022	1,450,000	2,030,276	(1,340,000)	67,409	(757,685)	-	-	-
Director related entity	12-31-2023	2,500,000	825,330	-	70,313	(33,705)	260,000	1,121,938	-
			2,855,606	(1,340,000)	137,722	(791,390)	260,000	1,121,938	-

The above Director related entity has also agreed for the further drawdown from remaining loans for working capital purposes of the Company and confirmed that neither loan shall be called for 12 months unless there is sufficient free cash flow available to the Company over and above what is required to settle ongoing financial obligations as and when they fall due. If the Company is subsequently listed on the ASX, the principal amount owing of \$1,010,000 will be converted into 10,100,000 new Taiton shares at listing and interest to be repaid from proceeds from the ASX listing.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 9. SHARE CAPITAL

	30 June 2022		30 June 2021	
	Number of Shares	\$	Number of Shares	\$
At the beginning of the year	61,144,123	35,166,571	61,144,123	35,166,571
Consolidation	(55,029,581)	-	-	-
Issue for debt conversion	3,775,000	1,510,000	-	-
Issue for capital raised	13,000,000	13,000	-	-
<b>At the end of the year</b>	<b>22,889,542</b>	<b>36,689,571</b>	<b>61,144,123</b>	<b>35,166,571</b>

In October 2021, the Company consolidated the then existing 61,144,123 shares into 6,114,542 shares pursuant to shareholders approval at the general meeting held on 22 October 2021. The Company subsequently issued 3,775,000 new shares for conversion of \$1.51 million debts into shares and 13,000,000 new shares for \$13,000 of capital raised during the year.

### NOTE 10. CASH FLOW INFORMATION

	Group	
	2022 \$	2021 \$
RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH LOSS AFTER INCOME TAX		
Profit/(Loss) after tax	1,229,950	(484,099)
<i>Non-cash flows in (gain)/loss</i>		
Loan interest accrued	148,969	225,625
Loan interest forgiven	(824,828)	-
Depreciation	5,805	-
<i>Changes in assets and liabilities</i>		
Decrease/(increase) in trade and other receivables	(12,165)	-
Increase/(decrease) in trade and other payables	(845,724)	40,324
NET CASH USED IN OPERATING ACTIVITIES	<b>(297,993)</b>	<b>(218,150)</b>

### NOTE 11. TRANSACTIONS AND BALANCES RELATING TO KEY MANAGEMENT PERSONNEL AND RELATED PARTIES

The names and positions of key management personnel of the Company and of the Group who have held office during the financial year are:

#### Directors

Datuk Siak Wei Low

Noel Ong (appointed 2 December 2021)

Chee Cheong (David) Low

Peter Ng (resigned on 2 December 2021)

Daniel Polette (appointed 24 September 2021 and resigned 2 December 2021)

Aik Hong (Eric) Teo (appointed 24 September 2021 and resigned 2 December 2021)

#### A) COMPENSATION OF KEY MANAGEMENT PERSONNEL

	2022 \$	2021 \$
COMPENSATION BY CATEGORY		
Short term	67,000	180,000
Post employment #	5,000	2,776
Share based payments	-	-
TOTAL	<b>72,000</b>	<b>182,776</b>
# <i>superannuation contributions accrued</i>		

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## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 11. TRANSACTIONS AND BALANCES RELATING TO KEY MANAGEMENT PERSONNEL AND RELATED PARTIES (CONTINUE)

#### B) LOANS TO/FROM KEY MANAGEMENT PERSONNEL AND RELATED PARTIES

There were no loan made to any key management personnel or related parties during the year ended 30 June 2022 (2021: Nil). The Company drew a total of \$260,000 from loan facilities from director-related party during the year ended 30 June 2022 (2021: \$1,770,000) for working capital purposes. There are fees and loans owing to key management personnel and related parties are as follows :-

	2022	2021
	\$	\$
Directors' fee accrued (Note 8a)	-	840,344
Directors' related entity loan (Note 8b)	1,121,938	2,855,606
TOTAL	<u>1,121,938</u>	<u>3,695,950</u>

During the year, the Company received Deeds of waivers from directors forgiving \$832,334 directors' fees.

#### C) OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND RELATED PARTIES

There were no other transactions with key management personnel and their related entities during the year ended 30 June 2022 other than the following:-

- (a) Interest accrued on loans owing to Datuk Siak Wei Low and his related entity amounted to \$70,313 (2021: \$208,672). No interest was paid. Datuk Siak Wei Low and his related entity have signed Deeds and waived interests due on the loan facilities and converted principal sum into new Company shares as set out in Note 8b. If the Company is subsequently listed on the ASX, the principal amount owing of the remaining loans will be converted into new Taiton shares at listing and interest to be repaid from proceeds from the ASX listing.

### NOTE 12. SEGMENT INFORMATION

During the financial years ended 30 June 2022 and 30 June 2021, the Group was engaged in mineral exploration and operated in Australia.

Management monitors the operating results of its projects separately for the purposes of making decisions about resource allocation and performance assessment.

### NOTE 13. INVESTMENTS IN CONTROLLED ENTITIES

Taiton Resources Limited is the parent and ultimate parent company of Lake Barlee Gold Pty Ltd, a company incorporated in Western Australia which holds several exploration licenses in Western Australia.

### NOTE 14. FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, trade and other payables, borrowings.

#### Financial Risk Management Policies

The Board of Directors monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. The consolidated entity is not exposed to material financial risks of changes in foreign currency exchange rates or credit risk. It also reviews the effectiveness of internal controls relating to liquidity risk and interest rate risk.

The Board's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of future cash flow requirements.

#### Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are liquidity risk and market risk consisting of interest rate risk. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.



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## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 14. FINANCIAL RISK MANAGEMENT (CONTINUED)

a. **Liquidity risk**

Liquidity risk is the risk that the consolidated entity is unable to meet its financial obligations as they fall due. All financial liabilities were payable within 60 day terms or less.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

b. **Market risk**

(i) *Interest rate risk*

Exposure to interest rate risk arises on financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The financial instruments that primarily expose the Group to interest rate risk are borrowings.

Interest rate risk can be managed using a mix of fixed and floating rate debt. At 30 June 2022, 100% of group debt is on fixed rate. Current borrowings interest rates are fixed between 9.25% to 10.25% per annum (Note 8b).

As interest rates are fixed for borrowings, there was no material exposure to changes in interest rates as at year end (2021: nil):

### FAIR VALUES

The aggregate net fair value of the Group's financial assets and financial liabilities approximates their carrying amounts in the financial statements. Cash assets are carried at amounts approximating fair value because of their short term nature to maturity. Payables are carried at amounts approximating fair value. Financial assets held for trading are restated to fair value at year end.

### NOTE 15. DIVIDENDS

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

### NOTE 16. EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to the financial year, the Company signed 3 Deeds of Novation with Third Parties and AsiaPacific Business Link Sdn Bhd (APB) to advance \$50,000 to the Company under the APB loan facilities based on the same terms and conditions. On 23 September 2022, the Company lodge with the ASIC, a prospectus to raise a minimum of \$7,000,000 and up to a maximum of \$10,000,000 for a listing on the ASX ("IPO"). The minimum of \$7,000,000 has been underwritten by Global Bridge Group Limited, a shareholder of the Company, APB, an entity related to Datuk Siak Wei Low and UBB Investment Bank Berhad. The IPO is currently pending the completion of \$7 million minimum capital raising for the issue of 35 million new shares at \$0.20 per share under the Prospectus. The \$1.887 million is currently held in trust whilst the balance of \$5.12 million is pending receipt from the Underwriters. Pursuant to the IPO, the Company will also issue 13.1 million new shares for conversion of debt and 2 million new shares to vendor of the Highway Project. The Company will also issue 3 million options to the Underwriters, up to 3 million broker options to the Lead Manager and up to 3.1 million options to existing shareholders under a priority offer. All the options carry an exercise price of \$0.25 and expires 4 years from the date of issue. The Company will also issue 5.6 million options and 6.0 million performance rights under its Employee Securities Incentive Plan. These options carry an exercise price of \$0.25 and expires 2 years from the date of issue and are subject to escrow for 2 years from date of issue whilst the performance rights expire 5 years from the date of issue. The Company anticipates that it would list on the Official List of the ASX before 22 December 2022.

There are no events subsequent to the financial year ended 30 June 2022 other than disclosed in this financial statement.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 17. CONTINGENT LIABILITIES

There are no contingent liabilities at 30 June 2022 (2021: Nil).

As at 30 June 2022, the minimum expenditure due under the tenements held by the Group are as follows:

	<b>&lt;1 year</b>	<b>1 - 5 year</b>	<b>&gt; 5 yrs<sup>#</sup></b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Minimum expenditure due	223,000	892,000	-

<sup>#</sup> - tenement leases expire within then next 5 years

The directors consider that the planned minimum expenditure under tenement is not a commitment on the basis that if these expenditures are not achieved, there is a possibility that the regulatory authority that has set out those required expenditures may rescind the right to explore those tenement areas. In the experience of the directors, even if this is to eventuate, the directors consider this possibility to be remote.

### NOTE 18. PARENT COMPANY DISCLOSURES

	<b>Group</b>	
<b>Financial position</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
Current assets	315,030	584,848
Non-current assets	340,463	99,710
<b>Total assets</b>	<b>655,494</b>	<b>684,558</b>
<b>Liabilities</b>		
Current liabilities	1,461,982	3,983,565
Non-current liabilities		-
<b>Total liabilities</b>	<b>1,461,982</b>	<b>3,983,565</b>
<b>Equity</b>		
Issued capital	36,689,571	35,166,571
Retained earnings	(35,883,083)	(38,465,578)
<b>Total equity</b>	<b>(806,488)</b>	<b>(3,299,007)</b>
<b>Financial performance</b>		
	<b>Year ended</b>	<b>Year ended</b>
	<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>\$</b>	<b>\$</b>
Profit/(Loss) for the year	1,230,582	(484,099)
Other comprehensive loss	-	-
<b>Total comprehensive loss</b>	<b>1,230,582</b>	<b>(484,099)</b>

The Company has not provided guarantees in relation to the debts of its subsidiaries.

### NOTE 19. REMUNERATION OF AUDITOR

During the year the following fees were paid or payable for services provided by the auditor of the Company and Group:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Audit or review of financial reports	14,000	7,500
Non-audit services – tax compliance	6,748	5,750
<b>Total remuneration</b>	<b>20,748</b>	<b>13,250</b>

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## DIRECTORS' DECLARATION

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In accordance with a resolution of the directors of Taiton Resources Limited ACN 062 284 084 ("Company"), I state that:

1) In the opinion of the directors:

(a) The financial statements, notes and the additional disclosures included in the Directors' Report designated as audited, of the Group are in accordance with the Corporations Act 2001, including:

(i) Complying with Accounting Standards and the Corporations Regulations 2001; and

(ii) Giving 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 Group;

(b) Subject to achievement of the matters set out in Note 1 to the Financial Report, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(c) The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2022.

On behalf of the board of directors.



**Datuk Siak Wei Low**  
Chairman  
7 December 2022

## Taiton Resources Limited Independent auditor's report to members

### REPORT ON THE AUDIT OF THE FINANCIAL REPORT

#### Opinion

We have audited the financial report of Taiton Resources Limited (the Company) and its controlled entities (together, 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 statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- i. giving a true and fair view of the Group's financial position as at 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net profit of \$1,229,950 during the year ended 30 June 2022 and, as of that date, the Group's current liabilities exceeded its current assets by \$1,128,099.

As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## 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 these financial statements is located at the Auditing and Assurance Standards Board website at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf)

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

William Buck

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



**N. S. Benbow**  
Director

Melbourne, 7<sup>th</sup> December 2022