



LANTHANEIN

RESOURCES

ABN 96 095 684 389

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

LANTHANEIN RESOURCES LTD

ABN 96 095 684 389

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CORPORATE DIRECTORY

<p>Non-Executive Chairman David Frances</p> <p>Non-Executive Directors Brian Thomas Peter Swiridiuk</p> <p>Company Secretary Matthew Foy</p> <p>Stock Exchange Australian Securities Exchange – LNR</p>	<p>Registered Office Level 8 99 St Georges Terrace Perth, WA, 6000 Australia</p> <p>Telephone: (08) 9486 4036 Facsimile: (08) 9486 4799 Email: matt.foy@ftcorporate.com.au Website: www.lanthanein.com</p> <p>Postal Address: PO Box 5638 St Georges Terrace Perth, WA, 6831 Australia</p>	<p>Share Registry Automic Group Pty Ltd Level 5, 191 St Georges Terrace Perth, Western Australia 6000</p> <p>Auditors Moore Australia Audit (WA) Level 15, 2 The Esplanade Perth, WA, 6000 Australia</p> <p>Bankers Westpac Banking Corp. Level 13, 109 St Georges Tce Perth, WA, 6000 Australia</p>
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DIRECTORS' REPORT

Your Directors present their report together with the financial statements of the Group consisting of Lanthanein Resources Ltd (“**Lanthanein**” or “**the Company**”) and its controlled entities for the financial year ended 30 June 2023, the notes to the financial statements and the auditor’s report thereon.

DIRECTORS

The following persons were Directors of Lanthanein Resources Ltd during the financial year and up to the date of this report unless otherwise stated:

David Frances (Non-Executive Chairman)
Brian Thomas (Non-Executive Director)
Peter Swiridiuk (Non-Executive Director)

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were exploration and evaluation of economic minerals in Australia and Papua New Guinea.

RESULTS AND DIVIDENDS

The consolidated loss of the Group after tax (including discontinued operations) amounted to \$769,111 (2022: \$2,101,860). There were no dividends paid or recommended during the financial year ended 30 June 2023.

REVIEW OF OPERATIONS

During the year the Company has progressed exploration projects and activities across all three of its project focus areas being the:

- Gascoyne Rare Earth Elements (REE) Project, Western Australia;
- Murraydium REE Project, South Australia; and
- Koolya Project, Western Australia.

Gascoyne Rare Earth Elements (REE) Project, Western Australia - Lyons REE Project

The Gascoyne Rare Earth Elements Project is exploring for light rare-earth oxide’s of Neodymium (Nd_2O_3) and Praseodymium (Pr_6O_{11}) critical to the production of permanent magnets, with demand forecast to surge due to their use in EV’s and renewable energies such as wind turbines. The Gascoyne REE Project adjoins the world-class Yangibana Deposit in the Gascoyne Region of Western Australia, set to be the next REE producer. The project area is also proximal to discoveries made by Dreadnought Resources at their Mangaroon Project located ~15kms southwest of the Yangibana REE Resource.

At the commencement of the period heritage surveys were conducted by the Thiin-Mah people and were completed ahead of the maiden drill program at the Lyons Rare Earths Project. The heritage surveys are critical to ensure sites of significance for traditional owners are protected and not disturbed.

Following completion of the heritage surveys a drill program designed to target high-grade rare earth mineralisation discovered by rock chip sampling conducted last year at the outcropping ironstones at Lyons 11, 12, 13 and 27 (Figures 1 and 2) was carried out drilling some 3,100 metres of RC drilling.

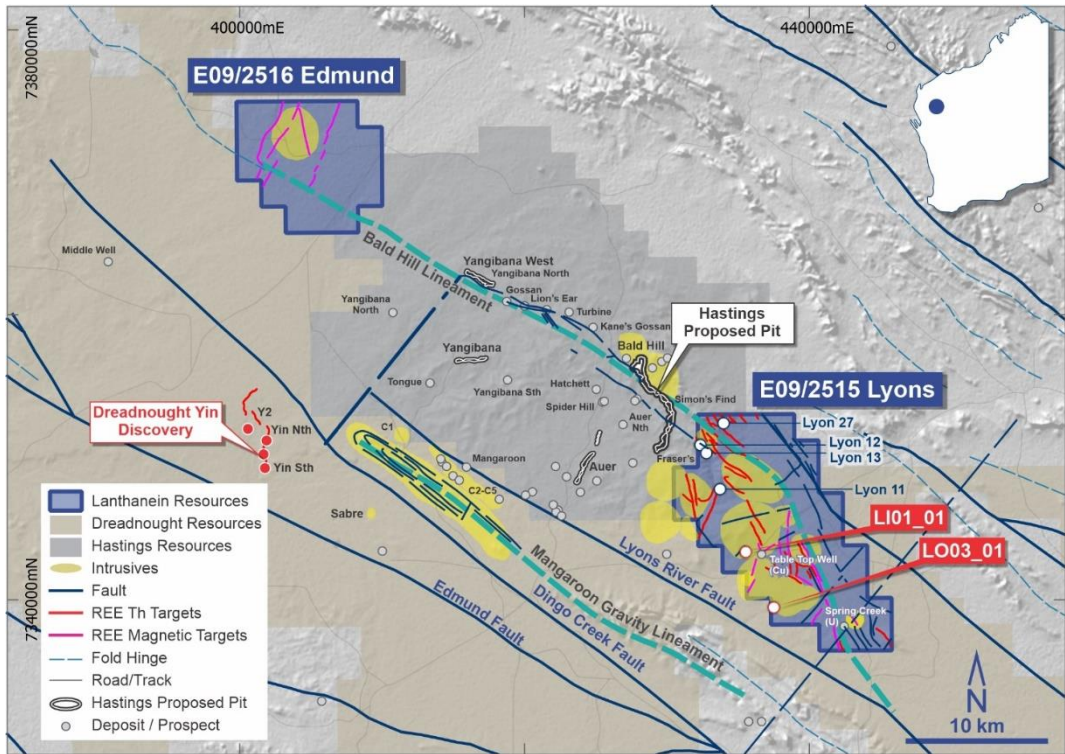


Figure 1: Lanthanein Resources Lyons and Edmund Projects located within close proximity of Dreadnought Resources Yin discovery and Hastings Technology Metals Yangibana REE mine

Initial results showed that extremely high Neodymium and Praseodymium grades which make up to 55% of Total Rare Earth Oxides (TREO), more than 3 times the world average along with Niobium which is essential for advanced technology with increasing usage in wind turbines, rechargeable batteries for electric vehicles and to significantly increase strength and decrease weight in steel products. The widths of main ironstone REE mineralisation intersected at Lyons prospects are 1 – 5m thick, analogous to Hastings Technology Metals main REE deposits Simons Find, Frasers and Bald Hill ~2.5km away.

During the June quarter the Company completed a second RC drilling programme of 9,507m targeting large scale Carbonatite targets and high-grade Ironstones at the Lyons Rare Earths Project, Western Australia (Figure 3). In addition, two diamond holes, jointly funded under DMIRS EIS scheme, were drilled totalling +00m of both RC pre-collar and diamond to test the southern margins of two Carbonatite targets “LI01” and “LI03”.

DIRECTORS' REPORT

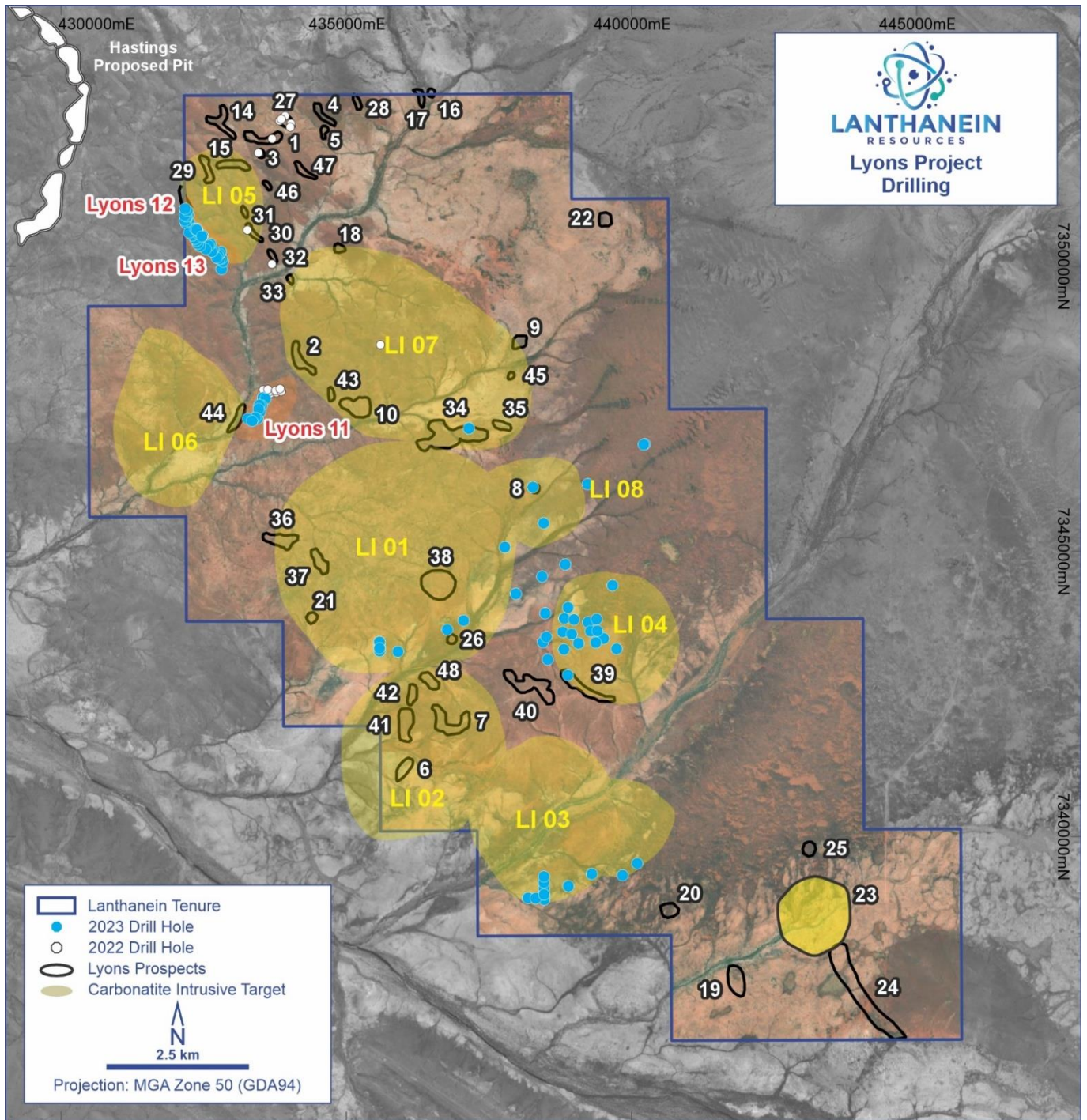


Figure 2: Lanthanein Lyons Project Showing Drillhole Locations, Carbonatite Targets and Ironstone Prospects

The drill programs also followed-up with infill drilling as well as testing ironstone dyke extensions from the high-grade ironstones previously discovered at Lyons 11 and 12 (Figure 2).

DIRECTORS' REPORT

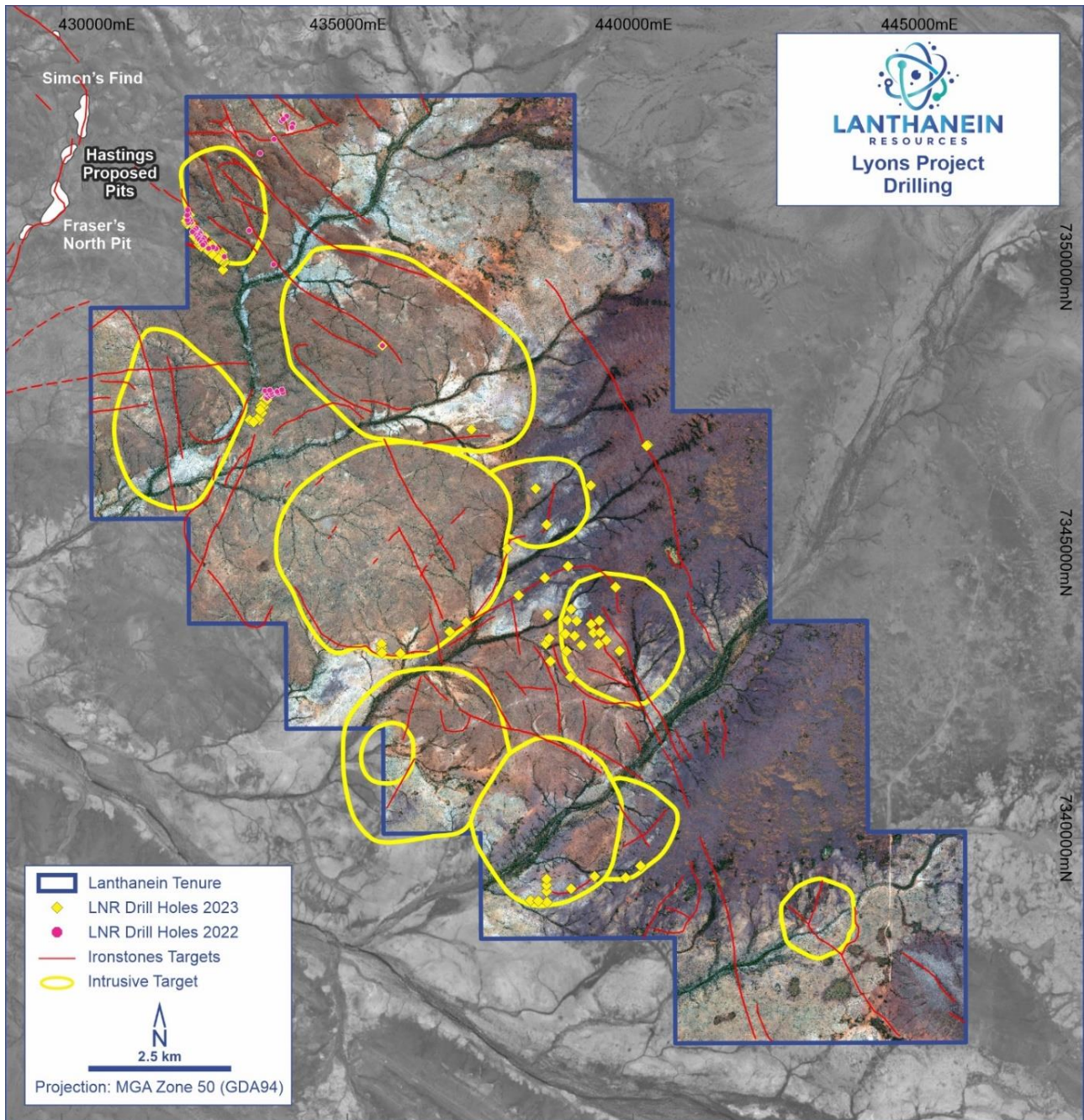


Figure 3: Interpreted intrusives with Ironstones highlighted in red and drill hole locations from the recent drilling campaign in yellow

During the June quarter the Company announced newly discovered ironstone targets with 1.8km strike extent returning 4.19% TREO and 0.90% Nb₂O₅ from surface rock samples. An extensive pipeline of high-resolution Worldview-3 satellite REE targets will be followed-up with surface rock sampling to add to the pipeline of drill targets for testing depth and lateral extents of mineralisation.

DIRECTORS' REPORT

Murraydium Rare Earths Project, South Australia

The Murraydium Project is located in the south-eastern region of South Australia with EL 6717 covering an area of 872 km² of the Murray Basin. The region is seeing continued activity in the exploration for REE minerals with the success of Australian Rare Earths (ASX:AR3) at their 100% owned Koppamurra Project, host to a total mineral resource of 101 Mt @ 818 ppm TREO, plus other successes with Resource Base Ltd (ASX:RBX) announcing a maiden Mineral Resource Estimate of 21Mt @ 767 ppm TREO (Inferred) at their Mitre Hill Deposit in the Murray Basin in Victoria.

Following the completion of the extensive community relations project, the first phase of the roadside aircore drilling programme at the Murraydium Project commenced in late March at the Bordertown block of EL6717. The programme saw 215 Holes drilled totaling 3,709 metres and was completed in June 2023. The drill program targeted ionic clay hosted rare earths within the Loxton-Parilla Sands unit in a region which is host to the mineralised system at Koppamurra (Figure 4).

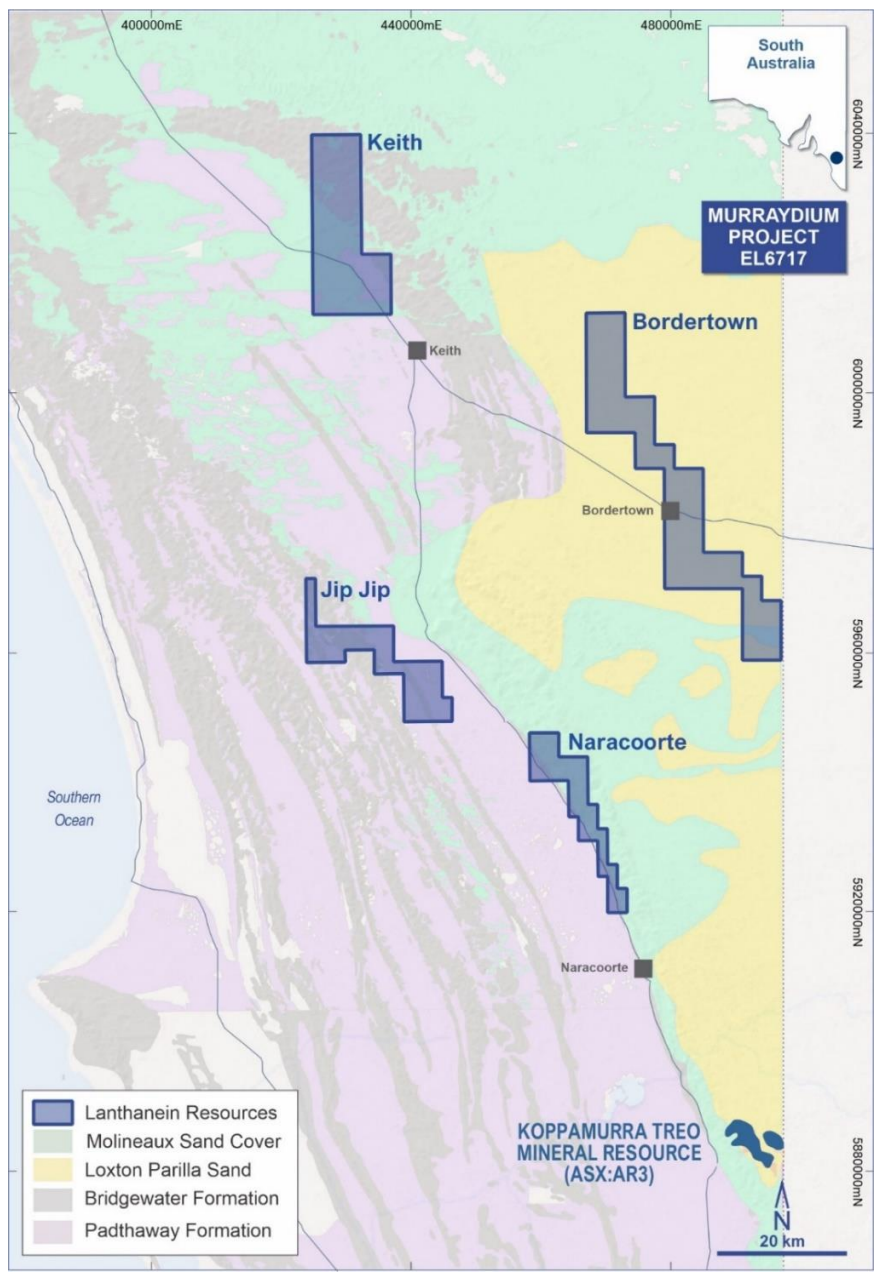


Figure 4: Plan showing extent of Loxton Parilla Sands in the South East of South Australia

DIRECTORS' REPORT

Koolya Project, Western Australia

The Koolya Kaolin project (Figure 5) is located in a proven high quality kaolin producing region with Tellus Holdings Sandy Ridge kaolin mine 30km away to the north-east and Kula Gold's (ASX.KGD) recent discovery 80km south. Following heritage surveys conducted by the Marlinyu Ghoorlie Native Title Claimant Group (Native Title Determination Application WAD647/2017, Lanthanein completed a first pass Aircore drilling program at Koolya Kaolin and High Purity Alumina Project in Western Australia, (**Koolya Project**). A wide spaced drill program with drillholes spaced 500m apart, covered 15km of prospective kaolin rich granite and intersected widespread kaolin of varying thickness, with a best result of 30m thick bright white kaolin from 4m depth (KAC014).

Lanthanein recently announced the brightness results from the first pass Aircore drilling program, confirming the ultra-high bright kaolin at Koolya. In addition, the kaolin assays showed very low contained deleterious elements. Analysis was completed on the samples to quantify the specific characteristics such as ISO Brightness, Alumina content, and rare earth elements (REE). Further analysis will be undertaken to better quantify the presence of Kaolinite and Halloysite using XRD analysis. Following these positive results further infill and step out drilling will need to be undertaken to assist with the generation of a mineral resource estimate.

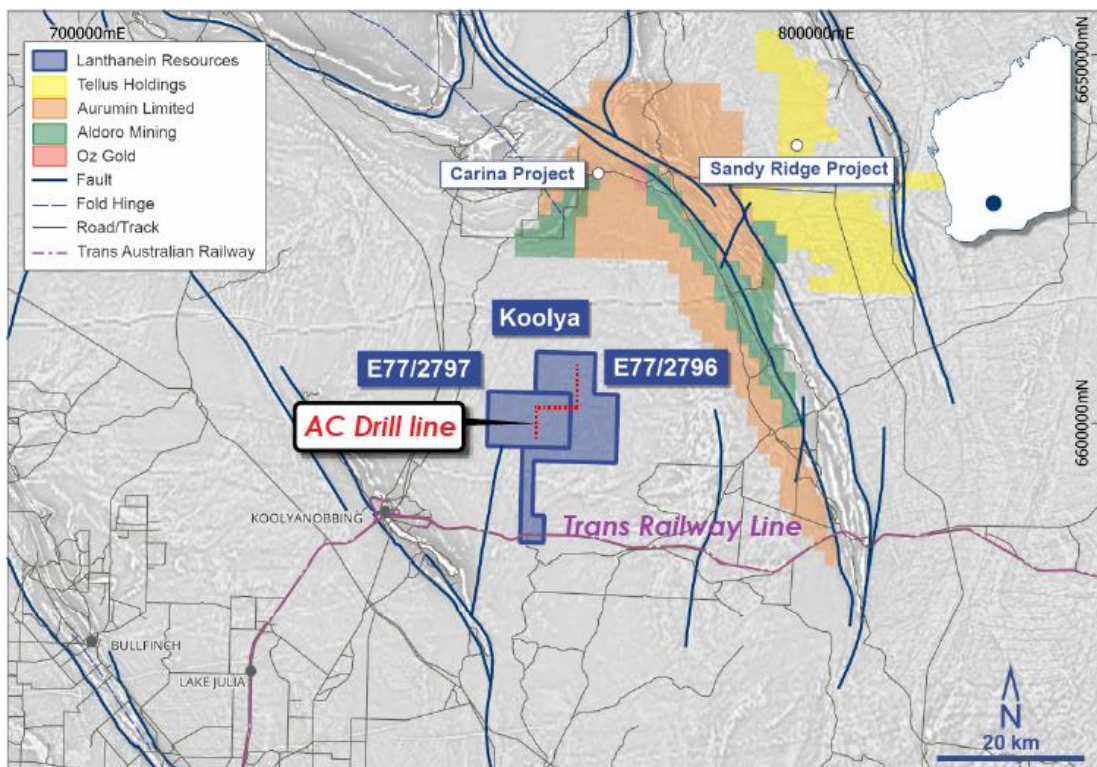


Figure 5: Koolya Project location showing the Trans Railway line running through southern area of project

DIRECTORS' REPORT

Tolukuma, Papua New Guinea (PNG)

Lanthanein's tenement in Papua New Guinea (EL2531) surrounds the Tolukuma gold Mining Lease ML104 in the Central Province, 70km North of the national Capital of Port Moresby.

The Company has previously announced the signing of an agreement with PNG based Tolu Minerals Ltd (previously Lole Mining Limited) (**Tolu**) for the sale of its wholly owned subsidiary Frontier Copper (PNG) Ltd, the holder of the Tolukuma Exploration Licence EL2531. In addition, Frontier Copper (PNG) Ltd is also the applicant for an Exploration Licence ELA2529 which covers the old Sinivit Gold Mine in the Gazelle Peninsula on New Britain Island.

Under a binding terms sheet, Tolu has agreed to pay to Lanthanein A\$2m comprised of A\$500,000 cash and a further A\$1.5m either in cash or by way of the issue of fully paid ordinary shares in Tolu. Further consideration of A\$1m is payable to Lanthanein if, within 5 years, an aggregate minimum of 500,000 oz of gold of not less than JORC (2012) indicated category of resource is identified on the tenements. The additional consideration is payable in either cash or shares (or a combination of cash and Lole Shares, at the election of Tolu).

A tenement renewal was applied for on the 7th November 2022 and a Warden's Hearing was held at Tolukuma Mine on the 9th March 2023. Landowners who attended the Hearing gave their full support for the renewal of the tenement for a further two years.

DIRECTORS' REPORT

CORPORATE

Capital Raising – August 2022

In August 2022, the Company announced it had received firm commitments from sophisticated investors to raise \$1,750,000 (before costs) via a placement (**Placement**) of 125 million shares at an issue price of \$0.014 per share (**Placement Shares**).

The subscribers to the Placement received 1 free attaching option exercisable at \$0.03 expiring 31 December 2024 (**Placement Options**) for every two Placement Shares subscribed for.

Allotment of the Placement Shares occurred on 10 August 2022. The funds raised from the Placement will be used primarily to fund up-coming drilling campaigns at the Company's Gascoyne Rare Earth Elements (REE) Project and the Murraydium Ionic Clay REE Project.

The Placement was managed by Inyati Capital Pty Ltd (**Inyati**). Pursuant to the mandate with Inyati the Company was paid 6% commission on funds raised under the Placement. Inyati also received 12.5 million options at an issue price of \$0.00001 per option and otherwise on the same terms as the Placement Options (**Broker Options**).

A total of 75,000,000 Options were listed on 17 August 2022.

Capital Raising – February 2023

On 1 February 2023, the Company announced it had received firm commitments from sophisticated investors to raise \$2,520,000 (before costs) via a placement (**Placement**) of 140 million shares at an issue price of \$0.018 per share (**Placement Shares**).

The subscribers to the Placement were issued 1 free attaching option exercisable at \$0.03 expiring 31 December 2024 (**Placement Options**) for every two Placement Shares subscribed for. The Placement was managed by Inyati Capital Pty Ltd (**Inyati**) and on 10 February 2024. The funds raised from the Placement will be used primarily to fund drill programs planned at the Company's Gascoyne REE Project and the Murraydium Ionic Clay REE Project.

ESG

The Company continues to monitor the progress and development of the frameworks 21 core metrics created by the World Economic Forum's Stakeholder Capitalism Metrics.

The metrics have been organised into four pillars – Principles of Governance, Planet, People and Prosperity – which are aligned with the essential elements of the UN Sustainable Development Goals. Each pillar is comprised of, up to 7 themes, considered to be the most important to society, the planet and the economy and the most universally relevant to all companies. Each critical in providing comprehensive understanding in measuring corporate performance and sustainable value creation.

By benchmarking our ESG progress against WEF's framework we look forward to clearly demonstrating our commitment and progress towards the benchmarks provided in the WEF ESG reporting framework and to clearly communicate our ongoing progress.

Since January we have been working towards setting an ESG baseline, we look forward to sharing the baseline report once completed. In the meantime please see the comparison report below, showing the progress made so far.

To this end the Company's ESG Report for FY23 is appended to this Annual Report.

DIRECTORS' REPORT

Schedule 1 – Lanthanein Resources Limited Tenement Information (Australia) as at 30 June 2023

Tenement Number and Name	Ownership	Sub-blocks	Area (sq.km)	Application /Grant Date	Expiry Date
E 09/2515 - Gascoyne (WA)	100% Dalkeith Capital Pty Ltd	47	147.02	17-Dec-21	16-Dec-26
E 09/2516 - Gascoyne (WA)	100% Dalkeith Capital Pty Ltd	25	78.35	17-Dec-21	16-Dec-26
E 77/2796 - Koolya (WA)	100% Dalkeith Capital Pty Ltd	47	138.78	05-Nov-21	04-Nov-26
E 77/2797 - Koolya (WA)	100% Dalkeith Capital Pty Ltd	28	82.68	05-Nov-21	04-Nov-26
E 52/4012 - Mt Clere (WA)	100% Dalkeith Capital Pty Ltd	191	591.63	23-Mar-22	22-Mar-27
EL6717 - Murraydium (SA)	100% Southern Rare Earths Pty Ltd	78	876.00	06-Apr-22	05-Apr-28
Total of Granted Tenements		416	1,914.46		

Lanthanein Resources Limited Exploration Licence Information (Papua New Guinea)

Exploration Licence Number and Name	Ownership	Sub-blocks	Area (sq.km)*	Grant Date	Expiry Date
EL2531 - Tolukuma	100% Frontier Copper PNG Ltd	65	223.00	25-Feb-19	24-Feb-23
ELA2529 - Gazelle	100% Frontier Copper PNG Ltd	211	719.51	N/A	N/A
Total of Granted EL's		65	223.00		

*1 sub-block approximately 3.41 sq.km

Notes: The PNG Mining Act-1992 stipulates that EL's are granted for a renewable 2 year term (subject to satisfying work and expenditure commitments).

The PNG Government maintains the right to purchase up to 30% project equity at "Sunk Cost" if/when a Mining Lease is granted.

Competent Person Statements:

Western Australian Projects

The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Thomas Langley who is a member of the Australian Institute of Geoscientists (MAIG) and a member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Mr. Thomas Langley is a consultant of Lanthanein Resources Limited, and is a shareholder, however Mr. Thomas Langley believes this shareholding does not create a conflict of interest, and Mr. Langley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Langley consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

Papua New Guinea and South Australian Projects

The information in this report that relates to Geophysical Exploration Results is based on information compiled by Peter Swiridiuk - Member of the Aust. Inst. of Geoscientists. Peter Swiridiuk is a Technical Consultant and Non-Executive Director for Lanthanein Resources. Peter Swiridiuk has sufficient experience which is relevant to the type of mineralisation and type of deposit under consideration to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting Exploration Results, Mineral Resources and Ore Resources. Peter Swiridiuk consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. Additionally, Mr Swiridiuk confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.

DIRECTORS' REPORT

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the Group that occurred during the financial year not otherwise disclosed in this report.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There were no matters or circumstance that has arisen since 30 June 2023 that has significantly affected, or may significantly affect:

- (i) the Group's operations in future financial years; or
- (ii) the results of those operations in future financial years; or
- (iii) the Group's state of affairs in future financial years.

CORPORATE GOVERNANCE

The Company's Corporate Governance Statement is available on its website www.lanthanein.com

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely future developments in the operations of the Group and the expected results of those operations in subsequent financial years are consistent with those reported for the current period.

ENVIRONMENTAL REGULATIONS

The Group is subject to significant environmental regulation in respect of its mineral exploration activities.

The Group has exploration and mining tenements in Australia and Papua New Guinea. The Group is not aware of any breach of environmental regulations during or since the end of the financial year.

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

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

Director and Experience

David Frances (appointed 4 February 2022)

Non-Executive Chairman

Mr Frances is an international executive of nearly 30 years with a track record of transacting, discovering, funding, developing and operating assets in Australia and Africa. He has been a key figure in the transformation of several companies including Province Resources and their proposed 8GW green hydrogen project in Western Australia.

Mr Frances has served as Chairman both Executive and Non-Executive, President, Managing Director and Non-Executive Director for a variety of ASX and TSX listed and private Companies across a diverse range of business. He has dealt with multiple governments at all levels and specialises in the delivery of tough projects in complex jurisdictions. He is committed to seeing companies move towards adopting the global standard for Environmental, Social and Governance (ESG) metrics and disclosures as released by the World Economic Forum.

Mr Frances is currently Managing Director of Province Resources Ltd and Non-Executive Director of Southern Hemisphere Mining Ltd.

Particulars of Directors Interest in Securities in the Company:

11,250,000 options exercisable at \$0.045 expiring 13/05/2025

Brian Thomas (appointed 22 October 2021)

Non-Executive Director

Mr Thomas is a very experienced Director and Corporate Executive with significant domestic and international resources management experience. He is the principal of a boutique corporate advisory practice working with small to mid-market capitalisation companies and investor groups predominantly in the resources industry overseeing market oriented technical reviews plus advising on corporate finance, mergers & acquisitions and investor relations. He has held both Executive and Non-Executive Director roles with numerous ASX listed and unlisted companies after an extensive career in the financial services sector in corporate stockbroking, investment banking, funds management and corporate banking. He has more than 35 years of mining and exploration industry experience in a broad range of commodities from precious and base metals, bulk and industrial minerals, diamonds plus oil and gas.

Mr Thomas graduated from the University of Adelaide with a BSc in Geology and Mineral Economics, the University of Western Australia Business School with an MBA and the Securities Institute of Australia (now FinSIA) with a certificate in Applied Finance and Investment.

Mr Thomas is currently Non-Executive Chairman of Azure Minerals Ltd and Peregrine Gold Ltd.

Particulars of Directors Interest in Securities in the Company:

7,500,000 options exercisable at \$0.03 expiring 31/12/2024

DIRECTORS' REPORT

Peter Swiridiuk (appointed 1 December 2014)

Non-Executive Director

Peter Swiridiuk holds a BSc (Hons), DipEd, MAIG. Peter has over 32 years' experience exploring for copper, gold, diamonds, coal, REE and base metals. In 2007 he spent six years as Managing Director of ASX listed Coppermoly Limited where he attracted over \$32 million through an IPO, capital raisings and joint venture partner Barrick Gold Corp. While leading Coppermoly, over 2 billion pounds of copper, in two separate JORC resources, were delineated on New Britain Island, Papua New Guinea.

Since 1997, he spent substantial amounts of time managing exploration, discovery and resource definition for projects in Australia, PNG, Solomon Islands, Philippines, Cyprus, Mexico and Oman, where his exploration led to the discovery of two copper mines. Peter has acted as a technical consultant to Lanthanein Resources since 2003. He has authored numerous independent technical reports for the purpose of capital raisings.

Peter was geophysicist for DeBeers diamond services during the 1990's where he managed geophysical surveys for the exploration of diamonds in Australia. Peter was previously a Director of Coppermoly Ltd.

Mr Swiridiuk does not currently hold any other listed directorship.

Particulars of Directors Interest in Securities in the Company:

770,000 ordinary shares

7,500,000 options exercisable at \$0.03 expiring 31/12/2024

COMPANY SECRETARY

Matthew Foy - BCom, GradDipAppFin, GradDipACG, SAFin, FGIA, FCG

Matthew is a professional company secretary with over 15 years' experience facilitating Public Company compliance with core strengths in the ASX Listing Rules, operational and governance disciplines.

DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year (and the number each Director was entitled to attend):

	Directors' Meetings	
	Number eligible to attend	Number attended
David Frances	5	5
Brian Thomas	5	5
Peter Swiridiuk	5	5

DIRECTORS' REPORT

REMUNERATION REPORT (Audited)

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

(a) Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. As there is no remuneration committee the role is assumed by the full Board of Directors. The Board ensures that director and executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- transparency; and
- capital management.

The Group 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 share price and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value;
- attracts and retains high calibre executives;
- rewards capability and experience;
- reflects competitive reward for contribution to shareholder growth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

DIRECTORS' REPORT

REMUNERATION REPORT (continued)

(a) Principles used to determine the nature and amount of remuneration (continued)

Relationship between remuneration and Group performance

During the past year and since listing on 9 April 2003 the Group has generated losses because it is still involved in mineral exploration, not in production.

Given that the remuneration is commercially, the link between remuneration, Group performance and shareholder wealth generation is tenuous, particularly in the exploration stage of a minerals company. Since listing the Group has recorded significant losses as it carries out exploration activities on its tenements, and no dividend has been paid. Share prices are subject to the influence of international metal prices and market sentiment toward the sector, and increases or decreases may occur quite independent of executive performance or remuneration. Share prices, largely unrelated to profit and loss, have fluctuated between \$0.011 and \$0.06 during the last twelve months, and at 30 June 2023 the price was \$0.015.

Non-Executive Directors

Fees and payments to Non-Executive Directors reflect their responsibilities and the demands placed on individual Directors. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Board seeks to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market.

Directors' fees

The current base remuneration was last reviewed with effect from February 2022. Directors' fees are inclusive of committee fees.

Non-Executive Directors' fees are determined within the Non-Executive Directors' fee pool limit, which is periodically recommended for approval by shareholders. The pool currently stands at \$300,000 per annum for Non-Executive Directors has approved at the Company's Annual General Meeting on 26 November 2019.

Retirement allowances for Directors

The Company provides no retirement allowances for Non-Executive Directors.

Executive pay

The executive pay and reward framework has four components:

- base pay and benefits;
- short-term incentives;
- long-term incentives through Directors options (refer Note 19); and
- other remuneration such as superannuation.

The combination of these comprises the executive's total remuneration.

Base pay

Structured as a total employment cost package which may be delivered as a mix 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 senior executives is reviewed annually by the Board 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 fixed in any senior executives' contracts.

Benefits

Executives receive no benefits outside of the base pay, options and superannuation disclosed in this report.

DIRECTORS' REPORT

(a) Principles used to determine the nature and amount of remuneration (continued)

Retirement benefits

Other than statutory superannuation contributions, no retirement benefits are provided for executives except statutory entitlements.

Short-term incentives

Key management personnel are entitled to short term incentives (STI's) based on performance that is agreed by the board from time to time.

Performance Conditions

There are no performance conditions on remuneration. The Board may from time to time pay a cash bonus to employees on the achievement of agreed individual performance indicators.

(b) Details of remuneration

Details of the nature and amount of each element of the emoluments of each of the key management personnel of the Group are set out in the following tables:

	Short-term employee benefits			Post-employment benefits		Share-based payment		Total \$
	Cash salary and fees \$	Cash bonus \$	Non-Monetary benefits \$	Super-annuation \$	Retirement benefits \$	Options* \$	Shares \$	
2023								
<i>Non-Executive Directors</i>								
David Frances	60,000	-	-	-	-	-	-	60,000
Brian Thomas	240,000	-	-	-	-	-	-	240,000
Peter Swiridiuk	239,996	-	-	-	-	-	-	239,996
Total	539,996	-	-	-	-	-	-	539,996

	Short-term employee benefits			Post-employment benefits		Share-based payment		Total \$
	Cash salary and fees \$	Cash bonus \$	Non-Monetary benefits \$	Super-annuation \$	Retirement benefits \$	Options* \$	Shares \$	
2022								
<i>Non-Executive Directors</i>								
David Frances (i)	24,250	-	-	-	-	198,405	-	222,655
Brian Thomas (ii)	82,801	-	-	-	-	83,005	-	165,806
Peter Swiridiuk	199,619	-	-	-	-	83,005	-	282,624
Alec Pismiris (iii)	24,000	-	-	-	-	83,005	-	107,005
Jessica O'Neil (iv)	11,129	-	-	-	-	-	-	11,129
Total	341,799	-	-	-	-	447,420	-	789,219

(i) Appointed 4 February 2022

(ii) Appointed 22 October 2021

(iii) Resigned 4 February 2021

(iv) Resigned 22 October 2021

DIRECTORS' REPORT

REMUNERATION REPORT (continued)

Remuneration that is performance based % is that percentage of remuneration that consisted of options.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

	Fixed Remuneration		At risk - STI		At risk – LTI *	
	2023	2022	2023	2022	2023	2022
Peter Swiridiuk	100%	71%	-	-	-	29%
David Frances (i)	100%	11%	-	-	-	89%
Brian Thomas (ii)	100%	50%	-	-	-	50%
Alec Pismiris (iii)	-	22%	-	-	-	78%
Jessica O'Neil (iv)	-	100%	-	-	-	-

* Long-term incentives reflect the value of remuneration consisting of options expensed during the year.

- (i) Appointed 4 February 2022
- (ii) Appointed 22 October 2021
- (iii) Resigned 4 February 2022
- (iv) Resigned 22 October 2021

(c) Service agreements

The Company has in place with each Director a Non-Executive Director appointment letter. There are no service agreements in place for executive or non-executive Directors.

(d) Share-based Compensation

Options

Options may be granted to key management personnel under the Lanthanein Resources Ltd Employee Securities Incentive Plan (the **Plan**) last approved by shareholders on 26 November 2019.

In the last three years the Company has issued the following options pursuant to the Plan:

- 33,000,000 options exercisable at \$0.03 expiring 31/12/2024 granted on 23 December 2021
- 11,250,000 options exercisable at \$0.045 expiring 3/05/2025 granted on 13 May 2022

Options granted under the Plan carry no dividend or voting rights. All options were provided at no cost to the recipients. When exercisable, each option is convertible into one ordinary share of Lanthanein Resources Ltd. Further information on options is set out in Note 20 to the Financial Statements.

DIRECTORS' REPORT

REMUNERATION REPORT (continued)

(e) Equity Instrument disclosures relating to KMP

(i) Options provided as remuneration and shares issued on exercise of such options

Details of options over ordinary shares in the Company provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options, can be found in the Remuneration Report, if applicable.

(ii) Option holdings

The number of options over ordinary shares held by each KMP of the Group during the financial year is as follows:

2023	Balance at the start of the year	Granted during the year as remuneration	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Name						
Directors -						
David Frances	11,250,000	-	-	-	11,250,000	11,250,000
Brian Thomas	7,500,000	-	-	-	7,500,000	7,500,000
Peter Swiridiuk	7,500,000	-	-	-	7,500,000	7,500,000
Total	26,250,000	-	-	-	26,250,000	26,250,000

(e) Equity Instrument disclosures relating to KMP (continued)

The number of options over ordinary shares held by each KMP of the Group during the previous financial year is as follows:

2022	Balance at the start of the year	Granted during the year as remuneration	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Name						
Directors -						
David Frances ¹	-	11,250,000	-	-	11,250,000	11,250,000
Brian Thomas ²	-	7,500,000	-	-	7,500,000	7,500,000
Peter Swiridiuk	-	7,500,000	-	-	7,500,000	7,500,000
Alec Pismiris ³	-	7,500,000	-	(7,500,000)	(7,500,000)	-
Jessica O'Neil ⁴	-	-	-	-	-	-
Total	-	33,750,000	-	(7,500,000)	26,250,000	26,250,000

1. Appointed 4 February 2022
2. Appointed 22 October 2021
3. Resigned 4 February 2022
4. Resigned 22 October 2022

(iii) Share holdings

The numbers of shares in the Company held during the financial year by each Director of Lanthanein Resources Ltd and other key management personnel of the consolidated group are set out below.

DIRECTORS' REPORT

REMUNERATION REPORT (continued)

(e) Equity Instrument disclosures relating to KMP (continued)

2023	Balance at the start of the year	Received during the year on the exercise of options	Purchases of Securities	Other changes during the year	Balance at the end of the year
<i>Directors</i>					
David Frances	-	-	-	-	-
Brian Thomas	-	-	-	-	-
Peter Swiridiuk	770,000	-	-	-	770,000
Total	770,000	770,000	-	-	770,000

2022	Balance at the start of the year	Received during the year on the exercise of options	Purchases of Securities	Other changes during the year	Balance at the end of the year
<i>Directors</i>					
David Frances ¹	-	-	-	-	-
Brian Thomas ²	-	-	-	-	-
Peter Swiridiuk	-	-	-	770,000	770,000
Alec Pismiris ³	9,000,000	-	4,925,000	(13,925,000)	-
Jessica O'Neil ⁴	-	-	-	-	-
Total	9,000,000	-	4,925,000	(13,155,000)	770,000

1. Appointed 4 February 2022
2. Appointed 22 October 2021
3. Resigned 4 February 2022. Acquisitions comprised the following
 - a. 22 September 2021 purchased 1,125,000 ordinary shares at \$0.013 in the rights entitlement issue announced 17 August 2021.
 - b. 1 October 2022 purchased 3,800,000 ordinary shares at \$0.013 following shareholder approval on 16 September 2021.
4. Resigned 22 October 2022

(f) Loans to Directors and executives

No loans were made to Directors of Lanthanein Resources Ltd or other key management personnel of the consolidated group, including their personally-related entities (2022: Nil).

(g) Other transactions with Directors and other key management personnel

No transactions occurred between the Group and other key management personnel except for the reimbursement at cost of expenditure incurred on behalf of the Group.

DIRECTORS' REPORT

REMUNERATION REPORT (continued)

(g) Other transactions with Directors and other key management personnel (continued)

Aggregate amounts of each of the above types of other transactions with Directors and key management personnel of Lanthanein Resources Ltd:

	2023 \$	2022 \$
Amounts recognised as expense		
Consulting fees:		
Administration	-	-
Exploration	-	-
Provision of office space	-	-
	-	-
Outstanding balance at year end	-	-

(h) Additional information

Share-based compensation: Options

The Company has a share trading policy which imposes basic trading restrictions on all employees of the Company with 'insider information', and additional trading restrictions on the Directors of the Company.

Full details of the Share Trading Policy can be found on the Company's website.

No options provided as remuneration were exercised during the year.

Relationship between remuneration and the Group's performance

The following table shows key performance indicators for the Group over the last five years:

	2023	2022	2021	2020	2019
Loss for the year	\$769,111	\$2,101,860	\$801,389	\$783,940	\$892,900
Closing Share Price	1.5 cents	1.7 cents	1.4 cents	1.1 cents	1.3 cents
KMP Incentives	-	\$447,421	\$nil	\$nil	\$nil
Total KMP Remuneration	\$539,996	\$789,200	\$227,025	\$293,381	\$217,648

Remuneration Consultants

The Group did not engage the services of any remuneration consultants during the year.

END OF AUDITED REMUNERATION REPORT

DIRECTORS' REPORT

SHARES UNDER OPTION

The following unissued ordinary shares of Lanthanein Resources Ltd under option are on issue as at the date of this report:

1. 192,000,011 options exercisable at \$0.03 expiring 31 December 2024
2. 20,000,000 options exercisable at \$0.02 expiring 24 August 2024
3. 11,250,000 options exercisable at \$0.045 expiring 31 May 2025

SHARES ISSUED ON THE EXERCISE OF OPTIONS

During the financial year ended 30 June 2023, there were nil shares of Lanthanein Resources Ltd issued upon the exercise of options. None have been issued since the end of the financial year.

INSURANCE OF OFFICERS

Since the end of the previous financial year the consolidated group has paid insurance premiums in respect of directors' and officers' legal expenses and liability insurance. The policies prohibit disclosure of details of the policies or the premiums paid. The Company has not otherwise, during or since the end of the year, except at the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or any of its controlled entities against a liability incurred as such an officer or auditor.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Consolidated Group are important.

Details of the amounts paid or payable to the auditor (Moore Australia Audit (WA)) for audit and non-audit services provided during the year are set out below.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the Board in its capacity as the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to the auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 25.

DIRECTORS' REPORT

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

	2023	2022
	\$	\$
Assurance services		
Audit Services		
Moore Australia Audit (WA)	30,596	27,860
Sinton Spence Chartered Accountants (PNG)	-	-
<i>Total remuneration for audit and assurance services</i>	30,596	27,860
Taxation and Accounting Services		
Moore Australia (WA)	6,000	5,750
Sinton Spence Chartered Accountants (PNG)	1,207	4,353
<i>Total remuneration for taxation services</i>	7,207	10,103

PROCEEDINGS ON BEHALF OF 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 responsible 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*.

This report is made in accordance with a resolution of the Directors.



David Frances
Non-Executive Chairman

28 September 2023

Moore Australia Audit (WA)

Level 15, Exchange Tower,
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**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION
307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS
OF LANTHANEIN RESOURCES LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

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



SUAN LEE TAN
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 28th day of September 2023.

Moore Australia Audit (WA) – ABN 16 874 357 907.

An independent member of Moore Global Network Limited - members in principal cities throughout the world.
Liability limited by a scheme approved under Professional Standards Legislation.

FINANCIAL REPORT – 30 JUNE 2023

This financial report includes the consolidated financial statements and notes of Lanthanein Resources Ltd and its controlled entities ('Consolidated Group' or 'Group'). The financial report is presented in the Australian currency.

Lanthanein Resources Ltd is a company limited by shares, incorporated and domiciled in Australia. Its principal place of business is:

Lanthanein Resources Ltd
Level 8, 99 St Georges Terrace
Perth WA 6000

Its registered office is:

Lanthanein Resources Ltd
Level 8, 99 St Georges Terrace
Perth WA 6000

A description of the nature of the Group's operations and principal activities is included in the Managing Director's Review of Operations in the Directors' report.

The financial report was authorised for issue by the Directors on 28 September 2023. The Company has the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the Company. All press releases, financial reports and other information are available on our website: www.lanthanein.com.

For queries in relation to our reporting please call +61 8 9486 4036 or email matt.foy@ftcorpbrate.com.au.

LANTHANEIN RESOURCES LTD
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Revenue from Continuing Operations			
Revenue	4	42,258	3,845
Other income	4	-	-
		42,258	3,845
Exploration expenditure	5	(38,307)	(479,729)
Administration and insurance expenses		(338,095)	(234,795)
Corporate compliance and shareholder		(248,559)	(190,990)
Gross employee benefit expense		(139,996)	(570,433)
Depreciation	9	-	-
Consultancy	5	(30,450)	(557,057)
Travelling expenses		(15,962)	(72,701)
Loss before income tax		(769,111)	(2,101,860)
Income tax expense/(benefit)	6	-	-
Loss after tax from continuing operations		(769,111)	(2,101,860)
Loss for the year attributable to ordinary equity holders of Lanthanein Resources Ltd		(769,111)	(2,101,860)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Movement in foreign currency translation		1,962	37,717
Other comprehensive income for the year		1,962	37,717
Total comprehensive loss for the year attributable to ordinary equity holders of Lanthanein Resources Ltd		(767,149)	(2,064,143)
Loss per share for the year attributable to members of Lanthanein Resources Ltd			
Continuing operations		(0.07)	(0.28)
Total basic and diluted (loss) per share	16	(0.07)	(0.28)

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

LANTHANEIN RESOURCES LTD
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Notes	2023	2022
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	7	2,892,216	4,026,924
Trade and other receivables	8	266,988	92,547
Total Current Assets		<u>3,159,204</u>	<u>4,119,471</u>
Non-Current Assets			
Trade and other receivables	8	158	153
Plant and equipment	9	52,015	-
Exploration and evaluation expenditure	10	7,746,794	3,314,638
Total Non-Current Assets		<u>7,798,967</u>	<u>3,314,791</u>
Total Assets		<u><u>10,958,171</u></u>	<u><u>7,434,262</u></u>
LIABILITIES			
Current Liabilities			
Trade and other payables	11	621,382	312,397
Total Current Liabilities		<u>621,382</u>	<u>312,397</u>
Total Liabilities		<u><u>621,382</u></u>	<u><u>312,397</u></u>
Net Assets		<u><u>10,336,789</u></u>	<u><u>7,121,865</u></u>
EQUITY			
Contributed equity	14	48,043,643	44,247,249
Reserves	15	4,822,464	4,634,823
Accumulated losses	15	(42,529,318)	(41,760,207)
Total Equity		<u><u>10,336,789</u></u>	<u><u>7,121,865</u></u>

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

LANTHANEIN RESOURCES LTD
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Contributed Equity	Accumulated Losses	Share Based Payment Reserve	Options Premium Reserve	Foreign Currency Translation Reserve	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	39,219,988	(39,658,347)	3,939,885	179,640	(645,446)	3,035,720
Loss attributable to ordinary equity holders of Lanthanein Resources Ltd	-	(2,101,860)	-	-	-	(2,101,860)
Other comprehensive income -						
Foreign currency translation	-	-	-	-	37,717	37,717
Total comprehensive loss for the year	-	(2,101,860)	-	-	37,717	(2,064,143)
Transaction with owners, in their capacity as owners -						
Options issued during the year	-	-	-	785,550	-	785,550
Performance rights issued during the year	-	-	337,477	-	-	337,477
Shares issued during the year, net of costs	5,027,261	-	-	-	-	5,027,261
Balance at 30 June 2022	44,247,249	(41,760,207)	4,277,362	965,190	(607,729)	7,121,865
Balance at 1 July 2022	44,247,249	(41,760,207)	4,277,362	965,190	(607,729)	7,121,865
Loss attributable to ordinary equity holders of Lanthanein Resources Ltd	-	(769,111)	-	-	-	(769,111)
Other comprehensive income -						
Foreign currency translation	-	-	-	-	1,962	1,962
Total comprehensive loss for the year	-	(769,111)	-	-	1,962	(767,149)
Transaction with owners, in their capacity as owners -						
Options issued during the year	-	-	-	339,065	-	339,065
Performance rights issued during the year	153,386	-	(153,386)	-	-	-
Shares issued during the year, net of costs	3,643,008	-	-	-	-	3,643,008
Balance at 30 June 2023	48,043,643	(42,529,318)	4,123,976	1,304,255	(605,767)	10,336,789

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

LANTHANEIN RESOURCES LTD
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Cash Flows From Operating Activities			
Payments to suppliers and employees		(922,084)	(557,851)
Interest received		42,259	3,845
Payments to exploration expenditure		(37,826)	(450,404)
Net cash outflow from operating activities	22	(917,651)	(1,004,410)
Cash Flows From Investing Activities			
Payments for exploration and evaluation		(4,199,427)	(583,562)
Net cash inflow/(outflow) from investing activities		(4,199,427)	(583,562)
Cash Flows From Financing Activities			
Proceeds from the issue of shares		4,270,265	2,718,702
Payments for capital raising costs		(288,192)	(192,596)
Net cash inflow/(outflow) from financing activities		3,982,073	2,526,106
Net increase/(decrease) in cash and cash equivalents		(1,135,005)	938,134
Cash at 1 July		4,026,924	3,087,727
Effect of exchange rates on cash holdings in foreign currencies		297	1,063
Cash at 30 June	7	2,892,216	4,026,924

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

**NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes the consolidated financial statements and notes of Lanthanein Resources and controlled entities ('Consolidated Group' or 'Group').

Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Lanthanein Resources Ltd is a for profit entity for the purposes of preparing the financial statements.

Compliance with IFRS

These consolidated financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain classes of plant and equipment.

Critical accounting estimates

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Lanthanein Resources Ltd) 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 23.

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 unrealized gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

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

Business combinations

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Cash and cash equivalents

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

(c) Exploration and evaluation expenditure

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

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

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

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

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

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

(d) Plant and equipment

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

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

Items of plant and equipment are depreciated over their estimated useful lives. The diminishing balance method is used. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use. Estimates of useful lives are made at the time of acquisition and varied as required.

Expected useful lives are: Plant and Equipment between 4 years and 7 years.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Plant and equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

(e) Impairment of assets

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

(f) Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Employee benefits (continued)

Retirement benefit obligations

Defined benefit obligations

The Group provides defined benefit superannuation entitlements to select employees of the Group.

The difference, if any, between the Group's obligation for employees' defined benefit entitlements at the end of the reporting period and the fair value of plan assets attributable to the employees at the same date is presented as a net defined benefit liability (asset) in the statement of financial position. The Group's obligation for defined benefit entitlements, as well as the related current service cost and, where applicable, past service cost, is calculated at the end of each reporting period by an independent and suitably qualified actuary using the projected unit credit method. In determining the Group's obligation for defined benefits, the actuary discounts the present value of the estimated future cash flows attributable to providing the defined benefit entitlements at rates determined by reference to market yields at the end of the reporting period on Australian government bonds that have maturity dates that approximate the terms of the obligation.

Any net defined benefit asset recognised by the Group is limited to the present value of economic benefits available in the form of any future refunds from the employees' defined benefit plan or reductions in future contributions in respect of employees with defined benefit entitlements. In calculating the present value of any such potential economic benefits, consideration is given to any minimum funding requirements that apply in respect to the employees' defined benefit entitlements. An economic benefit is considered available to the Group if it is realizable during the period of the employees' membership of the plan or on settlement of all of the employees' entitlements from plan assets.

The periodic cost of providing defined benefit entitlements is disaggregated and accounted for as follows:

- service cost (including current and past service costs and any gains or losses on settlements or curtailments) is recognised in profit or loss in the period in which it arises as a part of employee benefits expense;
- interest on the net defined benefit liability (asset) is calculated by multiplying the average balance of the liability (asset) during the reporting period by the discount rate applied to the defined benefit obligation and is recognised in profit or loss in the period in which it arises as a part of finance costs; and
- remeasurements of the net defined benefit liability (asset) (including actuarial gains and losses, the return on plan assets less amounts included in the net interest on the net defined benefit liability (asset), and any changes in the limit on a net defined benefit asset (excluding interest)) are recognised in other comprehensive income (retained earnings) in the periods in which they occur.

Defined contribution superannuation benefits

All employees of the Group other than those that receive defined benefit entitlements receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution (currently 10.00% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Employee benefits (continued)

Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of: (a) the date when the Group can no longer withdraw the offer for termination benefits; and (b) when the Group recognises costs for restructuring pursuant to AASB 137: *Provisions, Contingent Liabilities and Contingent Assets* and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

Equity-settled compensation

Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

(g) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from the drilling contract is recognised based on the terms of the contract that provide for revenue recognition on the basis of actual meters drilled at contract rates. Revenue from ancillary charges, primarily relating to extra services to the customer, is recorded when the services are rendered. Revenue in relation to the reimbursable expenditure is recognised in the period in which the expenditure was incurred,

All revenue is stated net of the amount of goods and services tax (GST).

(h) Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(i) Income tax

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

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

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Income tax (continued)

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

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

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

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

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

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

(j) Goods and Services Tax (GST)

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

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(k) 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(m) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit after tax attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Potential shares as a result of options outstanding at the end of the year are not dilutive and therefore have not been included in the calculation of diluted earnings per share.

(n) Foreign currency transactions and balances

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- a. Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- b. Income and expenses are translated at average exchange rates for the period; and
- c. Share capital and retained earnings are translated at the exchange rates prevailing at the date of the 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 period in which the operation is disposed.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Segment Reporting

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

(p) Comparative Figures

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

(q) New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. These standards did not materially affect the Group.

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

(r) New Accounting Standards for Application in Future Periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(s) Financial Instruments

Initial recognition and measurement

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

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

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial instruments are subsequently measured at:

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Financial Instruments (continued)

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

A financial liability is held for trading if:

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

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

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair values (and if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with AASB 9.3.25.3; and
- the amount initially recognised less the accumulative amount of income recognised in accordance with the revenue recognition policies.

Financial assets

Financial assets are subsequently measured at:

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

Measurement is on the basis of two primary criteria:

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Financial Instruments (continued)

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

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

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

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

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

it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

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

Equity instruments

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

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

Derecognition

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

Derecognition of financial liabilities

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Financial Instruments (continued)

Derecognition of financial assets

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

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

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

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

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

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

Derivative financial instruments

The Group enters into various derivative financial instruments (ie foreign exchange forward contracts and interest rate swaps) to manage its exposure to interest rate and foreign exchange rate risks.

Derivative financial instruments are initially and subsequently measured at fair value. All gains and losses subsequent to the initial recognition are recognised in profit or loss.

Impairment

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

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

Loss allowance is not recognised for:

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Financial Instruments (continued)

General approach

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

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

Simplified approach

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

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

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

Purchased or originated credit-impaired approach

For a financial asset that is considered credit-impaired (not on acquisition or origination), the Group measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- a lender granting to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- high probability that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the Group assumes that the credit risk has not increased significantly since initial recognition and accordingly it can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the Group applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but not necessarily will, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Financial Instruments (continued)

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a risk of default lower than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

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

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

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

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

**NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 2 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks; market risk (including foreign exchange risk and interest rate 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 is engaged in mineral exploration and evaluation, and does not currently sell product and derives only limited revenue from interest earned.

Risk management is carried out by the board as a whole and no formal risk management policy has been adopted but is in the process of development.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures to the PNG Kina. Since the Group has not yet commenced mining operations or to sell products the exposure is limited to the movement in loan accounts between the Parent and the Subsidiaries located in Papua New Guinea.

The Group limits its foreign currency risk by limiting funds held in overseas bank accounts and paying its creditors promptly. The Group's exposure to foreign currency risk on PNG Kina, translated into Australian Dollars at 30 June, was as follows:

	2023 AUD	2023 Kina	2022 AUD	2022 Kina
Foreign currency assets and liabilities				
Cash and cash equivalents	5,326	12,492	5,150	12,492
Trade and other receivables	-	-	-	-
Prepayments	-	-	-	-
Trade and other payables	(1,558)	(4,100)	(2,736)	(6,636)

**NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 2 FINANCIAL RISK MANAGEMENT (continued)

(ii) Interest rate risk

From time to time the Group has significant interest bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. Exposure to interest rates is limited to the cash and cash equivalents balances.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

2023	Floating Interest Rate \$	Non-interest bearing \$	Total \$
Financial assets			
Cash and cash equivalents	2,892,216	-	2,892,216
Trade and other receivables	-	266,988	266,988
Prepayments	-	-	-
	<u>2,892,216</u>	<u>266,988</u>	<u>3,159,204</u>
Weighted average interest rate			
Financial liabilities			
Trade and other payables	-	621,382	621,382
	<u>-</u>	<u>621,382</u>	<u>621,382</u>
Net financial assets	<u>2,892,216</u>	<u>(354,394)</u>	<u>2,537,822</u>
2022	Floating Interest Rate \$	Non-interest bearing \$	Total \$
Financial assets			
Cash and cash equivalents	4,026,924	-	4,026,924
Trade and other receivables	-	92,547	92,547
Prepayments	-	-	-
	<u>4,026,924</u>	<u>92,547</u>	<u>4,119,471</u>
Weighted average interest rate			
Financial liabilities			
Trade and other payables	-	312,397	312,397
	<u>-</u>	<u>312,397</u>	<u>312,397</u>
Net financial assets	<u>4,026,924</u>	<u>(219,850)</u>	<u>3,807,074</u>

**NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 2 FINANCIAL RISK MANAGEMENT (continued)

Sensitivity analysis

The following table illustrates sensitivities of the Group's exposure to changes in interest rates. The table indicates the impact on how profit reported at balance date would have been affected by changes in the interest rate risk variable that management considers to be reasonably possible.

	2023	2022
	\$	\$
Net financial assets subject to variable interest rates	2,892,216	4,026,924
Increase in profits resulting from a 1% pa increase in variable interest rates	28,922	40,269
Decrease in profits resulting from a 1% pa decrease in variable interest rates	(28,922)	(40,269)

The following table illustrates sensitivities of the Group's exposure to changes in foreign exchange rates. The table indicates the impact on how other comprehensive income reported at balance date would have been affected by changes in the foreign exchange rate variable that management considers to be reasonably possible.

	2023	2022
	\$	\$
Decrease in other comprehensive income resulting from a 10% increase in Australian Dollar against the Kina	(533)	(515)
Increase in other comprehensive income resulting from a 10% decrease in Australian Dollar against the Kina	533	515

The entity is not exposed to material price risk.

Net Fair Value

Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term investments in nature whose carrying value is equivalent to fair value.

(b) Credit risk

Credit risk exposure represents the extent of credit related losses that the Group may be subject to on amounts to be received from financial assets. Credit risk arises principally from trade and other receivables including intercompany loans and cash. The objective of the Group is to minimise the risk of loss from credit risk. Although revenue from operations is minimal, the Group trades only with creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is insignificant. Credit terms are generally 30 days from the invoice date. The Group has no concentrations of credit risk, other than holding all its cash with Westpac Bank. The Group's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated on the statement of financial position, which has not changed materially from the prior year.

Receivables also include \$158 (2022: \$153) in bonds, primarily mines department deposits.

Credit risk exposures

Credit risks related to balances with bank and other financial institutions is managed by the Board in accordance with Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. Cash is held with Westpac Banking Corporation, which is AA Rated.

**NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 2 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

The maximum exposure to credit risk is as follows:

	2023	2022
	\$	\$
Current Assets:		
Cash and cash equivalents	2,892,216	4,026,924
Trade and other receivables	266,988	92,547
Non-Current Assets:		
Trade and other receivables	158	153
	<u>3,159,362</u>	<u>4,119,624</u>

(c) Liquidity risk

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

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

The Group's current financial assets and liabilities are summarised as follows:

	2023	2022
	\$	\$
Cash and cash equivalents	2,892,216	4,026,924
Trade and other receivables	266,988	92,547
Trade and other payables	<u>(621,382)</u>	<u>(312,397)</u>
	2,537,822	3,807,074

The financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days from the reporting date.

The contractual amounts payable are equal to the carrying amounts in the accounts.

**NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes assumptions concerning the future. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. The resulting accounting estimates will, by definition, seldom equal the related actual results. The judgments, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts and assets and liabilities within the next financial year are discussed below.

(a) Impairment of assets

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(b) Share based payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes option pricing model, using the assumptions detailed in Note 20.

	2023	2022
	\$	\$
NOTE 4 REVENUE AND OTHER INCOME		
From continuing operations		
Interest – unrelated parties	42,258	3,845
Total Revenue	<u>42,258</u>	<u>3,845</u>

NOTE 5 EXPENSES AND SIGNIFICANT ITEMS

Depreciation of plant & equipment	-	-
Significant Items		
Exploration and evaluation expenditure	38,307	479,729
Consulting fees	30,450	440,850
Consultants benefits expense	-	116,207

**NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 6: INCOME TAX EXPENSE

	2023	2022
	\$	\$
a. The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
Income tax expense / (benefit) reported in Statement of Profit and Loss and Other Comprehensive Income	-	-
lb. The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Loss from continuing operations before income tax	(769,111)	(801,389)
Prima facie tax benefit on loss from continuing operations at 30% (2022: 30%)	(230,733)	(240,417)
Add / (less) tax effect of:		
- Other non-allowable items	11,671	158,795
- Revenue losses not recognised	253,890	83,421
- Other deferred tax balances not recognised	(34,828)	(1,799)
Income tax expense / (benefit) reported in the consolidated statement of Profit and Loss and Other Comprehensive Income from ordinary operations	-	-
c. Deferred tax recognised at 30% (2022: 30%) (Note 1):		
Deferred tax liabilities:		
Capitalised exploration	(1,480,846)	-
Property, plant & equipment	(115,054)	-
Deferred tax assets:		
Revenue losses	1,579,900	-
Net deferred tax	-	-
d. Unrecognized deferred tax assets at 30% (2021: 30%) (Note 1):		
Carry forward revenue losses	4,737,502	4,273,991
Carry forward capital losses	529,850	529,850
Financial assets	304,840	304,840
Other	115,187	7,977
	5,687,379	5,377,639

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

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

**NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 6: INCOME TAX EXPENSE (continued)

Note 1 - the corporate tax rate for eligible companies will reduce from 30% to 25% by 30 June 2022 providing certain turnover thresholds and other criteria are met. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.

NOTE 7 CASH AND CASH EQUIVALENTS	2023	2022
	\$	\$
Cash and cash equivalents	2,892,216	4,026,924
Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash at bank	2,892,216	4,026,924
Bank deposits at call	-	-
Cash on hand	-	-
Cash and cash equivalents	<u>2,892,216</u>	<u>4,026,924</u>

Cash at bank earns an interest rate of 2.0% (2022: 0.5%). Refer to note 2 for the Group's exposure to interest rate risk.

**NOTE 8 TRADE AND OTHER RECEIVABLES
CURRENT**

Other receivables (a)	266,988	92,547
	<u>266,988</u>	<u>92,547</u>
NON-CURRENT		
Deposits – tenements and premises (b)	158	153
	<u>158</u>	<u>153</u>

(a) Other current receivables are all non-interest bearing.

(b) Deposits – tenements and premises deposits for performance and private land and are non-interest bearing.

No receivables were past due but not impaired.

NOTE 9 PLANT AND EQUIPMENT

Plant and equipment

Plant and equipment at cost	54,185	2,170
Less accumulated depreciation	(2,170)	(2,170)
Carrying amount at the end of the financial year	<u>52,015</u>	<u>-</u>

**NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 9 PLANT AND EQUIPMENT (continued)

Reconciliation

Reconciliations of the carrying amount of plant and equipment at the beginning and end of the financial year are set out below:

Carrying amount at the beginning of the financial year	-	-
Additions	52,015	-
Depreciation expense	-	-
Carrying amount at the end of the financial year	<u>52,015</u>	<u>-</u>
	2023	2022
	\$	\$

NOTE 10 EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation assets	7,746,794	3,314,638
Reconciliation:		
Balance at beginning of the year	3,314,638	-
Issue of ordinary shares – project acquisitions	-	2,348,077
Issue of performance rights – project acquisitions	-	337,477
Exploration expenditure	<u>4,432,156</u>	<u>629,084</u>
	<u>7,746,794</u>	<u>3,314,638</u>

The recoverability of the carrying amount of these capitalised assets is dependent on successful development or commercial exploitation, or alternatively, sale of the respective area of interest.

	2023	2022
	\$	\$
NOTE 11 TRADE AND OTHER PAYABLES		
CURRENT		
Trade and sundry creditors (a)	582,382	294,397
Accrued expenses	<u>39,000</u>	<u>18,000</u>
	<u>621,382</u>	<u>312,397</u>

(a) All creditors are non-interest bearing and are normally settled on 30 day terms.

Refer to note 2 for the Group's exposure to liquidity risk.

**NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 12 COMMITMENTS

Exploration Expenditure Commitments

In order to maintain rights of tenure to exploration tenements the Group is required to perform exploration work to meet the minimum expenditure requirements as specified by various governments.

Outstanding obligations are not provided for in the accounts and are payable:

Not later than 1 year	1,181,751	1,006,751
Later than 1 year but not later than 5 years	491,751	491,751
Any greater than 5 years	-	-
	<u>1,673,502</u>	<u>1,498,502</u>

NOTE 13 CONTINGENT LIABILITIES

The Group had no contingent liabilities at 30 June 2023 (2022: nil).

NOTE 14 CONTRIBUTED EQUITY

	2023 Shares	2022 Shares	2023 \$	2022 \$
(a) Paid Up Capital				
Ordinary shares – fully paid of no-par value	1,121,575,570	837,825,570	48,043,643	44,247,249

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

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

(b) Movements in ordinary share capital of the Company:

Date	Details	Number of Shares	Issue Price \$	\$
30 Jun 2021	Closing Balance	489,101,938		39,219,988
9 Aug 2021	Shares issued – placement	100,000,000	0.013	1,300,000
22 Sep 2021	Share issued – rights entitlement	52,339,544	0.013	680,414
4 Oct 2021	Shares issued to vendor – Southern Rare Earths Pty Ltd	57,692,307	0.016	923,077
4 Oct 2021	Shares issued - rights entitlement and placement	25,868,199		738,288
23 Dec 2021	Shares issued to vendor	100,000,000	0.01425	1,425,000
21 Mar 2022	Shares issued to supplier	12,823,582		375,000
	Share capital raising costs			(414,518)
30 Jun 2022	Closing Balance	<u>837,825,570</u>		<u>44,247,249</u>
10 Aug 2022	Shares issued – placement	125,000,000	0.014	1,750,000
16 Dec 2022	Conversion of Class C performance rights	18,750,000	0.008	153,385
10 Feb 2023	Shares issued – placement	140,000,000	0.018	2,520,000
	Share capital raising costs			(626,991)
30 June 2023	Closing Balance	<u>1,121,575,570</u>		<u>48,043,643</u>

**NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 14 CONTRIBUTED EQUITY (continued)

(c) Option Issues

Options to purchase ordinary shares	Jun 2023 Options	Jun 2022 Options
Balance at 1 July	64,250,000	-
Issue of directors and consultant's options	-	44,250,000
Issue of brokers options	26,500,000	20,000,000
Issue of placement options	132,500,011	-
Less expired options	-	-
Balance at 30 June	223,250,011	64,250,000

(d) Option Exercise

During the financial year nil options were exercised.

(e) Option Expiry

During the financial year no options expired unexercised.

(f) Option Cancellation and Lapse

During the financial year nil options lapsed.

(g) Performance Rights Issues

Options to purchase ordinary shares	Jun 2023 Rights	Jun 2022 Rights
Balance at 1 July	64,423,076	-
Issue of vendor performance rights – Southern Rare Earths Pty Ltd acquisition	-	26,923,076
Issue of vendor performance rights – Dalkeith Capital Pty Ltd acquisition	-	37,500,000
Vesting of Class C Performance Rights	(18,750,000)	
Balance at 30 June	45,673,076	64,423,076

(h) Capital Management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

The capital structure of the Group consists of equity attributable to equity holders of the parent comprising issued capital, reserves and accumulative losses.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

**NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 14 CONTRIBUTED EQUITY (continued)

The working capital position of the Group at 30 June 2023 and 30 June 2022 was as follows:

	2023	2022
	\$	\$
Cash and cash equivalents	2,892,216	4,026,924
Trade and other receivables	266,988	92,547
Prepayment	-	-
Trade and other payables	(621,382)	(312,397)
Working capital position	<u>2,537,822</u>	<u>3,807,074</u>

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

Refer to note 2 for Financial Risk Management.

	2023	2022
	\$	\$
NOTE 15 RESERVES AND ACCUMULATED LOSSES		
(a) Reserves		
Share based payment reserve	4,123,976	4,277,362
Options premium reserve	1,304,255	965,190
Foreign currency translation reserve	(605,767)	(607,729)
	<u>4,822,464</u>	<u>4,634,823</u>
Movements		
<i>Share based payment reserve</i>		
Balance 1 July	4,277,362	3,939,885
Option expense	-	337,477
Vesting of performance rights to ordinary shares	(153,386)	-
Balance 30 June	<u>4,123,976</u>	<u>4,277,362</u>
<i>Options premium reserve</i>		
Balance 1 July	965,190	179,640
Options issued	339,065	785,550
Balance 30 June	<u>1,304,255</u>	<u>965,190</u>
<i>Foreign currency translation reserve</i>		
Balance 1 July	(607,729)	(645,446)
Currency translation differences arising during the year	1,962	37,717
Balance 30 June	<u>(605,767)</u>	<u>(607,729)</u>

**NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 15 RESERVES AND ACCUMULATED LOSSES

(b) Accumulated losses

Movements in accumulated losses were as follows:

Balance 1 July	(41,760,207)	(39,658,347)
Net loss for the year	(769,111)	(2,101,860)
Balance 30 June	<u>(42,529,318)</u>	<u>(41,760,207)</u>

(c) Nature and purpose of reserves

Share based payment reserve

This reserve is used to recognise the fair value of share-based payments.

Options premium reserve

This reserve is used to recognise the fair value of options issued.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve, as described in Note 1(n). The reserve is recognised in profit or loss when the net investment is disposed of.

	2023	2022
	\$	\$
NOTE 16 LOSS PER SHARE ("EPS")		
<i>Earnings per share from continuing operations</i>		
Loss after income tax	(769,111)	(2,101,860)
Weighted average number of shares used in the calculation of the basic EPS.	1,012,945,433	736,304,934
The number of potential ordinary shares relating to options not exercised at the end of the year. These potential ordinary shares are anti-dilutive in both years and so have not been included in the EPS calculations.	-	-
Basic and diluted loss per share	<u>0.07 cents</u>	<u>0.28 cents</u>

NOTE 17 DIVIDENDS

There were no dividends paid or recommended during the financial year ended 30 June 2023 (2022: nil).

**NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 18 RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Directors and specified executives

Disclosures relating to Directors and specified executives are set out in Directors' Remuneration Report.

Wholly-owned group

The consolidated group consists of Lanthanein Resources Ltd and its wholly-owned subsidiaries, Frontier Gold (PNG) Ltd, and Frontier Copper (PNG) Ltd, Southern Rare Earths Pty Ltd and Dalkeith Capital Pty Ltd. Ownership interests in these subsidiaries are set out in Note 23.

Other related parties

There were no transactions or balances with other related parties including director related entities during the year.

NOTE 19 KEY MANAGEMENT PERSONNEL DISCLOSURES

Key Management Personnel (KMP) Compensation

Refer to the Remuneration Report contained in the Director's Report for details of the remuneration paid to each member of the Group's KMP for the year ended 30 June 2023.

The totals of remuneration paid to KMP during the year are as follows:

	2023	2022
	\$	\$
Short term employee benefits	539,996	341,800
Post-employment benefits	-	-
Share based payments	-	447,420
	<u>539,996</u>	<u>789,220</u>

NOTE 20 SHARE-BASED PAYMENTS

The total expense arising from share based payment transactions recognised during the period in relation to the performance rights was \$nil, options issued to directors and consultants was \$nil, and options issued to brokers was \$339,065, totalling \$339,065 in share based payment expenses for the year (2022: \$1,123,027). Full details of any performance rights and share options issued in the previous financial year are detailed in the 2022 financial statements.

Broker Options– 9 February 2023

On 9 February 2023, the Company issued 14,000,000 options to brokers, each exercisable at \$0.03 with a 1.89 year expiry period. These options were valued using a Black-Scholes valuation model and the capital-raising cost recognised in full at their issue date is \$166,051. For the options issued during the period, a Black-Scholes valuation model was used with the valuation model inputs used to determine the fair value at the grant date as follows:

Grant date	Expiry date	Share price at grant date	Exercise Price	Expected volatility	Risk free rate	Dividend yield	Number of options	Value per Option	Total Value \$	Vesting terms
09/02/2023	31/12/24	\$0.026	\$0.03	96%	0.25%	0%	14,000,000	\$0.011851	166,051	Immediately

**NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 20 SHARE-BASED PAYMENTS (continued)

Broker Options– 10 August 2022

On 10 August 2022, the Company issued 12,500,000 options to brokers, each exercisable at \$0.03 with a 2.39 year expiry period. These options were valued using a Black-Scholes valuation model and the capital-raising cost recognised in full at their issue date is \$173,014. For the options issued during the period, a Black-Scholes valuation model was used with the valuation model inputs used to determine the fair value at the grant date as follows:

Grant date	Expiry date	Share price at grant date	Exercise Price	Expected volatility	Risk free rate	Dividend yield	Number of options	Value per Option	Total Value \$	Vesting terms
10/08/2022	31/12/24	\$0.029	\$0.03	85%	0.25%	0%	12,500,000	\$0.013841	173,014	Immediately

NOTE 21 OPERATING SEGMENTS

Identification of reportable segments

The Group operates predominantly in the mining industry. This comprises exploration and evaluation of gold, silver and base metals projects. Inter-segment transactions are priced at cost to the Consolidated Group.

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors on a monthly basis. Management has identified the operating segments based on the two principal locations of its projects – Australia and Papua New Guinea.

Corporate expenses include administration and regulatory expenses arising from operating an ASX listed entity.

Segment assets include the costs to acquire tenements and the capitalised exploration costs of those tenements. Cash and cash equivalents are reported in the Treasury segment.

For the Year to 30 June 2023	Papua New Guinea			Total \$
	Australia \$	Exploration \$	Treasury \$	
Segment Revenue	-	-	42,258	42,258
Segment Results	-	(38,816)	42,258	3,442
Amounts not included in segment results but reviewed by Board:				
- Corporate charges				(734,340)
- Share-based payment expenses				-
- Impairment - Loan				(38,213)
Loss before Income Tax				(769,111)
As at 30 June 2023				
Segment Assets	7,746,794	5,484	3,205,893	10,958,171
Segment Liabilities	116,585	1,559	503,238	621,382

**NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 21 OPERATING SEGMENTS (continued)

For the Year to 30 June 2022	Australia \$	Papua New Guinea Exploration \$	Treasury \$	Total \$
Segment Revenue	-	-	3,845	3,845
Segment Results	-	(481,120)	3,845	(477,275)
Amounts not included in segment results but reviewed by Board:				
- Corporate charges				(625,830)
- Share-based payment expenses				(563,628)
- Impairment - Loan				(435,127)
Loss before Income Tax				<u>(2,101,860)</u>
As at 30 June 2022				
Segment Assets	3,314,638	5,303	4,114,321	7,434,262
Segment Liabilities	116,585	2,736	193,076	312,397

NOTE 22 RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

(a) Reconciliation of operating loss after income tax to the net cash flow from operations:	2023	2022
Operating loss after income tax	(769,111)	(2,101,860)
Adjustment for non-cash items:		
- Share-based payments expense	-	938,628
Change in operating assets and liabilities:		
- Trade and other payables and provisions	(308,985)	101,156
- Trade and other receivables	160,445	57,666
Net cash outflow from operating activities	<u>(917,651)</u>	<u>(1,004,410)</u>

There were no non-cash financing and investing activities during the year (2022: nil).

**NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 23 SUBSIDIARIES

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding	
			2023 %	2022 %
Frontier Gold (PNG) Ltd ¹	Papua New Guinea	Ordinary	nil	100
Frontier Copper (PNG) Ltd	Papua New Guinea	Ordinary	100	100
Southern Rare Earths Pty Ltd	Australia	Ordinary	100	100
Dalkeith Capital Pty Ltd	Australia	Ordinary	100	100

¹ Entity was shut down and merged with Frontier Copper (PNG) Ltd

2023	2022
\$	\$

NOTE 24 PARENT ENTITY DISCLOSURES

(a) Financial Position of Lanthanein Resources Ltd

CURRENT ASSETS

Cash and cash equivalents	2,886,891	4,021,774
Trade and other receivables	266,988	92,547
TOTAL CURRENT ASSETS	3,153,879	4,114,321

NON-CURRENT ASSETS

Other financial assets	10,622	10,622
Plant and equipment	52,015	-
Exploration and evaluation expenses	7,746,794	3,314,638
TOTAL NON-CURRENT ASSETS	7,809,431	3,325,260

TOTAL ASSETS	10,963,310	7,439,581
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CURRENT LIABILITIES

Trade and other payables	619,824	309,662
TOTAL CURRENT LIABILITIES	619,824	309,662

TOTAL LIABILITIES	619,824	309,662
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NET ASSETS	10,343,486	7,129,919
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EQUITY

Contributed equity	48,209,554	44,247,249
Reserves	5,262,320	5,242,550
Accumulated losses	(43,128,388)	(42,359,880)
TOTAL EQUITY	10,343,486	7,129,919

**NOTE TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 24 PARENT ENTITY DISCLOSURES (continued)

(b) Financial Performance of Lanthanein Resources Ltd

	2023	2022
	\$	\$
Loss for the year	(768,508)	(2,055,867)
Total comprehensive loss	<u>(768,508)</u>	<u>(2,055,867)</u>

(c) Guarantees entered into by Lanthanein Resources Ltd to the debts of its subsidiaries

There are no guarantees entered into by Lanthanein Resources Ltd for the debts of its subsidiaries as at 30 June 2023 (2022: none).

(d) Contingent liabilities of Lanthanein Resources Ltd

There are no contingent liabilities as at 30 June 2023 (2022: none).

(e) Commitments Lanthanein Resources Ltd

There are no commitments as at 30 June 2023 (2022: none).

NOTE 25 REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditors of the Group, their related practices and non-related audit firms.

	2023	2022
	\$	\$
Assurance services		
Audit Services		
Moore Australia Audit (WA)	30,596	27,860
Sinton Spence Chartered Accountants (PNG)	-	-
Total remuneration for audit services	<u>30,596</u>	<u>27,860</u>
Non-Assurance services		
Taxation and Accounting Services		
Moore Australia Audit (WA)	6,000	5,750
Sinton Spence Chartered Accountants (PNG)	1,207	4,353
Total remuneration for taxation services	<u>7,207</u>	<u>10,103</u>

NOTE 26 EVENTS OCCURRING AFTER THE BALANCE DATE

There were no matters or circumstance that has arisen since 30 June 2023 that has significantly affected, or may significantly affect:

- (iv) the Group's operations in future financial years; or
- (v) the results of those operations in future financial years; or
- (vi) the Group's state of affairs in future financial years.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, 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 2023 and of the performance of the year ended on that date of the consolidated group.
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.
4. The remuneration disclosures included in pages 16 to 22 within the directors' report (as part of the audited Remuneration Report), for the year ended 30 June 2023, comply with section 300A of the *Corporations Act 2001*.
5. The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.

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



David Frances
Non-Executive Chairman

28 September 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANTHANEIN RESOURCES LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Lanthanein Resources Ltd (the Company) and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of 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 the directors' declaration.

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

giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

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

Independence

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* (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.

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.

**INDEPENDENT AUDITOR’S REPORT
TO THE MEMBERS OF LANTHANEIN RESOURCES LTD (CONTINUED)**

Key Audit Matters (continued)

Exploration and Evaluation	
Refer to Note 10 – Exploration and Evaluation Expenditure	
<p>The Group’s total exploration and evaluation expenditure capitalized for the year was \$7.75 million at balance date, being its single largest asset.</p> <p>The ability to recognise and defer exploration and evaluation assets under AASB 6: Exploration and Evaluation for Mineral Resources is impacted by the Group’s ability and intention to continue to explore the tenements or its ability to realise this value through development or sale.</p> <p>Due to the significance of these assets and the subjectivity involved in assessing the ability to continue to defer these assets, this is considered a key audit matter.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Ensuring the Group has the ongoing right to explore in the relevant exploration areas of interests which included performing ownership searches of the tenements to Department of Mines WA & other agreements. • Tested a sample of exploration & evaluation expenditures capitalised during the year to supporting documentation including contracts. • Ensuring the Group is committed to continue exploration and evaluation activity in the relevant exploration areas of interest by assessing their exploration and future development expenditures that have been budgeted for and reviewing minutes of Board meetings and other internal reports. • Assessing the carrying value of these assets for any indicators of impairment including comparing against the Company’s market capitalisation. • We also assessed the appropriateness of the disclosures contained in the financial report
Cash at bank	
Refer to Note 7 Cash & Cash Equivalents	
<p>The Group’s total cash at bank holdings of \$2.89 million at balance date makes up 26% of its total assets by value and is considered a critical driver to the Group’s ongoing and future operations.</p> <p>We do not generally consider cash to be at a high risk of significant misstatement, or to be subject to a significant level of judgment because it is normally a liquid asset.</p> <p>However, we determined this area to be key audit matter due to the materiality in the context of the financial statements</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Documenting and assessing the processes and controls in place to record cash at bank transactions • Agreeing cash/bank holdings to year-end bank reconciliations, bank statements and confirming the 30 June 2023 balances to third party confirmations. • Assessed the appropriateness of the disclosures included in the primary financial statements and notes to the financial report • The disclosures contained in the financial statements appropriately identify this risk.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

Directors' Responsibilities 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 on the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report as included in the directors' report for the year ended 30 June 2023. In our opinion, the Remuneration Report of Lanthanein Resources Ltd, for the year ended 30 June 2023 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.



SUAN LEE TAN
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 28th day of September 2023

ADDITIONAL INFORMATION

Information required by Australian Securities Exchange Limited and not shown elsewhere in this report is as follows:-

STATEMENT OF QUOTED SECURITIES

The Company has the following quoted securities on issue:

- a) Fully Paid Ordinary Shares: Distribution of Shareholders as at 29 August 2023.

Holding Ranges	No of Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	165	18,850	0.00%
above 1,000 up to and including 5,000	41	109,032	0.01%
above 5,000 up to and including 10,000	108	994,628	0.09%
above 10,000 up to and including 100,000	2,010	99,494,732	8.87%
above 100,000	1,493	1,020,958,328	91.03%
Totals	3,817	1,121,575,570	100.00%

- b) Based on the price per security of \$0.016, there were 1,060 holders with an unmarketable holding amounting to 1.49% of Issued Capital.

- c) Listed Options: Distribution of Option holders as at 29 August 2023.

Holding Ranges	No of Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	1	1	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	31	2,027,407	1.06%
above 100,000	132	189,972,603	98.94%
Totals	164	192,000,011	100.00%

- d) There were no shareholders who hold 5% or more of the issued capital of the Company as per substantial shareholder notices lodged with ASX.

The Company has the following unquoted securities on issue at 29 August 2023.

Number	Class
20,000,000	UNL OPTS EXP 13/08/24 @ \$0.02
11,250,000	UNL OPTS EXP 13/05/25 @ \$0.045
13,461,538	CLASS A PERFORMANCE SHARES
13,461,538	CLASS B PERFORMANCE SHARES
18,750,000	CLASS D PERFORMANCE SHARES

Distribution of Unquoted Equities

Holding Ranges	UNL OPTS EXP 13/08/24 @ \$0.02		UNL OPTS EXP 13/05/25 @ \$0.045	
	No of Holders	No of Holders	No of Holders	% Issued Capital
above 0 up to and including 1,000	-	-	-	-
above 1,000 up to and including 5,000	-	-	-	-
above 5,000 up to and including 10,000	-	-	-	-
above 10,000 up to and including 100,000	-	-	-	-
above 100,000	9	1	1	100.00%
Totals	9	1	1	100.00%

Holding Ranges	CLASS A, B, and D PERFORMANCE SHARES	
	No of Holders	% Issued Capital
above 0 up to and including 1,000	-	-
above 1,000 up to and including 5,000	-	-
above 5,000 up to and including 10,000	-	-
above 10,000 up to and including 100,000	-	-
above 100,000	6	100.00%
Totals	6	100.00%

- e) Twenty largest shareholders as at 29 August 2023.

Position	Holder Name	Holding	% IC
1	CITICORP NOMINEES PTY LIMITED	21,503,262	1.92%
2	MRS MIN HUANG	17,428,037	1.55%
3	MR CHIU HONG CHAN	14,000,000	1.25%
4	MR ZHIFENG ZHANG	13,000,000	1.16%
5	BEACH 302 PTY LIMITED	12,500,000	1.11%
6	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	12,287,553	1.10%
7	CURLY SANDS PTY LTD <CURLY SANDS PTY LTD A/C>	12,230,755	1.09%

8	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	10,525,000	0.94%
8	MR GRAHAM REGINALD CREASEY	10,000,000	0.89%
10	SUPERHERO SECURITIES LIMITED <CLIENT A/C>	9,275,582	0.83%
11	MR DAVID GEORGE APPELBEE	9,000,000	0.80%
12	FAHEY SERVICES PTY LTD<THE FAHEY SERVICES A/C>	8,500,000	0.76%
13	OKAWARI CONSORTIUM PTY LTD <THE OKA T A/C>	8,311,791	0.74%
14	ENDJUA PTY LTD <SALLAG S F A/C>	8,000,000	0.71%
15	GLOBAL CONSORTIUM HOLDINGS PTY LTD <FTW HOLDINGS A/C>	7,611,791	0.68%
16	MR BRUCE GRAHAM	7,600,000	0.68%
17	MR MARTIN JAMES HICKLING & MRS JANE FRANCES HICKLING <M & J HICKLING SUPER A/C>	7,500,000	0.67%
18	MR SHENG ZHUANG	7,000,000	0.62%
19	MR AIDEN JOHN BARKER	7,000,000	0.62%
19	MS JIABING XIN	6,836,922	0.61%
	Total	216,510,693	19.30%
	Total Balance of register	905,064,877	80.70%
	Total issued capital – Ordinary Shares	1,121,575,570	100.00%

f) Twenty Largest Option holders as at 29 August 2023.

Position	Holder Name	Holding	% IC
1	MR TERRY CAMPION	21,500,000	11.20%
2	IRIS SYDNEY HOLDINGS PTY LTD	14,440,190	7.52%
3	REFORM PTY LTD <GILMARTIN FAMILY A/C>	8,719,190	4.54%
4	MS SABINA MARIE SCHLINK <HENSMAN FAMILY A/C>	7,500,000	3.91%
4	ACP INVESTMENTS PTY LTD <THE ACP INVESTMENT A/C>	7,500,000	3.91%
4	LANGHETTI INVESTMENT PTY LTD <TLE SUPERANNUATION A/C>	7,500,000	3.91%
4	MR PETER SWIRIDIUK	7,500,000	3.91%
5	MR BENJAMIN DAVID MCENTEE	7,000,999	3.65%
6	MR MARTIN JAMES HICKLING & MRS JANE FRANCES HICKLING <M & J HICKLING SUPER A/C>	6,000,000	3.13%
7	MR THOMAS EDWARD LANGLEY <LANGLEY MINERAL HOLDINGS A/C>	4,750,000	2.47%
8	MR JASON ANDREW BIAGIONI	4,250,000	2.21%
9	S3 CONSORTIUM HOLDINGS PTY LTD <NEXTINVESTORS DOT COM A/C>	4,000,000	2.08%
9	MR PETER MURRAY JACKSON	4,000,000	2.08%
10	GOLDEN DAWN LIMITED	3,500,000	1.82%
11	BEACH 302 PTY LIMITED	3,375,000	1.76%
12	MR DEREK DECLAN BRUTON	2,500,000	1.30%
13	MR MD MUNTASIR BILLAH	2,415,002	1.26%
14	MR CHARLIE YEOH	2,375,000	1.24%
15	ACP INVESTMENTS PTY LTD	2,250,000	1.17%
16	EILONWY FINANCE PTY LTD	2,055,556	1.07%
	Total	123,130,937	64.13%
	Total Balance of register	68,869,074	35.87%
	Total issued capital – Listed Options	192,000,011	100.00%

g) Voting Rights

Registered holders of ordinary shares in the capital of the Company may attend and vote at general meetings of the Company in person or by proxy and may exercise one vote for each share held. Every person present at a general meeting as an ordinary shareholder shall have one vote on a show of hands.

h) There are currently no on-market buybacks in process.

- i) There are nil securities currently subject to escrow.
- j) As at 29 August 2023 the following class of unquoted securities had a holder with greater than 20% of the class on issue:

Class/Name	Number of Securities Held	% Held
<i>Unquoted options exercisable at \$0.024 expiring 13 August 2024</i>		
INYATI FUND PTY LTD	10,000,000	50.00%
Class/Name	Number of Securities Held	% Held
<i>Unquoted options exercisable at \$0.045 expiring 13 May 2025</i>		
PUISSANCE HOLDINGS PTY LTD <THE GIRO TRUST>	11,250,000	100%
Class/Name	Number of Securities Held	% Held
<i>Class A Performance Shares</i>		
PROJECT RISK PTY LTD	4,487,183	33.33%
Class/Name	Number of Securities Held	% Held
<i>Class B Performance Shares</i>		
PROJECT RISK PTY LTD	4,487,183	33.33%
Class/Name	Number of Securities Held	% Held
<i>Class D Performance Shares</i>		
LANGHETTI INVESTMENT PTY LTD <TLE SUPERANNUATION A/C>	6,250,000	33.33%



ESG REPORT FY23

Lanthanein Resources

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the Chairman

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Message from the Chairman



“ESG is a crucial aspect of every business and the need for transparency with stakeholders has never been so important”

Throughout the year, the team at Lanthanein have continued to advance our ESG initiatives, building upon the foundation established in our ESG Baseline Report. Lanthanein are committed to fostering long-term positive impacts and we continue to embed the fundamental ESG principles and reporting activities into our operations, providing stakeholders with a clear view of Lanthanein's continuous ESG progress.

We're pleased to announce that we are continuing to make strides in our ESG journey, guided by the insights gained from our ESG Baseline Report. We look forward to continuing to share our progress and milestones with our valued stakeholders.

- David Frances, Non-Executive Chairman



Our Commitment

Our vision at Lanthanein Resources is to create a sustainable future by providing critical metals to support the transition to a low-carbon economy.

Materials that power our technology are often sourced under dangerous and polluting conditions. Strategies for a solution demand an integrated approach to combating poverty, restoring dignity to the underprivileged, and at the same time protecting nature. Lanthanein's standards demand global best practice in safety, employment rights, environmental protection, and accountability. Lanthanein also endeavors to ensure its own supply chain does not contribute to human rights abuses, such as using products defined as conflict minerals.

We are committed to ensuring that our activities have a long-term positive impact by protecting and expanding the natural environment where we operate. We intend to understand the nature in and around our operations to have the knowledge to inform and guide our activities prior to commencement. To do so we welcome and actively seek opportunities to collaborate with local partners.

Governance



Setting Purpose

The Board conducted a review of the Company purpose statement early 2023. Engagement and further review with internal and external stakeholders was conducted and the new purpose statement was adopted.

Lanthanein's purpose is to create a sustainable future by providing critical metals to support the transition to a low-carbon economy.

Governance Body Composition

Lanthanein have summarised the boards skills in the Company's Corporate Governance Policies document and have completed an in-depth matrix of the boards skills and competencies which will be made available on the website shortly.

The board has non-Executive Directors and independence. Lanthanein follows the benchmark criteria as set out in the ASX Corporate Governance Principles and Recommendations.

Lanthanein recognises that people in an organisation often come from a range of different backgrounds with different life experience. The company believes that embracing diversity in its workforce contributes to the achievement of its corporate objectives and enhances its reputation.

Peter Swiridiuk: Appointed 1 December 2014

Brian Thomas: Appointed 22 Oct 2021

David Frances: Appointed 4 February 2022

Please refer to the Annual Report for further information on our directors' other commitments.

For more on Lanthanein's commitments to Diversity please read the Diversity Policy on the website

Diversity Policy: <https://lanthanein.com/corporate-governance/>



Material issues impacting stakeholders

Stakeholder engagement is a key priority for Lanthanein and will remain to be front of mind with continuous engagement taking place with the assistance of local Community Relations experts and Community representatives.

Lanthanein has established a stakeholder register and stakeholder engagement plan, identifying key stakeholders, material topics, engagement processes and ongoing tracking of engagement activities. Lanthanein's key engagement tools are informal or formal one-on-one discussions, targeted briefings with key stakeholders, informal or formal email correspondence, regulatory compliance documentation and reporting, the Company website and social media.

Lanthanein's key stakeholders are share holders, traditional owners, land owners, local communities, local councils, state Government authorities and Federal Government representatives. Lanthanein also holds regard to a wider range of stakeholders whose interests are also considered within various decision-making processes.

Lanthanein's stakeholder engagement plans ensures continuous communication on relevant material topics and provides an open line of communication for the stakeholder to express any concerns or requirement for more information.

The top material topics identified are:

1. Human Rights & Rights of Indigenous Peoples
2. Community Relations
3. Biodiversity impacts

Anti-Corruption Practices

Lanthanein prohibits all forms of bribery and corruption and is committed to conducting its business legitimately, ethically and in compliance with the Australian Criminal Code Act 1995 (Cth); and any other anti-bribery and corruption laws in which the Company operates.

All Board members are required to acknowledge the Anti-Corruption and Anti-Bribery Policy as part of the on-boarding process.

There haven't been any incidents of corruption to report.

Our Anti-Bribery and Corruption Policy can be found on our website.

<https://lanthanein.com/corporate-governance/>



Mechanisms to protect ethical behaviour

Lanthanein is committed to doing business in an honest and ethical manner. Lanthanein and its subsidiaries require all of its directors, officers and employees to observe high standards of business conducts and ethics, as well as full compliance with all applicable government laws, rules and regulations, corporate reporting and disclosure, accounting practices, accounting controls, auditing practices and other matters relating to fraud against shareholders.

For internal reporting, the reporter can make a disclosure to the eligible recipients in the Company and to the Company's Authorised Protected Disclosure Officer. Should the reporter wish to maintain their anonymity and report externally of the Company, they are directed to make their disclosure to the Company's Auditor, regulators, a commonwealth body and other avenues stated on the policy.

<https://lanthanein.com/corporate-governance>

Risk and opportunity oversight

Lanthanein's risks and opportunities are continually assessed at regular Board meetings. Climate change and data stewardship have been included in the Company's risk register and are regularly monitored and assessed, including regulatory, systems and information technology, business and operational, economic, environmental and social sustainability risks through effective risk management strategies.

ESG is incorporated into the risk management framework, including the regular assessment of all risks and opportunities that the company faces, including emerging risks regarding ESG.

Lanthanein have an established risk management system which is continually reviewed at regular Board meetings.

Comprehensive reviews are regularly conducted with recommendations made to the Board as part of the Company's risk management process.

Climate change and data stewardship have been included in the Company's risk register and are regularly monitored and assessed, including regulatory, systems and information technology, business and operational, economic, environmental and social sustainability risks through effective risk management strategies.

Planet



GHG Emissions

Lanthanein has reviewed and understands the GHG Protocol Corporate Accounting and Reporting Standards and will be looking at option to better understand the company's carbon footprint.

The Directors have also considered the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) and at the current stage of the project development, the directors have determined that the NGER Act will have no effect on the company for the current, nor subsequent, financial years.

TCFD implementation

Lanthanein have started the process of adopting the TCFD recommendations and are currently creating a TCFD implementation road map supporting Lanthanein's goals and continuous disclosure.

Land use and ecological sensitivity

Lanthanein have been conducting continuous surveys, monitoring and reporting to ensure the projects do not impact any key biodiverse or high conservation value areas.

As such we have ensured continued consultation with the First Nations people of the land to assist us in conducting Cultural Heritage avoidance surveys. One culturally sensitive area was identified last year and no exploratory activities will be taking place in or near that site.

We have also engaged with a third-party to assist us with ongoing environmental surveys and can confirm that our projects are outside of environmentally sensitive areas.

Monthly radiation checks are conducted by a Safety Officers as per regulatory requirements.

Water consumption

Lanthanein can confirm that no significant water is currently being withdrawn due to the projects currently at planning stage.

Further water consumption and withdrawal has been identified for when the project required diamond drilling. Monitoring and reporting will take place with contractor involved.

People



Diversity and inclusion

Lanthanein believes that embracing diversity in its workforce contributes to the achievement of its corporate objectives and is committed to designing and implementing programs and processes that will assist in the development of a broad and diverse pool of skilled and experienced employees and that will prepare them for Senior Management and Board positions.

Lanthanein have zero tolerance for discrimination, harassment, vilification and victimization, and are committed in promoting an inclusive workforce.

The Board is comprised with a diverse range of skills and experience that align with Company's strategic objectives. The 3 members of the Board are male, aged 50 and over and from the Australia and New Zealand region.

Diversity Policy: <https://lanthanein.com/corporate-governance/>

Pay equality

The Lanthanein Board is committed to ensuring pay equality and has in place the Remuneration Committee Charter which clearly defines the different remuneration packages and creates the Remuneration Report included in the Annual Report, which upholds the Corporations Act, the ASX Listing Rules and the ASX Corporate Governance Principles and Recommendations (4th edition).

As disclosed in the Lanthanein Diversity Policy, the Company may undertake a gender pay equity audit should the need arise.

Lanthanein is committed to the below, collectively the Lanthanein Diversity Objectives:

- ensuring that the Company's corporate culture and values at all levels support diversity and inclusion in the workplace as part of maintaining a commitment to a high-performance culture;
- ensuring that recruitment and selection practices at all levels are appropriately structured so that a diverse range of candidates are considered and guard against any conscious or unconscious biases that might discriminate against certain candidates;



Pay equality continued..

- designing and implementing programmes and processes that will assist in the development of a broad and diverse pool of skilled and experienced employees and that, over time, will prepare them for senior management and board positions;
- having a zero tolerance for discrimination, harassment, vilification and victimisation so as to promote an inclusive workforce;
- supporting an individual's domestic responsibilities (including the adoption of flexible work practices that will assist them to meet those responsibilities);
- providing opportunities for employees on extended parental leave to maintain their connection with the workplace;
- ensuring the policy for selection and appointment of new directors is transparent and considers all facets of diversity to avoid "groupthink" or other cognitive biases in decision making;
- ensuring development and succession plans for directors and senior management include gender diversity as a consideration;
- monitoring and measuring the achievement of all diversity objectives set by the Board; and
- considering whether key performance indicators for senior management might be an appropriate way of furthering gender diversity.

The Annual Report and Remuneration Policy can be found on the website.

<https://lanthanein.com/financial-and-quarterly-reports/>

Wage level

Lanthanein understands that compensation is a key component in attracting and maintaining a high-performing employee workforce. The board continually reviews compensation plans and employee benefits and maintains the pay range over the local median minimum wage. At this stage the Company does not have employees to report on, though when the opportunity arises further information will be disclosed in due course.

Lanthanein regularly reviews remuneration and compensation, as disclosed in the Remuneration Committee Charter.

Directors' wages are reported on and available in the Annual Report found on the website.

<https://lanthanein.com/financial-and-quarterly-reports/>



Child, forced, compulsory labour

Lanthanein upholds strong ethical and legal standards at all operations and upholds the highest moral, ethical and legal standards in all we do, especially surrounding human rights and modern slavery. It does not condone, support or contribute, either directly or indirectly, to Modern Slavery and is working towards formalising this statement in a Modern Slavery Policy.

The Board is committed to reviewing Modern Slavery Risk on an annual basis, including any regulatory obligations / jurisdictional requirements and risk assessments in relation to child, forced or compulsory labour.

Currently our policies and procedures we have in place ensure that we are at 'low-risk' of unlawful child, forced or compulsory labour.

Health and safety

Lanthanein is committed to ensuring high levels of standards for Health and Safety. As such there have been no health and safety incidents to report.

Lanthanein are not currently offering health care services due to the current team size. With project development, further investigation into the provision of a healthcare service for employees and workers will be reviewed by the Board.

Training

Lanthanein understands the importance of not only building a resilient workforce but enriching employee's careers with professional development and looks forward to growing the Company and developing the workforce.

At this stage the Company has a small team managing operations and do not have the personnel or data required to provide this information at this time.



Prosperity

Rate of employment

Lanthanein understands the economic benefits of attracting diversity in talent attraction and retention; and looks forward to growing the Company and developing the workforce.

At this stage the Company has a small team managing operations and do not have the personnel or data required to provide this information at this time.

Economic contribution

Lanthanein's economic performance and activities have been disclosed in the Annual and ASX Quarterly reports, available on the website. We can confirm that no Government funding has been received.

Financial investment contribution

Lanthanein's performance activities, key changes and financial investment updates have been disclosed in the Annual and ASX Quarterly reports, which are available on the website via the links below and includes disclosures relating to total capital expenditures (less depreciation) and how it supports the Company's investment strategies.

At this stage Lanthanein do not pay shareholder dividends.

<https://lanthanein.com/financial-and-quarterly-reports/>

Total tax paid

Lanthanein's tax information is available in the Annual and ASX Quarterly Report available on the website. It should be noted that no monetary support has been received from the Government and the Company doesn't have any Global Tax contributions at this stage.

<https://lanthanein.com/financial-and-quarterly-reports/>

Acknowledgements

We would like to thank all of the members of our Board, our employees and the guidance from the team at Executive ESG who are assisting us in continuing our ESG journey.

Contact

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