ABN 68 650 116 153

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

Contents

VERTEX MINERALS LIMITED

ABN 68 650 116 153

Corporate Directory

Directors
Roger Jackson
Executive Chairman

Tully Richards
Technical Director

Declan Franzmann
Non-Executive Director

Company Secretary
Alex Neuling

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Australian Securities Exchange

Home Exchange: Perth, Western Australia
Code: VTX

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Chairman's Report

It is my privilege to present this Annual Report, reflecting on a year in which Vertex Minerals Limited ('Vertex') has made significant progress towards creating enhanced shareholder wealth, and set a strong platform to move to gold production. We achieved this through strong execution on the following list of objectives:

- Proving the high-grade gold resource at Hill End is consistent and predictable;
- Building up gold inventories and moving Hill End into producer status with the NSW Department of Mines;
- Undertaking an internal review of the Underground mining viability of the high-grade Reward Mine;
- Commencing a Pre-Feasibility Study into the Reward Gold Mine ('Reward') and the associated gravity gold plant;
- Commencing refurbishment and an equipment upgrade at the Hill End gravity gold plant;
- On-boarding experienced staff to strengthen the on-site management team;
- Establishing industry-standard mining and exploration systems across the project suite
- Building robust community relations; and
- Continuing to build on our ESG credentials.

Again, this has been a very busy year, and one of significant progress towards the Company's stated objective of becoming a gold producer. Pleasingly, the pickup in activity was achieved without any safety or environmental incidents. For this I am grateful to our team working on site at Hill End, who have carried out a busy period of development with an ongoing commitment to the highest standards of safety.

Over the course of the 2023 financial year, we have advanced a staged approach to moving Hill End to production. Following a successful sampling program on the existing stockpiles, which sit alongside the Gravity gold plant, we commenced a refurbishment and equipment upgrade of the Gold plant. The processing of stockpiles at the Hill End Gravity Gold plant is strategic, as it allows us to upgrade the plant, build critical infrastructure, develop safety, operating and environmental systems, and on-board personnel while we undertake a Pre-Feasibility Study on the high-grade Reward underground mine. The plant and infrastructure that has been acquired or refurbished in this exercise will be utilised in the expanded capacity plant, which will be key to producing low-cost ounces when we commence underground mining next year.

Chairman's Report

We are very excited by the updated resource at Reward which sets the tone for the broader potential of the Hill End gold precinct. We have recently reported an Exploration Target that sits along strike, and close to the Reward Resource. We are confident of significantly expanding these high-grade ounces at Reward when we commence mining, with a dedicated underground diamond drilling rig.
The commitment to the Pre-Feasibility Study for a high-grade operation at Hill End is a tremendous endorsement of the project and its potential to deliver substantial value to shareholders. We remain committed to our stated goal of becoming a gold producer.

Given the Reward gold deposit was trial mined in 2009 and 2010 we are very fortunate to have all the building blocks for project development already in place, including an adit for direct access and a shaft for a second egress. Further there is significant mine development within the envelope of a highly prospective bonanza grade gravity recoverable gold. Once mine operations commence, we plan to be drilling these very exciting targets that are located down plunge from the famous Hawkins Hill Mine.

We are fortunate that there is also significant upside on the exploration front, on the 100% owned 34km long Exploration tenement. Results from the comprehensive Lidar survey we undertook indicate that there are over 3,500 shallow historic workings along the whole length of our tenements - most of which have not had a single drill hole.

Hill End is a unique gold orebody, not only because of its incredibly high grades but because of its ability to recovery solely by gravity. Further, it has a unique composition and lack of sulphides which means we have no acid issues with tails or dumps. The ore only requires a simple grind and recovery by centrifuge. We do not require chemicals to recover the gold and we recycle our water, and we have a clear pathway to develop into a low environmental-impact gold producer.

I would like to take this opportunity to thank our hard-working management team, Board of Directors, operations team and our administration team. Thanks also to our loyal shareholders for their ongoing support, and I look forward to providing more exciting updates as the 2024 financial year progresses.

Roger Jackson

Executive Chairman

Directors' Report

The Directors of Vertex Minerals Ltd (the Company) submit herewith the annual report of the Company for the financial year ended 30 June 2023. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names and particulars of the Directors of the Company during or since the end of the financial year are:

Roger Jackson - *Executive Chairman*
Appointed 1 June 2021

Mr Roger Jackson has been actively involved in the mining industry for over 30 years as a mine operator, services contractor and explorer. He is a qualified geologist with a strong knowledge of gold exploration and mining.

Mr Jackson was a founding director of privately owned Central Gold Mines and Bracken Resources, which refurbished and re-started the Georgetown and Hillgrove gold plants. He was also the founding director of Hellyer Gold Mines and driver behind the recommissioning of the Hellyer polymetallic concentrator. He is a long-standing Member of the Australian Institute of Company Directors, Fellow of the Australian institute of Geoscientists, Fellow of the Geological Society of London and Fellow of the Australasian Institute of Mining and Metallurgists.

Mr Jackson is currently a director of Ark Mines Limited (ASX:AHK) since 2010, QX Resources (ASX:QXR) since 2020. Mr Jackson was previously a director of Pan Asia Metals (ASX:PAM) from October 2020 to June 2022 and a director of NQ Minerals PLC from 2016 to May 2021.

At the date of this report, Mr Jackson holds an interest in 1,147,000 ordinary shares, 1,050,000 performance rights and 87,500 options.

Tully Richards - *Technical Director*
Appointed 1 June 2021

Mr Richards is an experienced copper / gold geologist based in Orange, NSW. For the last 10 years, Tully has operated his own geological consulting business (Central West Scientific Pty Ltd) focused on NSW and in particular the Lachlan Fold belt. Tully has a wonderful depth and breadth of experience in exploration in the Lachlan Fold district. A graduate in geology from Sydney University in 1993, initially he worked with Hargraves Resources on the Browns Creek mine and associated tenements, followed by four years in Western Australia from 1996-99 mining nickel and gold with Western Mining Corp. then Lion Ore.

Directors' Report (continued)

Mr Richards then worked for Newcrest Mining at Cadia Valley until 2005 before working for two years with Rangott Mineral Exploration to 2007. Since that time, Tully has also held the Exploration Manager position with Gold and Copper Resources.

At the date of this report, Mr Richards holds an interest in 866,667 ordinary shares, 1,050,000 performance rights and 108,334 options.

Declan Franzmann -*Non-Executive Director*
Appointed 1 June 2021

Mr Franzmann is a mining engineer with over 29 years of experience ranging from exploration programs, feasibility and other technical studies, mine construction and mine management through to mine closure. His experience includes open pit and underground metalliferous mining across Australia, Asia, Africa and South America.

Most recently, Declan was VP of Operations for Black Mountain Metals Pty Ltd. He has also held positions as President, Chief Executive Officer & Director at African Gold Group, Inc, listed on the TSX (May 2014-June 2017), and has been a director of Lachlan Star Ltd (ASX:LSA) from 2007 to 2018. Declan is a Fellow of the AusIMM and holds statutory mine management qualifications for Western Australia, Queensland and New South Wales

At the date of this report, Mr Franzmann holds an interest in 920,000 ordinary shares, 1,050,000 performance rights and 115,000 options.

Company Secretary

Alex Neuling

Mr Neuling is a Chartered Accountant and chartered company secretary with over 20 years corporate and financial experience, including 10 years as company secretary, CFO &/or a Director of various ASX listed companies in the Oil & Gas, Mineral Exploration, Biotech Mining Services sectors. Prior to these roles, Mr Neuling worked at Deloitte in London and in Perth.

Mr Neuling is currently a non-executive director of PetroNor E&P Limited (listed on Oslo Axess:PNOR) (from April 2020) and Industrial Minerals Ltd (ASX:IND) (from July 2021).

Directors' Report (continued)

Principal activities

The principal activity of the Company during financial year was mineral exploration in New South Wales and Western Australia.

Review of operations

Highlights for the year

- An updated Mineral Resource Estimate for the Reward Gold Mine at the Hill End Gold Project was carried out by independent consultants HGS Australia, in accordance with the guidelines set in the 2012 JORC Code.

- Mineral Resource Estimate (MRE) for the Reward gold deposit at Hill End now stands at 419,000 tonnes at 16.72g/t Au for 225,200oz Au:

Classification	Cut-off	Tonnes	Au (g/t)	Ounces
Indicated	4	141,000	15.54	70,500
Inferred	4	278,000	17.28	154,700
Total	4	419,000	16.72	225,200

- A conceptual mine plan was undertaken for the Reward underground mine which has provided the basis for the ongoing Pre-Feasibility study.

- Inspection of the Hill End Underground Mine (i.e. Amalgamated Adit and associated 640 Level drives, cross-cuts and stopes together with the Reward Shaft/Alimak) with confirmation that areas earmarked for future access are in good working order after the mine was put on 'care and maintenance' in 2011.

- Hill End gravity gold processing plant refurbishment advanced near to completion, with fully permitted Mining licence and DA in place for Plant, Stockpiles and the Reward underground mine.

- Trench sampling provided confirmation of gold in additional stockpiles at Hawkins Hill. Sampling of the Process Plant Stockpile, Tails Dam Road Stockpile and Consolidated Pad revealed that each contained gold.

- Diamond drilling was undertaken at the Red Hill deposit and at the Hargraves Mine. Robust gold grades were intercepted and they will add to the gold inventory at Hill End.

Directors' Report (continued)

Resource Upgrade – Reward Gold Mine

Vertex completed an updated Mineral Resource Estimate (MRE) for the Reward gold deposit at the 100%-owned Hill End gold project near Orange in the NSW Lachlan Fold belt (*refer ASX Announcement 26 June 2023*). The MRE was carried by independent consultants HGS Australia in accordance with 2012 JORC Code

The upgraded Mineral Resource for the Reward Gold Mine now totals 419,000 tonnes, with a 278kt Inferred Resource and a 141kt Indicated Resource, at a weighted average grade of 16.72 g/t Au for 225,200oz(154,700oz Inferred and 70,500oz Indicated). This brings the global Mineral Resource estimate for the Hill End & Hargraves Gold Project to 485,000 ounces at 3.6 g/t (refer Table 1). Whilst the total contained gold is similar to the previous estimate, improved interpretation of the deposit geology reflects the quality of ore that was previously processed at Hill End:

Hill End Project Mineral Resource Estimate				
Deposit	**Classification**	**Tonnes (kt)**	**Grade Au (g/t)**	**Contained Au (koz)**
Reward Gold Mine				
	Indicated	141	15.5	71
	Inferred	278	17.3	155
Sub Total		419	**16.7**	225
Hargraves Project				
	Indicated	1,109	2.7	97
	Inferred	1,210	2.1	80
Sub Total		**2,319**	**2.4**	**178**
Red Hill Project				
	Indicated	413	1.4	19
	Inferred	1,063	1.8	61
Sub Total		**1,476**	**1.7**	**80**
Project Total				
	Indicated	1,663	3.5	187
	Inferred	2,551	3.6	296
Grand Total		**4,214**	3.6	**483**

Table 1

The Reward gold mine is well-placed for a simple start-up, with the existing gravity processing plant is located adjacent to the underground mine access point. The mine access point extends into the resource, so little development is required. Hill End gravity gold processing plant refurbishment is also near completion, with full permits including a tailings dam permit which has the capacity to allow immediate commencement of operations.

Directors' Report (continued)

<u>Hawkins Hill Stockpiles</u>

- Vertex has been actively assessing all potential ore sources for processing feed stock. Further to Vertex's ASX release dated 22nd Feb. 2023, the Company is pleased to announce trench sampling of the Process Plant Stockpile, Tails Dam Road Stockpile & Consolidated Pad revealed each contains gold

- The Process Plant Stockpile & Tails Dam Road Stockpile are located within 70m-90m of the Company's Gold Gravity Plant while the Consolidated Pad is located.

- Domains of waste versus mineralisation are evident resulting in higher grade zones;

- Process Plant Stockpile averages 1.26g/t Au across 24 samples with a max gold value of 5.50g/t Au

    - Tails Dam Road Stockpile averages 2.10g/t Au across 15 samples with a max gold value of 12.20g/t Au; and

    - Consolidated Pad averages 0.89g/t Au across 20 samples with a max gold value of 6.74g/t Au

- Grade estimation of stockpiles can be difficult due to their random nature and can only truly be determined by processing a bulk sample. Vertex plans to run a bulk sample through the Hill End Gravity Plant, where previous recoveries exceeded 95%.

- During the year Vertex undertook a refurbishment program of the Gravity Plant. The Company has subsequently started wet commissioning the plant.

- Vertex has prioritised the assessment of open pittable and Underground gold mineralisation on the Company's Mining Leases, to provide follow-on feed for the plant.

Directors' Report (continued)

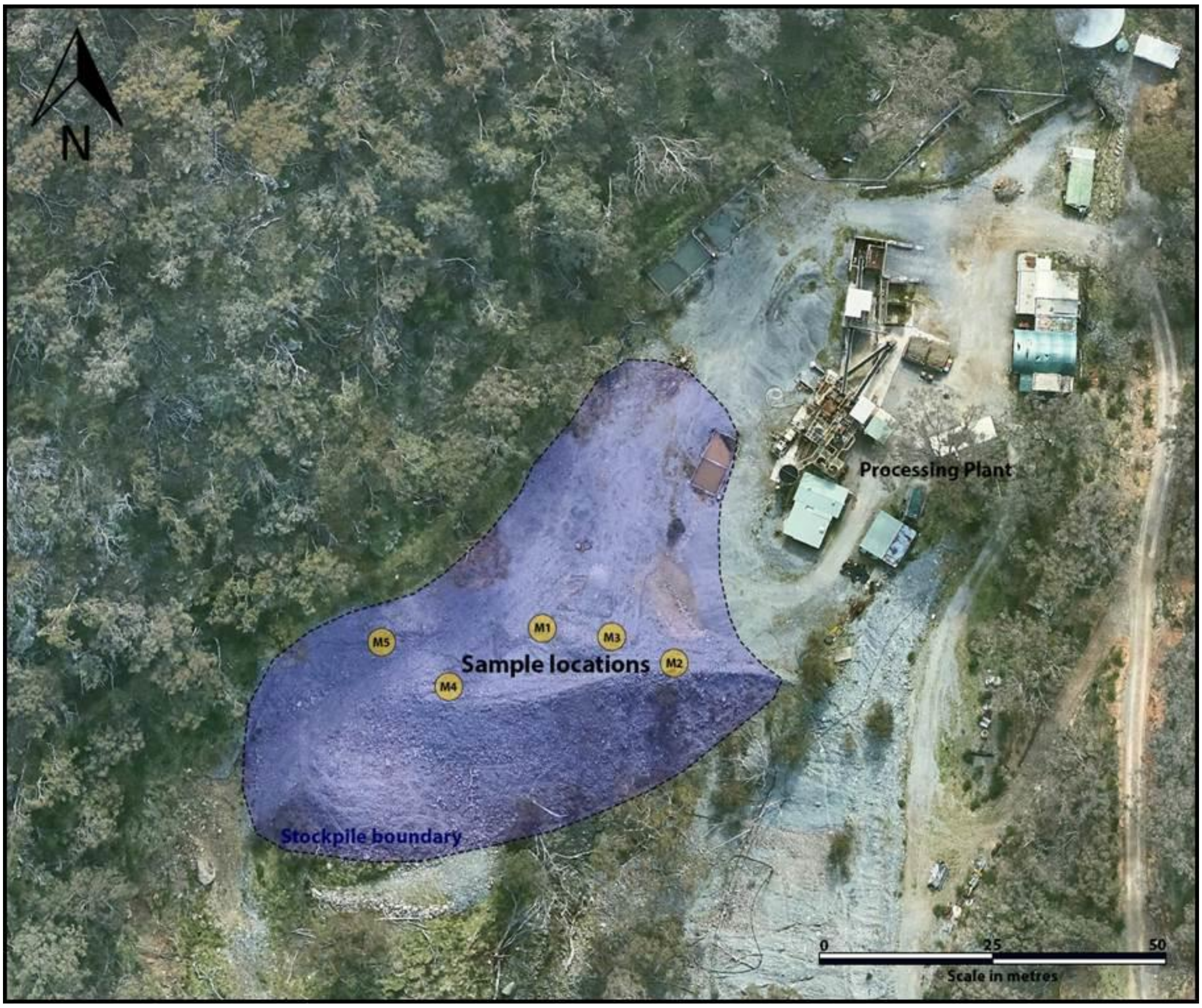

Figure 1 Location of Stockpiles relative to the Gold plant

Directors' Report (continued)

Figure 2 Hill End Gravity Gold plant

Directors' Report (continued)

<u>Drilling Hargraves</u>

- Hargraves Hole VHRG 0001 Gold Intercepts
    - ✓ 1m @ 4.58 g/t from 48m
    - ✓ 1m @ 1.06 g/t from 78m
    - ✓ 1m @ 1.51 g/t from 126m
    - ✓ 7m @ 1.72 g/t from 180m including.
    - ✓ 3m @ 3.60 g/t from 180m including.
    - ✓ 1m @ 7.33 g/t from 181m
    - ✓ 8m @ 1.79 g/t from 192m including.
    - ✓ 1m @ 9.29 g/t from 192m
    - ✓ 1.5m @ 1.34 from 203m at the end of hole Open at depth
- VHRGD003 had an intersection of 10.8 g/t over a metre from 164m depth.
- VHRGD004 had an intersection of 9.1 g/t over a metre from 16m.
- Drilling indicates a stacked saddle reef.
- Targeting is beneath historic underground workings.
- Samples taken at the collar of VHRGD004 in a gossan came back with grades of up to 5.07 g/t.

Vertex was granted EL 9485 over an area that divided the Hargraves Mineral Resource (see Figure 4) EL 9485 was previously a Mining Licence owned by others. The Regulator had recently cancelled this lease and it was immediately pegged by Vertex.
Vertex undertook a drilling program over this new area drilling an initial 700m diamond coring.

The drilling was the Company's second drill program undertaken at the Hill End Project. Hargraves presents great potential for significant resource growth. The Company believes that there is also compelling evidence that the Hargraves deposit is a robust deep plunging deposit, and the gold inventory will benefit from additional drilling.

The Mineral Resource of the Hargraves Project stands at 177,000 ounces and is detailed in Table 2.

Directors' Report (continued)

Table 1 Mineral Resource of the Hargraves Gold project

Category (0.8 g/t Cut Off)	Tonnes	Gold Grade (g/t)	Contained Gold (oz)
Indicated	1,108,651	2.7	97,233
Inferred	1,210,335	2.1	80,419
Total Resource	**2,318,986**	**2.4**	**177,652**

Source: PUA ASX Announcement 29 May 2020

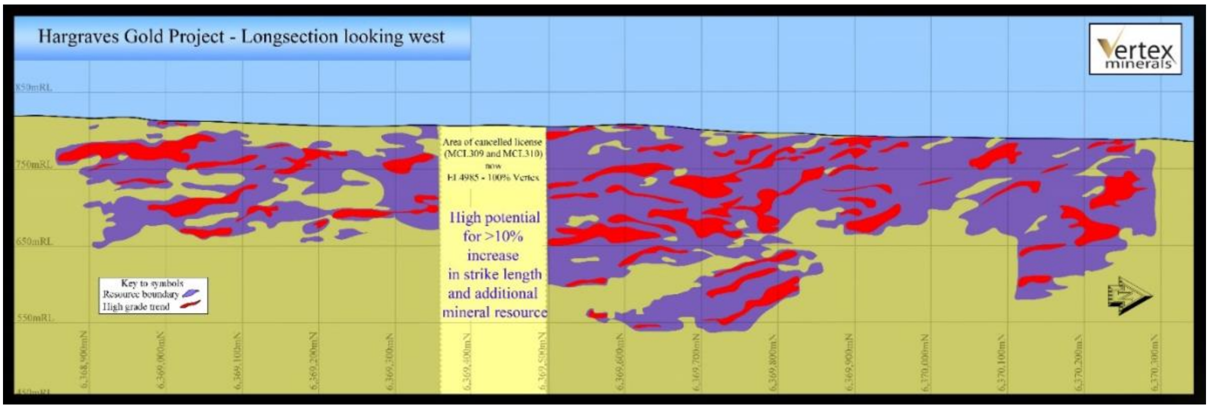

Figure 3 Long section through the Hargraves Resource showing EL9485 in the middle of the resource

Figure 4 Location of the small, but prospective, 1 unit tenement granted to Vertex

Directors' Report (continued)

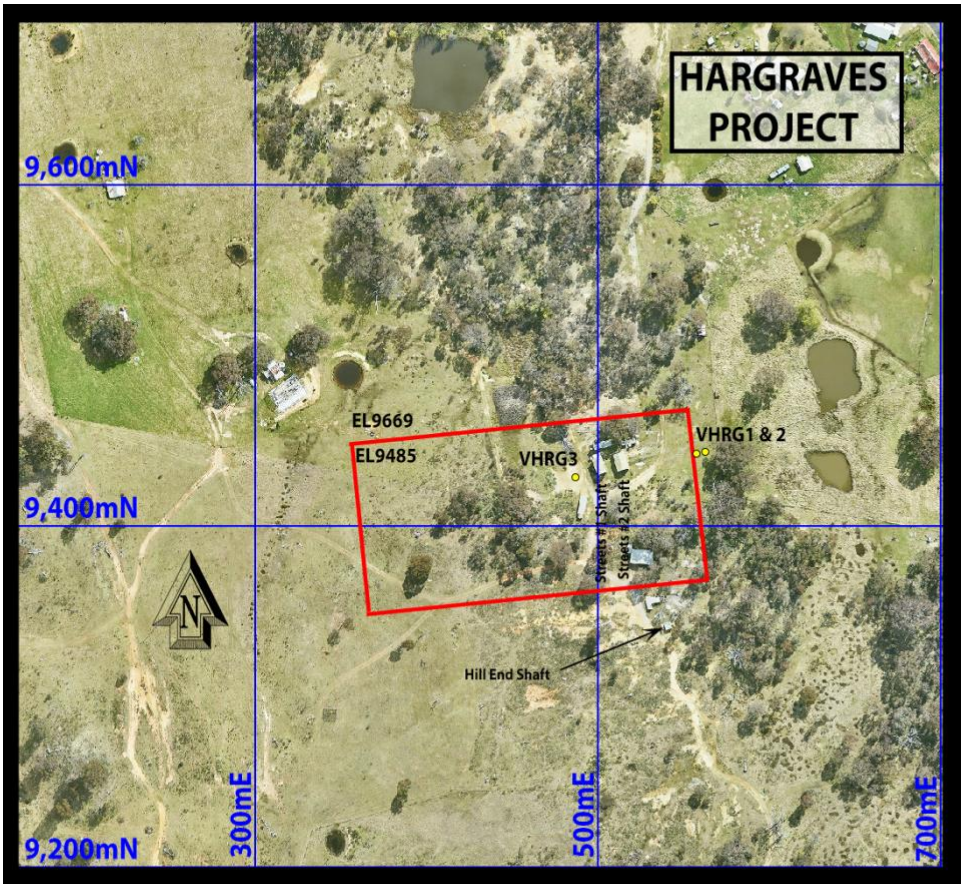

Figure 5 Collar locations (yellow dots) showing the locations of the drilling at Hargraves.

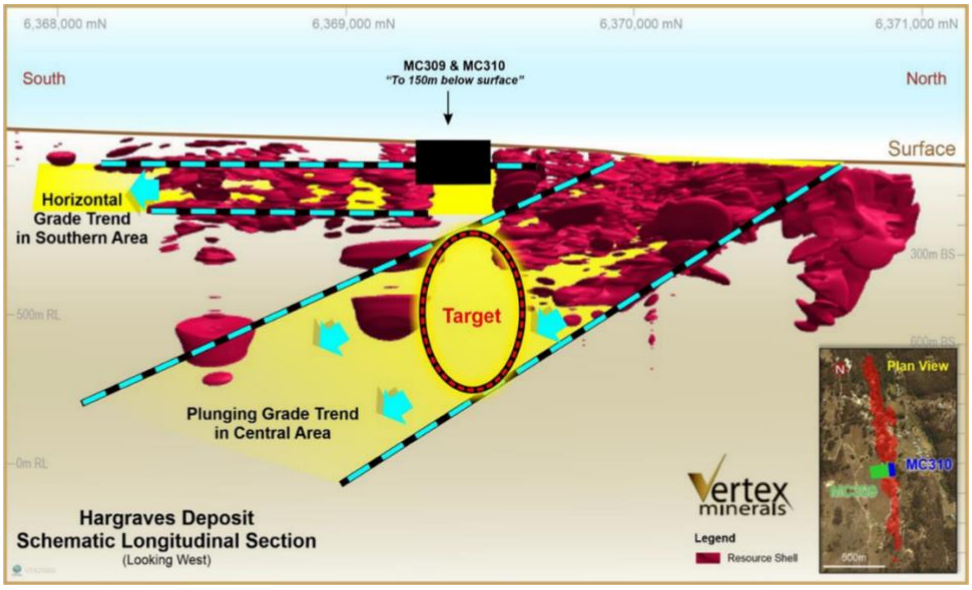

Figure 6 Plunging deeper targets at Hargraves within the newly acquired area.

Directors' Report (continued)

Drilling Red Hill

- A Diamond Rig campaign drilled at Red Hill over the latter part of 2022
- Visible gold and grades up to 30g/t over a meter were intercepted.
  - Importantly shallow mineralisation with broad intersections
- Significant drill intercepts from the first 8 holes include:
  - VRHD001 12m at 1.01 g/t from 4m
    - Including 1m at 8.07 g/t from 15m
  - VRHD002 1m at 2.2 g/t from surface
    - 19m at 1.1 from 38m
      And 1m at 5.37 from 38m
  - VRHD004 24m at 2.8 g/t from 74m
    - Including 16m at 3.78 g/t from 74m
    - Including 12m at 4.54 from 78m
    - Including 1m at 5.8g.t from 74m
    - Including 1 m at 30.8 g/t from 79m
      And 2m at 8.42 g/t from 106
      And 1 m at 1.91 from 129m
  - VRHD005 5m at 2.97 g/t from 33m down hole.
    - Includes 1m at 12.70 g/t from 34m.
    - 2m at 3.37 g/t from 67m down hole.
    - Includes 1m at 4.50 g/t from 67m.
    - 1m at 2.58 g/t from 93m down hole.
  - VRHD006 1m at 2.21 g/t from 3m down hole.
    - 1m at 2.74 from 20m down hole.
  - VRHD007 2m at 1.27 g/t from 37m down hole.
  - VRHD008 3m at 1.02 g/t from 14m down hole.

Directors' Report (continued)

<u>Red Hill Development</u>

- Resource, Pit & Mining Schedule optimisation was undertaken internally.
- Mining Licence Application ("MLA") studies well underway & include:
  - Stakeholder engagement
    - Landowner (the Crown)
    - Bathurst Regional Council § Community, including
    - Future employees
  - Total Water Management (incl. >10yrs bore monitoring)
  - Dust monitoring/benchmarking
- Red Hill ore is amenable to gravity processing & it is expected that ore could be trucked and treated through the Hill End Gravity Gold Plant (refer ASX Announcement 30 November 2015).
- Additional resource targets exist along strike, to the north of the existing Red Hill resource and at depth.
- Importantly, the new interpretation of mineralisation has defined a significant target for future drilling, as the interpreted feeder zone structure and its stacked stockworks have not been tested.

Following works carried out during the year, the Vertex directors are now satisfied that Red Hill Gold Project is viable as a stand-alone project, to provide future feed to the Hill End gravity plant, following underground mining of the high-grade Reward mine.

The project plan includes a first phase of two shallow open pits. The ore will be hauled from Red Hill to the Hawkins Hill gravity processing plant and infrastructure located at Hill End.

Directors' Report (continued)

Previous metallurgical test work on oxide, transition and primary material from Red Hill has confirmed that a high recovery of gold is achievable with simple gravity processing at a coarse grind and without the use of cyanide. This is similar processing performance to the Hill End and Hargraves deposits, which only require gravity processing to achieve ~90% recovery of gold. (Hill End Gold Announcement 30th November 2015) Consequently the processing plant, power requirements and infrastructure are a very low capital cost and of low environmental impact. The Company's existing gravity processing plant located at Hill End is amenable to expansion to cater for the Red Hill feed.

Successive past drilling campaigns continued to discover new en echelon vein sets at depth and wide mineralised quartz 'bedded' stockwork zones have been intersected in the White's, Red Hill and Marshall McMahon areas. There is potential to extend the resource in several locations immediately adjacent to the resource at depth and along strike. Additional shallow resource extensions are expected in the Red Hill area, such as at the Western Line of mineralisation.

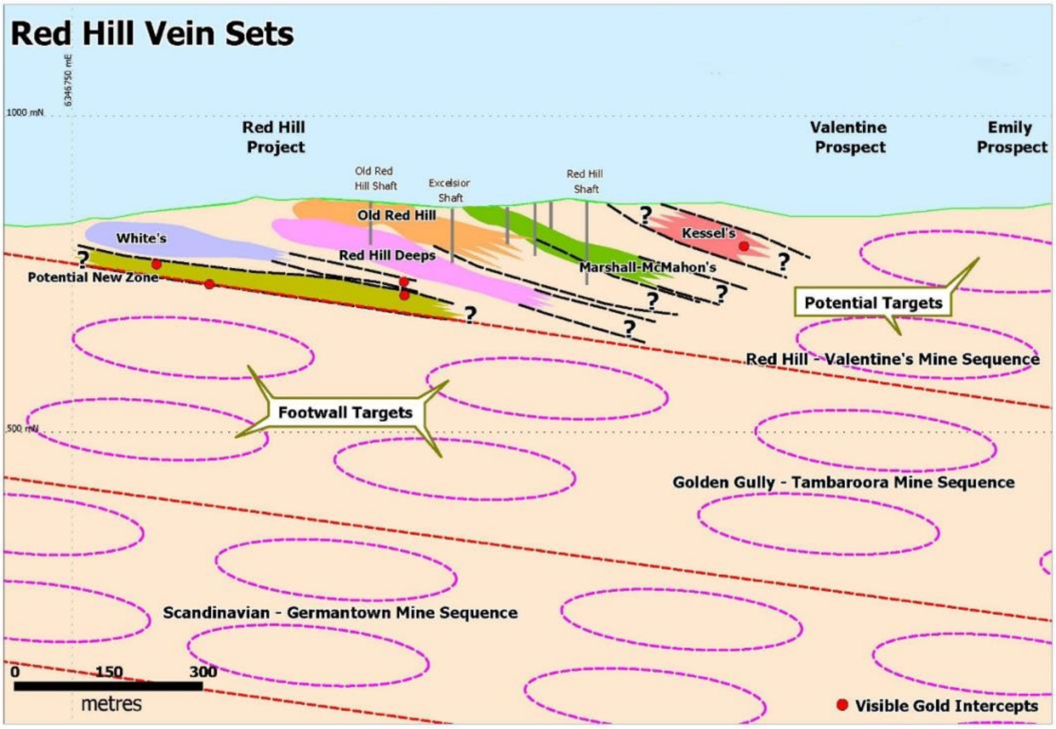

Figure 7. Red Hill future targets, note the 'visible gold' intersections shown occur outside the initial resource area.

Directors' Report (continued)

LIDAR

During the year, Vertex undertook a substantial LIDAR survey which covered the whole of the Hill End tenement group.

- The photographic and LIDAR data was accurate to 10cm over an area of 44km in length and 4km in width.
- The LiDAR survey accurately located all the historic workings over the length of Hargraves and Hill End tenements. Including workings that were not known to Vertex.
- The LIDAR data also defines in excellent clarity the geological structures of the entire area. This includes bedding planes, folds (anticlines and synclines), faults and shear zones.
- The LIDAR data is of such quality that the location of silica rich rocks (like quartz) can be identified protruding from the surrounding ground. This is a function of the greater resistance of siliceous rocks to weathering.
- The LiDAR information combined with information gathered from previous mining and geological mapping has significantly enhanced Vertex's data set used to identify gold bearing targets.

Environmental, Social, and Governance – ESG

Vertex is committed to building legitimate Environmental, Social, and Governance (ESG) credentials. We have commenced ESG reporting as a tangible first step in our ESG journey. Vertex greatly value ESG considerations as they enable us to better identify material risks and growth potential, leading to better-informed decisions and business outcomes. Equally, our commitment to ESG creates a consistent and measurable approach that helps us contribute to building a more prosperous and fulfilled society and a more sustainable relationship with our planet.

Vertex have adopted ESG Go from Socialsuite, a global Software-as-a-Service (SaaS) enterprise, as a best-in-class solution for small and mid-cap companies to easily start ESG reporting with a structured, standardised, and globally recognised solution. We find ESG Go excels in making the WEF framework accessible and operational. We use it to track our disclosure progress, demonstrate our ESG performance against the WEF ESG framework, and share our journey of building robust ESG credentials.

Directors' Report (continued)

Our Hill End Gold project is our flagship project of which we are moving towards production and it has an excellent environmentally sustainable foundation that will dovetail well with Socialsuite. Vertex's will set quarterly ESG actions to report.

Dividends

The Directors resolved that no dividend be paid for the year.

Significant changes in the state of affairs

There have been no changes in the state of the affairs of the Company during the financial year.

Subsequent events

Following the conclusion of internal studies on the Reward Underground Gold Mine ("Reward Gold Mine" or "Reward"), the Company announced on 6 July 2023, a Mineral Resource Upgrade for the Reward Gold Mine at the Company's Hill End Project. The Company has engaged Ground Control Engineering (GCE) to undertake the Pre-Feasibility Study (PFS) at the site. GCE conducted a site visit in July 2023 and the PFS is expected to be completed in quarter 2, 2023.

On 17 July 2023, the Company announced the completion of a non-renounceable rights issue of shares and free-attaching options. The Company issued a total of 10,463,961 fully paid ordinary shares and 5,232,057 options exercisable at $0.25 each, with an expiry date of 17 July 2026 to raise $1,046,396 before costs. The underwritten shortfall of 6,219,929 shares will be issued within 3 months of the rights issue close to raise a further $621,993.

On 4 August 2023, the Company announced the commencement of wet commissioning at the Hill End Gold Plant.

On 18 August 2023, the Company ultimately issued 6,219,371 fully paid ordinary shares and 3,109,686 options exercisable at $0.25 each, with an expiry date of 17 July 2026 to raise $621,937 before costs for the underwritten rights issue shortfall (as noted above).

On 29 August 2023, the Company announced an exploration target had been calculated for the Fosters Gold Project south of the Reward Gold Mine and a diamond drill program will be undertaken with the aim of converting the target to a JORC resource.

On 4 September 2023, the Company announced the issue of 5,000,000 options exercisable at $0.25 each with an expiry date of 17 July 2026 to the lead manager of the rights issue.

Directors' Report (continued)

Other than as noted above, no matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Future developments

Disclosure of information regarding likely developments in the Company's operations in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

Environmental Regulations

The operations of the Company are subject to State and Federal laws and regulations concerning the environment. The Board of Directors (**Board**) monitors performance and compliance with respect to the Company's environmental obligations. No significant or material environmental breaches have been notified by any government agency during the year ended 30 June 2023.

Shares under option or issued on exercise of options

At the date of this report, the Company has the following interests under option:

Expiry date	Exercise price	Number of options
25 January 2025	$0.30	4,000,000
17 July 2026	$0.25	13,341,743

No ordinary shares have been issued upon the exercise of options during or since the end of the financial year.

Indemnification of Officers and Auditors

The Company has indemnified, to the extent permitted by law, the Directors and officers of the Company against any liability incurred by a Director or officer in or arising out of the conduct of the business of the Company or in or arising out of the discharge of that officer's duties. No amount was paid pursuant to these indemnities during the financial year, nor to the date of this report.

Directors' Report (continued)

To the extent permitted by law, the Company has agreed to indemnify its auditors, William Buck Audit (Vic) Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify William Buck Audit (Vic) Pty Ltd during or since the financial year.

Directors' Meetings

The number of meetings of the Company's Board and of each Board committee held during the year ended 30 June 2023, and the number of meeting attended by each director were:

Directors	Board of Directors Eligible to attend	Board of Directors Attended	Audit Committee Eligible to attend	Audit Committee Attended
Roger Jackson	5	5	1	1
Tully Richards	5	5	1	1
Declan Franzmann	5	5	1	1

Audit and Non-audit Services

The Board is responsible for the maintenance of audit independence. Specifically, the Risk Charter ensures the independence of the auditor is maintained by:

- limiting the scope and nature of non-audit services that may be provided; and
- requiring that permitted non-audit services must be pre-approved by the Chairman of the Board.

Details of amounts paid or payable to the auditor during the year are outlined in note 18 to the financial statements.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 30 of the financial statements.

Directors' Report (continued)

Remuneration Report (Audited)

The remuneration report details the key management personnel remuneration arrangements for the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Key management personnel
- Remuneration policy
- Elements of executive and non-executive remuneration
- Relationship between the remuneration policy and Company performance
- Service agreements

Key management personnel

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

Directors

- Mr R Jackson (Executive Chairman)
- Mr T Richards (Technical Director)
- Mr D Franzmann (Non-Executive Director)

Remuneration policy

The Board in its capacity as the Remuneration Committee reviews the remuneration packages of the directors and key management personnel of the Company and makes recommendations to the Board. Remuneration packages are reviewed and determined with due regard to the duties, responsibilities and performance of each Director and senior executive, and current market rates.

Remuneration and other terms of employment are reviewed periodically based on each director's or senior executive's performance and achievements over the review period.

Directors' Report (continued)

Non-executive directors

Fees and payments to non-executive Directors reflect the demands and responsibilities of their role. The Company's constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors is $300,000 per annum although may be varied by ordinary resolution of the Shareholders in general meeting.

Executive and non-executive Directors may receive share options under the Employee Share Option Plan or by shareholder resolution.

Executive remuneration

The Company aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable component

The executive remuneration and reward framework has four components:

- Base pay and non-monetary benefits
- Share-based payments
- Other remuneration such as superannuation and long service leave

The combination of these comprises the executives' total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board in their capacity as Remuneration Committee based on individual and business unit performance, the overall performance of the Company and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Company and provides additional value to the executive.

The long-term incentives ('LTI') include long service leave and share-based payments. Share-based payment incentives are designed to align the interest of shareholders, directors, executives and employees. Issues can be made by shareholder resolution or under the Company's Employee Securities Incentive Plan (ESIP). Under the ESIP, the Board may invite executives and other staff to subscribe for securities in the Company on such terms and conditions as the Board decides.

Directors' Report (continued)

Relationship between the remuneration policy and Company performance

The table below sets out summary information about the Company's earnings and movements in shareholder wealth from incorporation to 30 June 2023.

	2023 $	2022 $	2021 $
Revenue and other income	-	-	-
Loss for the year after tax	(969,920)	(557,072)	(43,638)
Share price at end of year	$0.095	$0.11	N/a
Dividends	-	-	-
Basic loss per share (cents)	(1.98)	(2.20)	(4,363,800)
Fully diluted loss per share (cents)	(1.98)	(2.20)	(4,363,800)

Given the nature and early stage of the business, the Company has not judged performance by financial measures but in relation to strategic objectives. It is likely that remuneration in the near future will also not be linked to standard financial measures of performance.

Service Agreements

The Company has entered into Consultancy Agreements with the Company directors. Details of these agreements are as follows:

Name:	Roger Jackson
Title:	Executive Chairman
Agreement commenced:	1 October 2021
Term:	No fixed term
Details:	Consultant receives a fee payable of $266,400 per year which is inclusive of all directors' fees and superannuation based on a 12 day month. The 12 day month is an average calculated over a 12 month period and can be maintained on a pro rata part day basis. Consultant was issued with 1,500,000 performance rights which will vest and convert into ordinary shares in three tranches upon satisfaction of defined milestones. Company may terminate with 2-3 months' notice (reason dependent); a further 6 months fee is payable if notice is without reason. Consultant may terminate with 3 months' notice given.

Directors’ Report (continued)

Name:	Tully Richards
Title:	Technical Director
Agreement commenced:	1 September 2021
Term:	2 years
Details:	Consultant receives a director fee of $36,000 per annum plus GST. Additional consultancy services are payable at $200 per hour plus GST. Consultant was issued with 1,500,000 performance rights which will vest and convert into ordinary shares in three tranches upon satisfaction of defined milestones. Termination by either party is with a 3 month notice period.

Name:	Declan Franzmann
Title:	Non-Executive Director
Agreement commenced:	1 September 2021
Term:	2 years
Details:	Consultant receives a director fee of $36,000 per annum plus GST. Additional consultancy services are payable at $200 per hour plus GST. Consultant was issued with 1,500,000 performance rights which will vest and convert into ordinary shares in three tranches upon satisfaction of defined milestones. Termination by either party is with a 3 month notice period.

Details of performance rights milestones are given below.

Directors' Report (continued)

Remuneration of key management personnel

Details of the remuneration of the key management personnel of the Company are detailed below:

	Short-term employee benefits				Post employ-ment benefits	Other long-term employee benefits	Share-based payment	Total	Performance related
	Salary & fees	Bonus	Non-monetary	Other	Super-annuation		Options & rights		
	$	$	$	$	$	$	$	$	%
2023									
Executive Directors									
Mr R Jackson	270,100	-	-	-	-	-	102,757	372,857	28%
Non-Executive Directors									
Mr T Richards	246,200	-	-	-	-	-	101,183	347,383	29%
Mr D Franzmann	99,927	-	-	-	-	-	102,757	202,684	51%
Total	**616,227**	**-**	**-**	**-**	**-**	**-**	**306,697**	**922,924**	
2022									
Executive Directors									
Mr R Jackson	164,188	-	-	-	-	-	36,371	200,559	18%
Non-Executive Directors									
Mr T Richards	176,800	-	-	-	-	-	39,764	216,564	18%
Mr D Franzmann	29,600	-	-	-	-	-	36,371	65,971	55%
Total	**370,588**	**-**	**-**	**-**	**-**	**-**	**112,506**	**483,094**	

Directors' Report (continued)

Share based compensation

Performance Rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting periods are as follows:

	Number of performance rights issued	Number of performance rights at report date	Grant date	Expiry date	Fair value at grant date
R Jackson	1,500,000	1,050,000	12/1/22	12/1/27	$257,940
T Richards	1,500,000	1,050,000	12/1/22	12/1/27	$257,940
D Franzmann	1,500,000	1,050,000	12/1/22	12/1/27	$257,940

Performance rights carry no dividend or voting rights.

Performance rights are issued over ordinary shares of the Company and vest and convert on the satisfaction of the following milestones:

1. Tranche 1 Milestone: 40% of the performance rights will vest upon the volume weighted average market price of the Vertex's shares trading on ASX over 20 consecutive trading days on which the shares have traded being at least $0.40 and this event occurring no earlier than 90 days after Vertex joins the Official List.
2. Tranche 2 Milestone: 30% of the performance rights will vest upon announcement by Vertex on the ASX market announcements platform of a minimum of 400,000 Oz of Inferred, Indicated and/or Measured Resources, at a minimum cut off of 0.5g/t of gold, reported in accordance with the JORC Code 2012, on any one or more of the Tenements.
3. Tranche 3 Milestone: 30% of the performance rights will vest upon Vertex successfully applying for a mining lease on the Hargraves Project and completing an updated pre-feasibility study for the Hargraves Project

Unvested performance rights automatically lapse where the holder is no longer engaged by the Company. As the performance rights do not vest immediately, the Company is measuring the associated value over the period the milestones are likely to be achieved applying a probability of between 50-80%. This remains unchanged from the previous financial year.

During the financial year, a total of 1,350,000 of the Tranche 2 performance rights vested and 100% of the awards were converted to ordinary shares.

Directors' Report (continued)

Key management personnel equity holdings

Fully paid ordinary shares of Vertex Minerals Limited

	Balance at 30 June 2022	Granted as compen-sation	Received on exercise of options/ rights	Net other change [1]	Balance at 30 June 2023	Balance held nominally
R Jackson	422,000-	-	450,000	100,000	972,000	-
T Richards	-	-	450,000	200,000	650,000	-
D Franzmann	240,000	-	450,000	-	690,000	-
Total	**662,000**	**-**	**1,350,000**	**300,000**	**2,312,000**	

1. On market purchase

Performance Rights of Vertex Minerals Limited

	Balance at 30 June 2022	Granted as compen-sation	Vested and exercised	Net other change	Balance at 30 June 2023	Balance held nominally
R Jackson	1,500,000	-	(450,000)	-	1,050,000	1,050,000
T Richards	1,500,000	-	(450,000)	-	1,050,000	-
D Franzmann	1,500,000	-	(450,000)	-	1,050,000	-
Total	**4,500,000**	**-**	**(1,350,000)**	**-**	**3,150,000**	**1,050,000**

Other transactions with key management personnel of the Company

The Company has entered into a service agreement with Every Day Hire Pty Ltd, an entity controlled by Mr Roger Jackson. Terms of the service agreement are noted above. An amount of $89,263 (2022: $5,550) has been included in the financial report as capitalised exploration expenses. A total of $16,002 (excluding GST) was included in trade and other payables at 30 June 2023 for services provided by Every Day Hire Pty Ltd which includes director fees payable to Mr Roger Jackson (2022: $22,867).

The Company has entered into a service agreement with Central West Scientific Pty Ltd, an entity controlled by Mr Tully Richards. Terms of the service agreement are noted above. An amount of $100,400 (2022: $146,800) has been included in the financial report as capitalised exploration expenses. A total of $112,800 (excluding GST) was included in trade and other payables at 30 June 2023 for services provided by Central West Scientific Pty Ltd (2022: $146,800).

Directors' Report (continued)

The Company has entered into a service agreement with Crosscut Consulting Pty Ltd, an entity controlled by Mr Declan Franzmann. Terms of the service agreement are noted above. An amount of $52,027 (2022: $11,600) has been included in the financial report as capitalised exploration expenses and a further $11,900 has been included in the financial report as consulting fees (2022: Nil). A total of $6,000 (excluding GST) was included in trade and other payables at 30 June 2023 for services provided by Crosscut Consulting Pty Ltd which includes director fees payable to Mr Declan Franzmann (2022: $5,600).

No other transactions with key management personnel occurred during the financial year.

End of Remuneration Report

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Roger Jackson
Executive Chairman
28 September 2023

JORC Compliance Statements

This report contains references to Mineral Resource estimates, which have been extracted from previous ASX announcements as set above made by Peak Resources Ltd (ASX:PUA) the parent company of VTX prior to the Company's separate listing in 2022. For full details of Exploration Results that have been previously announced, refer to those announcements.

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

Directors' Report (continued)

Competent Persons Statement

The information in this report that relates to the Reward Mineral Resource estimate is based on information compiled by Mr. Troy Lowien, who is a full-time employee of Groundwork Plus. Mr. Lowien is a member of the Australasian Institute of Mining and Metallurgy (FAusIMM), and has sufficient experience which is relevant to the style of mineralisation and type of deposits 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. Lowien consents to the inclusion of the data contained in relevant resource reports used for this announcement as well as the matters, form and context in which the relevant data appears.

The information in this report that relates to Exploration Results, Exploration Targets and the Hargraves and Red Hill Resource Estimates is based on information compiled by Mr. Roger Jackson. Mr. Jackson is a Director and Shareholder of the Company, who is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM), Fellow of the Australasian Institute of Geoscientists and a Member of Australian Institute of Company Directors. Mr. Jackson has sufficient experience which is relevant to the style of mineralisation and type of deposits 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. Jackson consents to the inclusion of the data contained in relevant resource reports used for this announcement as well as the matters, form and context in which the relevant data appears.

William Buck
ACCOUNTANTS & ADVISORS

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF VERTEX MINERALS LIMITED

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

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

William Buck

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

R. P. Burt
Director
Melbourne, 28 September 2023

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

	Note	Year ended 30 June 2023	Year ended 30 June 2022 $
Administrative and corporate expenses		(510,951)	(334,099)
Consulting fees		(66,371)	(40,899)
Share based payments	(13)	(306,697)	(112,506)
Exploration expenditure		(83,901)	(69,568)
Depreciation expense		(2,000)	
		(969,920)	
Loss from ordinary activities before income tax	**(4)**	**(969,920)**	**(557,072)**
Income tax	(5)	-	-
Loss for the year		**(969,920)**	**(557,072)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(969,920)**	**(557,072)**
Loss per share	(6)		
Basic (loss) per share (cents per share)		(1.98)	(2.20)
Diluted (loss) per share (cents per share)		(1.98)	(2.20)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2023

	Note	30/06/23 $	30/06/22 $
Current assets			
Cash		596,313	3,447,139
Trade and other receivables		42,404	26,788
Prepayments		46,137	57,693
Total current assets		**684,854**	**3,531,620**
Non-current assets			
Capitalised exploration and evaluation expenditure	(7)	5,839,604	3,663,385
Property, plant and equipment	(8)	1,244,982	1,248,149
Total non-current assets		**7,084,586**	**4,911,534**
Total assets		**7,769,440**	**8,443,154**
Current liabilities			
Trade and other payables	(9)	309,326	283,849
Total current liabilities		**309,326**	**283,849**
Total liabilities		**309,326**	**283,849**
Net assets		**7,460,114**	**8,159,305**
Equity			
Issued capital	(10)	8,825,412	8,619,730
Reserves	(11)	205,332	140,285
Accumulated losses		(1,570,630)	(600,710)
Total equity		**7,460,114**	**8,159,305**

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June 2023

	Note	Issued capital $	Share based payment reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2021		1	-	(43,638)	(43,637)
Loss for the year		-	-	(557,072)	(557,072)
Total comprehensive loss for the year		-	-	(557,072)	(557,072)
Transactions with owners as their capacity as owners					
Issue of share capital	(10)	5,500,000	-	-	5,500,000
Shares issued for acquisitions	(10)	3,599,999	-	-	3,599,999
Convertible notes converted	(10)	320,000	-	-	320,000
Issue costs	(10)	(772,491)	-	-	(772,491)
Share based payments	(13)	(27,779)	140,285	-	112,506
Balance at 30 June 2022		**8,619,730**	**140,285**	**(600,710)**	**8,159,305**
Loss for the year		-	-	(969,920)	(969,920)
Total comprehensive loss for the year		-	-	(969,920)	(969,920)
Transactions with owners as their capacity as owners					
Share based payments – Performance Rights	(10)	-	306,697	-	306,697
Conversion of Performance Rights to shares	(10)	241,650	(241,650)	-	-
Issue costs	(10)	(35,968)	-	-	(35,968)
Balance at 30 June 2023		**8,825,412**	**205,332**	**(1,570,630)**	**7,460,114**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2023

	Note	Year ended 30/06/23 $	Year ended 30/06/22 $
Cash flows from operating activities			
Payments to suppliers and employees	(16)	(514,769)	(425,321)
Net cash (outflow) from operating activities		**(514,769)**	**(425,321)**
Cash flows from investing activities			
Interest received		-	-
Payments for exploration and evaluation expenditure		(2,136,593)	(1,169,451)
Payments for property, plant and equipment		(163,496)	(5,688)
Net cash (outflow) from investing activities		**(2,300,089)**	**(1,175,049)**
Cash flows from financing activities			
Proceeds from share issue		-	5,820,250
Transaction costs on issue of shares		(35,968)	(772,941)
Net cash inflow from financing activities		**(35,968)**	**5,047,509**
Net increase in cash and cash equivalents		**(2,850,826)**	**3,447,139**
Cash and cash equivalents at beginning of the year		3,447,139	-
Cash and cash equivalents at the end of the year		**596,313**	**3,447,139**

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 30 June 2023

1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The Company is a public company, incorporated and domiciled in Australia. The Company's principal activity is the evaluation and exploration of mineral interests, prospective for gold and nickel. The Company successfully listed on the ASX on 17 January 2022. See note 10 for further details.

The financial statements were authorised for issue by the Board of Directors on 28 September 2023. Vertex Minerals Limited is a for-profit Company for the purpose of preparing the financial report.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Going Concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the year ended 30 June 2023, the Company incurred a net loss of $969,920, net current assets of $375,528 as at 30 June 2023, net cash outflows from operating activities of $514,769 and net cash cashflows from investing activities of $2,300,089 and had a cash balance as at 30 June 2023 of $596,313. The Directors have assessed that these conditions indicate that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notes to the financial statements

For the year ended 30 June 2023

Notwithstanding the above, the Directors determined that the use of the going concern basis of accounting is appropriate in preparing the financial report. The assessment of the going concern assumption is based on the Company's cash flow projections and application of a number of judgements and estimates, resulting in the conclusion of a range of reasonably possible scenarios.

Included in the Directors' going concern cash flow assessment are:

- Completion of the Rights Issue subsequent to 30 June 2023 which raised $1.6million before costs
- Further sufficient funds can be secured if required by future capital raising activities; and
- Deferment of discretionary forecast cash outflows for exploration and evaluation activities.

Accordingly, the financial report has been prepared on the basis that the Company can continue normal business activities and meet its commitments as and when they fall due, and the realisation of assets and liabilities in the ordinary course of business.

New or amended Australian Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption has not had any material impact on the disclosures or amounts reported in these financial statements.

A number of new standards are effective for annual periods beginning after 1 July 2023 and early application is permitted. The Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

Significant accounting policies

Operating segments

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 of Vertex Minerals Limited.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Vertex Minerals Limited's functional and presentation currency.

Notes to the financial statements
For the year ended 30 June 2023

Income tax
The income tax expense or benefit for the year is the tax payable on that year's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.
The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

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

Notes to the financial statements
For the year ended 30 June 2023

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

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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

Cash and cash equivalents
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. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Notes to the financial statements
For the year ended 30 June 2023

Depreciation is calculated on either a straight-line basis or unit of production basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

• Buildings and infrastructure	Straight line	50 years
• Plant and equipment	Straight line	2-3 years

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

Exploration and evaluation assets
Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Impairment of non-financial assets
Non-financial 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Notes to the financial statements

For the year ended 30 June 2023

Employee benefits

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The costs of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The costs of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the year is the cumulative amount calculated at each reporting date less amounts already recognised in previous years.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Notes to the financial statements

For the year ended 30 June 2023

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Notes to the financial statements
For the year ended 30 June 2023

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Earnings per share

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

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

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the 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 tax authority is included in other receivables or other payables in the statement of financial position.

Notes to the financial statements

For the year ended 30 June 2023

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 tax authority, are presented as operating cash flows.

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

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 13 for further information.

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the Company will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest.

Notes to the financial statements

For the year ended 30 June 2023

Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation charges for its property, plant and equipment The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

3. Segment note

Identification of reportable operating segments

The Company is organised into one operating segment, being mining and exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources.

Types of products and services

The principal products and services of this operating segment are the mining and exploration operations predominately in Australia.

Notes to the financial statements

For the year ended 30 June 2023

4. Revenue and expenses

Loss before income tax from continuing operations includes the following specific revenue and expenses:

	Year ended 30 June 2023 $	Year ended 30 June 2022 $
Expenses		
Share based payment expense	306,697	112,506
Non-capitalised exploration and evaluation expenditure	83,901	69,568
Total depreciation expense	166,663	82,539
Depreciation transferred to capitalised exploration and evaluation	(164,663)	(82,539)
Net depreciation expense	2,000	-

5. Income Tax Expense

	Year ended 30 June 2023 $	Year ended 30 June 2022 $
Income tax expense		
Current tax	-	-
Deferred tax	-	-
Aggregate income tax expense attributable to continuing operations	-	-

Notes to the financial statements

For the year ended 30 June 2023

	Year ended 30 June 2023 $	Year ended 30 June 2022 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax	(969,920)	(557,072)
Tax benefit at 25% (2022: 25%)	242,480	139,268
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income:		
Non-deductible expenses	(77,346)	(35,731)
Timing differences	(500,972)	(1,025,502)
Unused tax losses and offsets not recognised as deferred tax assets	335,838	921,965
Income tax benefit/expense recognised in profit or loss	-	-

6. Earnings per share

	2023 Cents per share	2022 Cents per share
Basic loss per share	(1.98)	(2.20)
Diluted loss per share	(1.98)	(2.20)

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	2023 $	2022 $
Net loss for the year	(969,920)	(557,072)
Loss used in the calculation of basic and diluted EPS	(969,920)	(557,072)

Notes to the financial statements
For the year ended 30 June 2023

	2023 Number	2022 Number
Weighted average number of ordinary shares for the purposes of basic earnings per share	48,914,521	25,350,685
Adjustments for calculation of diluted earnings per share	-	-
Weighted average number of ordinary shares for the purposes of diluted earnings per share	48,914,521	25,350,685

The number of options and other potential ordinary shares (including performance rights) that are not dilutive and not included in the calculation of diluted loss per share is 7,150,000 (2022: 8,500,000).

7. Capitalised exploration and evaluation expenditure

Exploration and evaluation phase:	**$**
Balance at 30 June 2021	-
Acquisition of exploration and mining licenses	3,077,758
Exploration expenditure incurred	655,195
Expenditure not capitalised [1]	(69,568)
Balance at 30 June 2022	3,663,385
Exploration expenditure incurred	2,260,120
Expenditure not capitalised [1]	(83,901)
Balance at 30 June 2023	5,839,604

1. Exploration expenditure on areas of interest where tenure was not granted at year end was written off to profit or loss.

During the year to 30 June 2022, the Company recognised the acquisition of the Hill End Project (NSW), the Hargraves Project (NSW), the Pride of Elvire Project (WA) and the Taylors Rock Project (WA).

The Hill End and Hargraves Projects were acquired for a consideration of the issue of 14,999,999 ordinary shares at an issue price of $0.20 to the project vendors and the Company's then sole shareholder, Peak Minerals Limited. The Company also acquired Land, Property Plant and Equipment with an agreed value of $1,325,000 as part of the transaction (see note 8).

Notes to the financial statements

For the year ended 30 June 2023

Additional exploration licences at Hill End, Pride of Elvire and Taylors Rock were acquired for considerations of 250,000 ordinary shares, 2,250,000 ordinary shares and 500,000 ordinary shares respectively, at an issue price of $0.20.

Exploration expenditure incurred and capitalised includes employee benefits expenses of $186,027 (2022: $89,764) and depreciation of $164,663(2022: $82,534).

The ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and exploitation, or alternatively sale of the respective area of interest. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Notes to the financial statements

For the year ended 30 June 2023

8. Property, plant and equipment

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land $	Buildings and infrastructure $	Plant and equipment $	Plant under construction[1] $	Total $
Year ended 30 June 2022					
Opening balance	-	-	-	-	-
Additions through acquisitions	250,000	100,000	325,000	650,000	1,325,000
Additions	-	-	5,688	-	5,688
Depreciation expense	-	(997)	(81,542)	-	(82,539)
Closing net book amount	250,000	99,003	249,146	650,000	1,248,149
At 30 June 2022					
Cost	250,000	100,000	330,688	650,000	1,330,688
Accumulated depreciation	-	(997)	(81,542)	-	(82,359)
Net Book amount	250,000	99,003	249,146	650,000	1,244,982
Year ended 30 June 2023					
Opening balance	250,000	99,003	249,146	650,000	1,244,982
Additions	-	-	16,273	147,223	163,496
Depreciation expense	-	(2,000)	(164,663)	-	(166,663)
Balance at 30 June 2023	250,000	97,003	100,756	797,223	1,244,982
At 30 June 2023					
Cost	250,000	100,000	346,961	797,223	1,494,184
Accumulated depreciation	-	(2,997)	(246,205)	-	(249,202)
Net book amount	250,000	97,003	100,756	797,223	1,244,982

1. Plant under construction refers to the Gravity Processing Plant which requires additional investment before being fully commissioned.

9. Trade and other payables

	30 June 2023 $	30 June 2022 $
Trade creditors	104,847	249,665
Accruals	200,737	28,402
Superannuation payable	3,742	5,782
	309,326	283,849

Notes to the financial statements

For the year ended 30 June 2023

10. Share capital

	30 June 2023 $	30 June 2022 $
50,050,000 fully paid ordinary shares (30 June 2022: 48,700,000)	8,825,412	8,619,730
	8,825,412	8,619,730

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to a vote.

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

Movements in share capital during the year were as follows:

		Number of shares	Share Capital $
As at 30 June 2021		**1**	**1**
Initial Public Offering	(a)	27,500,000	5,500,000
Conversion of debt	(a)	3,200,000	320,000
Shares issued on acquisition of tenements and property, plant and equipment	(a)	17,999,999	3,599,999
Broker options issued	(a)	-	(27,779)
Issue costs	(a)	-	(772,490)
As at 30 June 2022		**48,700,000**	**8,619,730**
Conversion of Tranche 2 Performance Rights	(b)	1,350,000	241,650
Issue costs		-	(35,968)
		50,050,000	8,825,412

(a) On 21 December 2021, the Company received conditional approval for admission to the Official List of ASX and subsequently issued the following securities under a prospectus prior to completing the listing on the ASX on 17 January 2022:

- 27,500,000 ordinary shares at $0.20 per share to raise funds of $5.5 million before costs;

Notes to the financial statements

For the year ended 30 June 2023

- 14,999,999 ordinary shares to the Company's parent entity, Peak Minerals Ltd ("Peak") to be distributed in-specie to Peak shareholders for the acquisition of mineral tenements
- 3,000,000 ordinary shares to acquire mineral tenements from external vendors;
- 3,200,000 ordinary shares on conversion of existing Convertible Notes (320,000 Convertible Notes were issued in August 2021 with a face value of $1.00 and a conversion price of $0.10 and hence are not included in the 30 June 2021 comparative balance);
- Issue of 4,000,000 million broker options to the IPO lead manager with an exercise price of $0.30, a 36 month expiry period and a fair value of $27,779.

(b) In May 2023, the milestone for Tranche 2 of the Performance Rights on issue was satisfied and 1,350,000 rights were converted to ordinary shares.

Share Options

Unissued equity-settled shares under option at balance date were as follows:

Series	Number of shares under option	Class of shares	Exercise price of option	Expiry date of options
Lead manager options	4,000,000	Ordinary	$0.30	07/01/2025

All options were issued by Vertex Minerals Ltd. A total of 4,000,000 lead manager options were issued on 22 December 2021 with an exercise price of $0.30 on or before 7 January 2025 as part of the Company's Initial Public Offering. There has been no movement in the period of equity settled share options, with no cancellations expirations or modifications to the award in the year to 30 June 2023. See note 13 for further information related to share based payments.

Performance Rights

During the year to 30 June 2022, the Company issued 4,500,000 Performance Rights with the following terms and conditions:

Notes to the financial statements

For the year ended 30 June 2023

Milestones:

- Tranche 1 – 40% of the Performance Rights will vest upon the volume weighted average market price of the Company's shares trading on ASX over 20 consecutive trading days on which the shares have traded being $0.40 and this event occurring no earlier than 90 days after listing on the ASX
- Tranche 2 – 30% of the Performance Rights will vest upon announcement by the Company on the ASX market announcements platform of a minimum 400,000 Oz of Inferred, Indicated and/or Measured Resources, at a minimum cut off of 0.5g/t of gold, reported in accordance with the JORC Code 2012, on any one or more of the tenements
- Tranche 3 – 30% of the Performance Rights will vest upon the Company successfully applying for a mining lease on the Hargraves Project and completing an updated pre-feasibility study for the Hargraves Project that demonstrated at the time of reporting the pre-feasibility study that extraction is reasonably justified and economically viable.

Upon vesting, each Performance Right will at the election of the holder convert into one ordinary share in the Company. No consideration is payable on conversion of the Performance Rights to shares. Each Performance Right expires 5 years from the date of issue. If the holder is terminated for whatever reason, any unvested Performance Rights held by that holder will automatically lapse.

The Tranche 2 Milestone was met during the year to 30 June 2023 and 1,350,000 Performance Rights have been converted to ordinary shares. See note 13 for further information related to Performance Rights.

11. Reserves

	30 June 2023 $	30 June 2022 $
Share based payments reserve	205,332	140,285
	205,332	140,285

Share based payments reserve	**30 June 2023** **$**	**30 June 2022** **$**
Balance at beginning of the year/incorporation	140,285	-
Accounting value of share-based payments recognised in the year (see note 13)	306,697	140,285
Conversion of Performance Rights to ordinary shares	(241,650)	-
Balance at the end of the financial year	205,332	140,285

<u>Nature and purpose of reserves</u>

Share based payments reserve
The reserve relates to share options and performance rights granted by the Company to its employees under its employee share option plan and share options issued to consultants and advisors in consideration for services provided. Further information about share-based payments is set out in note 13.

12. Financial instruments

Financial risk management objectives
The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. Risk management is carried out by the Board of Directors.

Market risk
The Company's activities have the potential to expose it primarily to the financial risks in foreign currency exchange rates, commodity prices and interest rates. Since incorporation, the Company has not used any derivative financial instruments to hedge its exposure to foreign exchange and interest rate risk.

Foreign currency risk
The Company has not undertaken any transactions denominated in foreign currency since incorporation.

Interest Rate risk management
The Company is potentially exposed to interest rate risk as it deposits funds at floating interest rates. The Company does not hedge this risk through derivatives such as interest rate swaps.

An increase/decrease in interest rates by 50 basis points would not have a material effect on loss before tax.

Credit risk management
Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in a financial loss to the Company. As at reporting date, the Company has not material receivables and accordingly does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Notes to the financial statements
For the year ended 30 June 2023

Liquidity risk
Liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Company's remaining contractual maturity for its financial instrument liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average effective interest rate	Less than 6 months	6 months – 1 year	More than 1 year
30 June 2023		**$**	**$**	**$**
Trade payables	-	309,326	-	-
		309,326	-	-
30 June 2022				
Trade payables	-	283,849	-	-
		283,849	-	-

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Notes to the financial statements
For the year ended 30 June 2023

13. Share-based payments

	2023 $	2022 $
Recognised in profit or loss:		
Employee benefits – Performance Rights	306,697	112,506
Recognised in equity:		
Share issue expenses	-	27,779
Total share based payments	**306,697**	**140,285**

The following share-based payment arrangements were in existence during the current and previous reporting periods:

Share Options

Series	Number issued	Grant date	Expiry date	Exercise price $	Fair value at grant date $
Lead manager options	4,000,000	22/12/21	7/01/25	$0.30	$0.00695

No share options were granted during the financial year and no modification or cancellations to existing share options.

Movements in share options during the year

The following reconciles the share options outstanding at the beginning and end of the period:

	30 June 2023		30 June 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of year	**4,000,000**	**$0.30**	**-**	**-**
Granted during the year	-	-	4,000,000	$0.30
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Balance at end of the year	**4,000,000**	**$0.30**	**4,000,000**	**$0.30**
Exercisable at the end of the year	4,000,000		4,000,000	

Notes to the financial statements
For the year ended 30 June 2023

The share options outstanding at the end of the year had a weighted average exercise price of $0.30 and a weighted average remaining contractual life of 557 days.

Performance Rights

During the year to 30 June 2022, the Company issued 4,500,000 performance rights over ordinary shares as compensation to directors of the Company. Terms and conditions of the performance rights are detailed in note 10.

An independent valuation of the performance rights was conducted and assigned a value at grant date of $773,820. An expense of $306,697 has been recognised in profit or loss in the current financial year (2022: $112,506) based on the directors' assessment of the probability of milestones being achieved and the directors' individual service periods.

Performance Rights have been valued using a binomial and trinomial valuation models. The following assumptions were used in the valuation:

	Tranche 1	Tranche 2	Tranche 3
Number	1,800,000	1,350,000	1,350,000
Valuation date	12/01/22	12/01/22	12/01/22
Maturity date	12/01/27	12/01/27	12/01/27
Conditions	Market	Non-Market	Non-Market
Volatility	100%	100%	100%
Dividend yield	Nil	Nil	Nil
Risk free interest rate	1.46%	1.46%	1.46%

14. Key management personnel

The aggregate compensation made to KMP of the Company is set out below:

	2023 $	2022 $
Short-term employee benefits	616,227	370,588
Share-based payments	306,697	112,506
	922,924	483,094

Notes to the financial statements

For the year ended 30 June 2023

Other transactions with KMP of the Company

The Company has entered into a service agreement with Every Day Hire Pty Ltd, an entity controlled by Mr Roger Jackson. Terms of the service agreement are noted in the Directors' Report. An amount of $89,263 (2022: $5,550) has been included in the financial report as capitalised exploration expenses. A total of $16,002 (excluding GST) was included in trade and other payables at 30 June 2023 for services provided by Every Day Hire Pty Ltd which includes director fees payable to Mr Roger Jackson (2022: $22,867).

The Company has entered into a service agreement with Central West Scientific Pty Ltd, an entity controlled by Mr Tully Richards. Terms of the service agreement are noted in the Directors' Report.. An amount of $100,400 (2022: $146,800) has been included in the financial report as capitalised exploration expenses. A total of $112,800 (excluding GST) was included in trade and other payables at 30 June 2023 for services provided by Central West Scientific Pty Ltd (2022: $146,800).

The Company has entered into a service agreement with Crosscut Consulting Pty Ltd, an entity controlled by Mr Declan Franzmann. Terms of the service agreement are noted in the Directors' Report.. An amount of $52,027 (2022: $11,600) has been included in the financial report as capitalised exploration expenses and a further $11,900 has been included in the financial report as consulting fees (2022: Nil). A total of $6,000 (excluding GST) was included in trade and other payables at 30 June 2023 for services provided by Crosscut Consulting Pty Ltd which includes director fees payable to Mr Declan Franzmann (2022: $5,600).

No other transactions with key management personnel occurred during the financial year.

Loss for the year does not include any further items of expense that resulted from transactions, other than as noted above.

Notes to the financial statements

For the year ended 30 June 2023

15. Reconciliation of loss for the year to net cash flows from operating activities

	30 June 2023 $	30 June 2022 $
Loss for the year	**(969,920)**	**(557,072)**
Non-cash items:		
Share-based payments	306,697	112,506
Depreciation	2,000	-
Financing and investing cash flows included in loss:		
Exploration and evaluation expenditure	83,901	69,568
Movement in receivables	(4,060)	(84,386)
Movement in payables	66,613	34,063
Cash flows from operating activities	**(514,769)**	**(425,321)**

16. Non-cash transactions

During the year, the company has made share-based payments totalling $306,697 (2022: $140,285), details of which are included in note 13.

17. Commitments and contingent liabilities

In order to maintain and preserve rights of tenure to granted exploration tenements, the Company is required to meet certain minimum levels of exploration expenditure specified by various State governments.

As at reporting date these future minimum exploration expenditure commitments are as follows:

	30 June 2023 $	30 June 2022 $
Not longer than 1 year	1,063,798	633,620
Longer than 1 year and not longer than 5 years	585,082	897,314
Longer than 5 years	45,000	44,399
Total	1,693,880	1,575,333

The Company had no contingent liabilities at 30 June 2023 (30 June 2022: Nil).

Notes to the financial statements

For the year ended 30 June 2023

18. Remuneration of auditors

Auditor

	30 June 2023 $	30 June 2022 $
William Buck		
Audit and review of the financial statements	30,000	26,500
Services provided in respect of the investigating accountants report	-	12,500
Total	30,000	39,000

19. Subsequent events

Following the conclusion of internal studies on the Reward Underground Gold Mine ("Reward Gold Mine" or "Reward"), the Company announced on 6 July 2023, a Mineral Resource Upgrade for the Reward Gold Mine at the Company's Hill End Project. The Company has engaged Ground Control Engineering (GCE) to undertake the Pre-Feasibility Study (PFS) at the site. GCE conducted a site visit in July 2023 and the PFS is expected to be completed in quarter 2, FY2024..

On 17 July 2023, the Company announced the completion of a non-renounceable rights issue of shares and free-attaching options. The Company issued a total of 10,463,961 fully paid ordinary shares and 5,232,057 options exercisable at $0.25 each, with an expiry date of 17 July 2026 to raise $1,046,396 before costs. The underwritten shortfall of 6,219,929 shares will be issued within 3 months of the rights issue close to raise a further $621,993.

On 4 August 2023, the Company announced the commencement of wet commissioning at the Hill End Gold Plant.

On 18 August 2023, the Company ultimately issued 6,219,371 fully paid ordinary shares and 3,109,686 options exercisable at $0.25 each with an expiry date of 17 July 2026 to raise $621,937 before costs for the underwritten rights issue shortfall (as noted above).

On 29 August 2023, the Company announced an exploration target had been calculated for the Fosters Gold Project south of the Reward Gold Mine and a diamond drill program will be undertaken with the aim of converting the target to a JORC resource.

On 4 September 2023, the Company announced the issue of 5,000,000 options exercisable at $0.25 each with an expiry date of 17 July 2026 to the lead manager of the rights issue.

Notes to the financial statements

For the year ended 30 June 2023

Other than as noted above, no matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Vertex Minerals Limited
Independent auditor's report to members

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Vertex Minerals Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

i. giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and

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

Basis for Opinion

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial report. For the year ended 30 June 2023, the Company incurred a net loss of $969,920, net cash outflows from operating activities of $514,769, and net cash outflows from investing activities of $2,300,089 and had net current assets of $375,528 as at 30 June 2023. As stated in Note 1, these events or conditions along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

CAPITALISATION OF EXPLORATION AND EVALUATION COSTS	
Area of focus **Refer also to notes 1, 2 and 7**	**How our audit addressed it**
The Company has continued to incur exploration and evaluation costs for exploration projects in Australia of $5,839,604 for the year ended 30 June 2023 and has elected to capitalise all these costs as a non-current asset in the Statement of Financial Position in accordance with the Company accounting policies. There is a risk that the Company may lose or relinquish its rights to explore and evaluate those areas of interest and therefore amounts capitalised to the Statement of Financial Position from the current year may not be appropriate to recognise and no longer be recoverable. During the year no impairment charge was recognised in relation to exploration expenditure. The assessment of the non-current assets for impairment requires significant judgement involved and as such, has been deemed to be a key audit matter.	Our audit procedures included the following: — Understanding and vouching the underlying contractual entitlement to explore and evaluate each area of interest; — Examining project spend per each area of interest and comparing this spend to the minimum expenditure requirements set out in the underlying exploration expenditure plan; — Examining project spend to each area of interest to ensure that it is directly attributable to that area of interest; — From an overall perspective, comparing the market capitalisation of the Company to the net carrying value of its assets on the statement of financial position to identify any other additional indicators of impairment. We also assessed the adequacy of the Company's disclosures in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023

In our opinion, the Remuneration Report of Vertex Minerals Limited, 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.

William Buck

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

R. P. Burt
Director
Melbourne, 28 September 2023

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Roger Jackson
Executive Chairman
28 September 2023

Corporate Governance Statement

The Company's Corporate Governance Plan is available in full on the Company's website at https://vertexminerals.com/corporate-governance-downloads and contains the following documents:

Corporate Governance Statement dated 28 September 2023

Board and Committee Charters:

- Board Charter
- Audit and Risk Committee Charter
- Remuneration Committee Charter
- Nomination Committee Charter
- Environmental Social and Governance Committee Charter

Documentation of Policies and Procedures:

- Corporate Code of Conduct
- Performance Evaluation Policy
- Continuous Disclosure Policy
- Risk Management Policy
- Trading Policy
- Diversity Policy
- Whistleblower Protection Policy
- Anti-Bribery and Anti-Corruption Policy
- Environmental, Social and Governance Policy
- Privacy Policy

The Corporate Governance Statement discloses the extent to which the Company follows the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations – 4th Edition (**Recommendations**). The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation.

Due to the current size and nature of the existing Board and the magnitude of the Company's operations, the Board does not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas as the Board is of the strong view that at this stage the experience and skill set of the current Board is sufficient to perform these roles. Under the Company's Board Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees.

Additional Securities Exchange Information

The shareholder information set out below was applicable as at 5 September 2023 except where otherwise stated.

1. Twenty largest holders of quoted equity securities

Ordinary shares	Number	Percentage
SMALL BUSINESS FINANCE PTY LTD	6,200,000	9,29
MR ROSS DI BARTOLO	3,336,979	5.00
GLENEDEN NOMINEES PTY LTD	3,250,000	4.87
MR GAVIN JEREMY DUNHILL	2,300,000	3.45
DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	1,909,956	2.86
KITARA INVESTMENTS PTY LTD <KUMOVA #1 FAMILY A/C>	1,316,980	1.97
ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	1,075,000	1.61
BNP PARIBAS NOMS PTY LTD <DRP>	1,007,426	1.51
LOFTUS GROUP LIMITED	973,512	1.46
MR PETER ROMEO GIANNI	951,479	1.43
MR GREGORY JOHN MUNYARD & MRS MARIA ANN MUNYARD & MRS CARMEN HELENE CRUZ <RIVIERA SUPER FUND A/C>	930,000	1.39
ANGKOR IMPERIAL RESOURCES PTY LTD <TURKISH BREAD S/F A/C>	900,000	1.35
MR ROBERT CAMERON GALBRAITH	822,921	1.23
GEONOMICS AUSTRALIA PTY LTD	795,000	1.19
MR JIAXUN XU	773,639	1.16
MACRO METALS IRON PTY LTD	750,000	1.12
MS JUSTINE DAVINA MICHEL <LAMBRECHT INVESTMENT A/C>	700,000	1.05
FLUE HOLDINGS PTY LTD	693,215	1.04
ANNBROOK CAPITAL PTY LTD	681,667	1.02
KONKERA PTY LTD <KONKERA FAMILY A/C>	677,611	1.02
Total Top 20	30,045,385	45.02
Other	36,687,947	54.98
Total ordinary shares on issue	66,733,332	100

Additional Securities Exchange Information

2. Substantial shareholders

The following table details the Company's substantial shareholders as extracted from the Company's registers of substantial shareholders:

Name	Number of ordinary shares	Percentage	Date of last notice
Ross Di Bartolo	6,702,459	13.76%	15/5/2023
Timothy Paul Neesham	2,790,000	5.73%	27/07/2022

3. Distribution of holders of equity securities

	Fully paid ordinary shares	Unlisted options	Performance rights
1 – 1,000	826	51	-
1,001 – 5,000	411	49	-
5,001 – 10,000	117	26	-
10,001 – 100,000	361	71	-
100,001 and over	110	41	3
	1,825	**238**	**3**
Number on issue	**66,733,332**	**17,341,743**	**3,150,000**
Holding less than a marketable parcel	**1,233**	**-**	**-**

4. Voting rights

See Note 10 to the Financial Statements

Additional Securities Exchange Information

5. Restricted securities

The following securities are restricted and held in escrow at the date of this report:

Class of security	Number subject to escrow	Escrow end date
Ordinary shares	4,325,000	17 January 2024
Options exercisable at $0.30 on or before 7 January 2025	4,000,000	17 January 2024
Performance rights	3,050,000	17 January 2024

6. Unquoted equity security holdings greater than 20%

Performance Rights	Number
Central West Scientific Pty Ltd	1,050,000
Citraen Pty Ltd	1,050,000
Roger Alan Jackson	1,050,000

7. On-market buy-back

There is currently no on-market buy back program for any of the Company’s listed securities.

8. Company secretary, registered and principal administrative office and share registry

The Company Secretary is Mr Alex Neuling.

The Company’s principal and registered office is at Unit 38, 460 Stirling Highway, Peppermint Grove WA 6011, telephone number +61 8 6270 6316.

The Company’s share registry is maintained by Automic Group, Level 5, 191 St Georges Terrace, Perth WA 6000, telephone number 1300 288 644.

9. Use of funds

The Company has used the cash (and assets in a form readily to convertible to cash) that it held on its date of admission to the ASX of 17 January 2022 to 30 June 2023 in a manner consistent with its business objectives as stated in the listing prospectus dated 21 October 2021. Further details on the use of funds can be found in the Company’s quarterly cash flow reports available on the Company’s website.

Additional Securities Exchange Information

10. Tenement listing

Tenement Number	Project	Location	Status	% Interest
EL 5868	Hill End	NSW	Granted	100%
EL 8289	Hill End	NSW	Granted	100%
EL 9247	Hill End	NSW	Granted	100%
EL 9413	Hill End	NSW	Granted	100%
EL 9434	Hill End	NSW	Granted	100%
EL 9485	Hill End	NSW	Granted	100%
EL 9564	Hill End	NSW	Granted	100%
GL 5846	Hill End	NSW	Granted	100%
ML 49	Hill End	NSW	Granted	100%
ML 50	Hill End	NSW	Granted	100%
ML 315	Hill End	NSW	Granted	100%
ML 316	Hill End	NSW	Granted	100%
ML 317	Hill End	NSW	Granted	100%
ML 913	Hill End	NSW	Granted	100%
ML 914	Hill End	NSW	Granted	100%
ML 915	Hill End	NSW	Granted	100%
ML 1116	Hill End	NSW	Granted	100%
ML 1541	Hill End	NSW	Granted	100%
EL 6996	Hargraves	NSW	Granted	100%
E63/2058	Taylors Rock	WA	Granted	100%
E77/2651	Pride of Elvire	WA	Granted	100%