



ACN 650 477 286

**ANNUAL REPORT  
FOR YEAR ENDED 30 JUNE 2023**

## Annual Report 30 June 2023

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#### General information

The financial statements cover Aurum Resources Limited as a single entity at the end of, or during, the year. The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Aurum Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

#### Registered office

Suite 11, 12  
Level 2, 23 Railway Road  
Subiaco, WA 6008

#### Principal place of business

Suite 2, Level 1  
1 Altona Street, West Perth, WA 6005

A description of the nature of the Company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 September 2023. The directors have the power to amend and reissue the financial statements.

## CORPORATE DIRECTORY

### Board of Directors

Mr Joshua Letcher	Non-Executive Chairman (resigned 17 February 2023)
Mr Troy Flannery	Non-Executive Chairman (appointed 17 February 2023)
	Non-Executive Director (resigned 17 February 2023)
Mr Mauro Piccini	Non-Executive Director
Ms Debra Fullarton	Non-Executive Director (appointed 17 February 2023)

### Secretary

Mr Mauro Piccini

### Registered Office & Place of Principal Operation

Suite 11, 12, Level 2  
23 Railway Road  
Subiaco WA 6008

Telephone: 08 6559 1792

### Auditors

RSM Australia Partners  
Level 32, 2 The Esplanade  
Perth WA 6000

### Solicitors

Steinepreis Paganin  
Level 4, Next Building  
16 Milligan Street  
Perth WA 6000

### Bankers

Westpac Banking Corporation  
Level 4, Brookfield Place, Tower Two  
123 St Georges Terrace  
Perth WA 6000

### Share Registry

Automic Share Registry  
Level 5, 191 St Georges Terrace  
Perth WA 6000

Telephone: 1300 288 664

### Stock exchange listing

Aurum Resources Limited share are listed on the Australian Securities Exchange (ASX code: AUE)

### Website

<https://www.aurumres.com.au>

### Corporate Governance Statement

<https://www.aurumres.com.au/corporate-governance>

## DIRECTORS' REPORT

The Directors of Aurum Resources Limited (“Aurum” or “the Company”) present their report, together with the financial statements of the Company for the year ended 30 June 2023.

### DIRECTORS

The names of the Company’s Directors who held office during the year and until the date of this report are set out below. Directors were in office for this entire year unless otherwise stated.

Director	Position
Joshua Letcher	Non-Executive Chairman (resigned 17 February 2023)
Troy Flannery	Non-Executive Chairman (appointed 17 February 2023)
Mauro Piccini	Non-Executive Director
Debra Fullarton	Non-Executive Director (appointed 17 February 2023)

#### Mr Joshua Letcher | Non-Executive Chairman (appointed 25 May 2021, resigned 17 February 2023)

Joshua Letcher has a mechanical engineering background through the Royal Australian Navy and has many years’ experience in mining and exploration through Australia and Africa. He holds Certificate III in Mechanical Engineering and has experience working in various operational and technical roles within the African and Australian mining industry.

During the past three years, Mr Letcher held the following directorships in other ASX listed companies:

- Non-Executive Chairman of Aldoro Resources Limited (resigned); and
- Non-Executive Director of Six Sigma Metals Limited (resigned).

#### Mr Troy Flannery | Non-Executive Chairman (appointed 17 February 2023) | Non-Executive Director (appointed 25 May 2021)

Troy Flannery has more than 23 years’ experience in the mining industry, including 7 years in corporate and 16 years in senior mining engineering & project development roles. He has a degree in Mining Engineering, Masters in Finance & First Class Mine Managers Certificate of Competency. Troy is also the CEO of Abra Mining Pty Ltd, the corporate vehicle for the Galena Mining Ltd (ASX:G1A) & Toho Zinc Joint Venture. He has worked at numerous mining companies, mining consultancies & contractors including BHP, Newcrest, Xstrata, St Barbara Mines & AMC Consultants.

During the past three years, Mr Flannery held the following directorships in other ASX listed companies:

- Non-Executive Director of Aldoro Resources Limited (current)
- Non-Executive Chairman of Red Mountain Resources Limited (current).

#### Mr Mauro Piccini | Non-Executive Director and Company Secretary (appointed 25 May 2021)

Mauro Piccini is a Chartered Accountant (CA) and a member of the Governance Institute of Australia (GIA), and he holds a Bachelor’s degree in Accounting and Taxation. Mauro spent 7 years at the ASX and possesses core competencies in publicly listed and unlisted company secretarial, administration and governance disciplines. Mauro specialises in corporate advisory matters, company secretarial and financial management services for ASX listed companies, capital raisings and IPOs, due diligence reviews and ASX and ASIC compliance. Mauro regularly advises ASX listed companies on a range of corporate matters and has acted as the Company Secretary of a number of ASX listed and unlisted companies. Mauro also currently serves on the Board of The Pioneer Development Fund (Aust) Limited.

During the past three years, Mr Piccini has not held any directorships in other ASX listed companies.

#### Ms Debra Fullarton | Non-Executive Director (appointed 17 February 2023)

Debra Fullarton is an experienced Chartered Accountant and mining professional, with over 30 years’ experience in the resources industry ranging from junior explorers to global majors. Senior roles include CFO of Dreadnought Resources Ltd, CEO of Westgold Resources Limited and CFO of Westgold Resources Limited. Debra completed her professional training with Deloitte, holds an Honours Bachelor of Accounting Science from the University of South Africa, and is a member of the Institute of Chartered Accountants in Australia, the Governance Institute of Australia, and the Australian Institute of Company Directors. Ms Fullarton’s experience covers strategy, leadership, governance, and compliance.

During the past three years, Ms Fullarton held the following directorships in other ASX listed companies:

- Non-Executive Chair of Gateway Mining Limited (Current)

## DIRECTORS' REPORT

### INTERESTS IN SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

The following table sets out each current Director's relevant interest in shares and options of the Company or a related body corporate as at the date of this report.

Director	Ordinary Shares	Options
Mr Joshua Letcher (resigned)	-	-
Mr Mauro Piccini	50,000	-
Mr Troy Flannery	40,000	-
Ms Debra Fullarton	-	-
<b>Total</b>	<b>160,000</b>	<b>-</b>

### REVIEW OF OPERATIONS

#### Overview

Aurum Resources Ltd is an ASX-listed (ASX:AUE) mineral exploration and development company with a gold focus where it acquired Aldoro Resources (ASX:ARN) gold assets. It currently has two gold projects, the flagship reconnaissance **Ryan's Find** project northeast of Koolyanobbing and **Penny South** located along the Youanmi shear system. The Ryans Find project covers the Watt Hill greenstone belt where historical exploration has focused on base metals with little gold exploration despite being bookended by historical gold deposits. The Penny South Gold Project is the most advanced located immediately south of the Penny West and Penny North gold mines currently under development by Ramelius Resources (ASX:RMS) with a analogous structural setting and anomalous gold intersections.

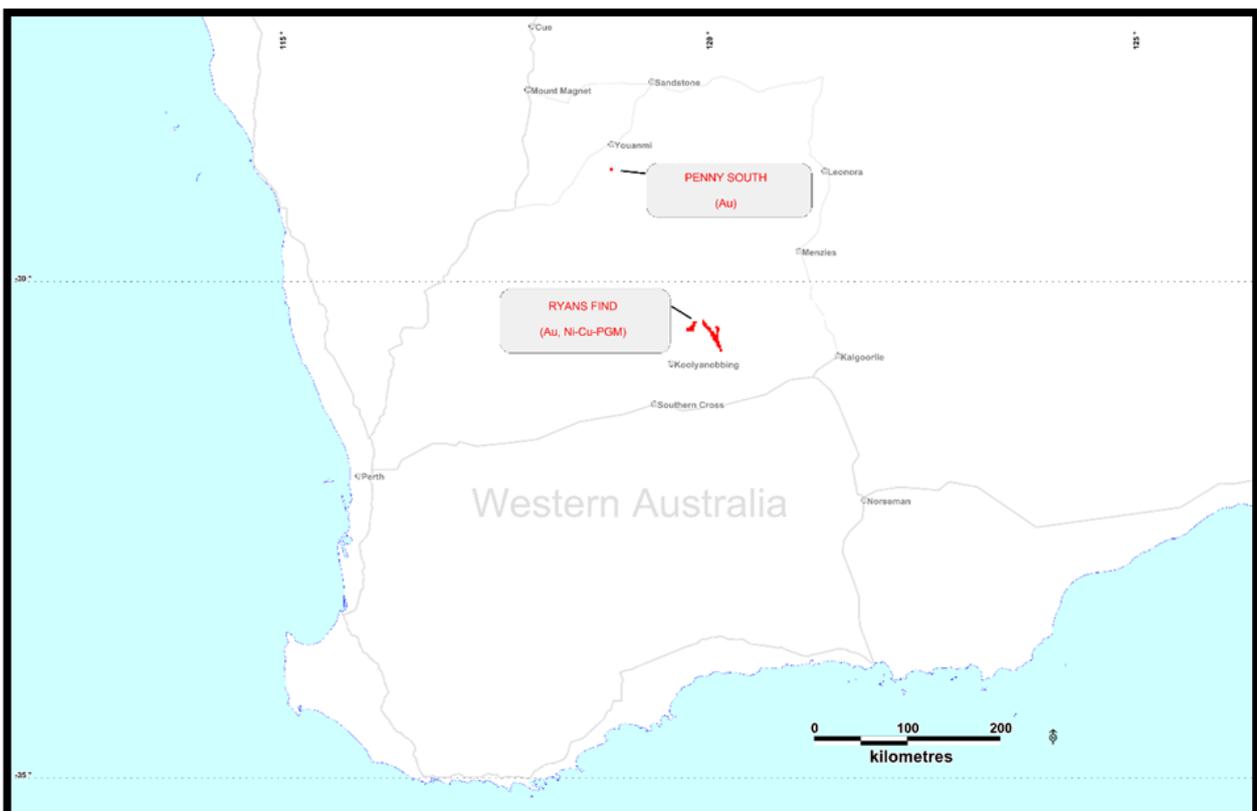


Figure 1: Aurum Resources Limited current project locations.

## DIRECTORS' REPORT

### Ryan's Find Project

The **Heritage Clearance** over the 74 planned drill holes and access tracks was completed on Ryans Find tenement E16/389. The survey cleared all sites and access tracks with two sites adjacent to an access track identified for avoidance. Care will be taken not to encroach these areas. The next step planned is the drilling of each site by aircore. Due to logistical issues in putting in tracks with monitors, Aurum is exploring using a small track mounted rig to minimise ground disturbance and hopefully the need for monitors.

The **Ryan's Find** Project is located 100km northwest of Southern Cross where historical exploration focused on the nickel cobalt potential of ultramafic rocks within the Watt Hills Greenstone belt. A first pass soil geochemical survey completed by Aldoro (ASX: ARN) aimed at verifying nickel-cobalt anomalism in historical geochemical surveys in the sole granted licence E16/489 found anomalous gold trends in the data which will form the initial focus of future work programmes. The granted licence and three licence applications contain more than 50 km of strike length of relatively underexplored greenstone belt, bookended by historic gold mines and workings.

The Aurum licences form an Arc around a granitic pluton riming the contact between the granites and greenstones (Watt Hill Greenstone Belt, an extension of the Youanmi Greenstone Belt (Figure 2). The contacts and associated shears are typical settings for orogenic gold.

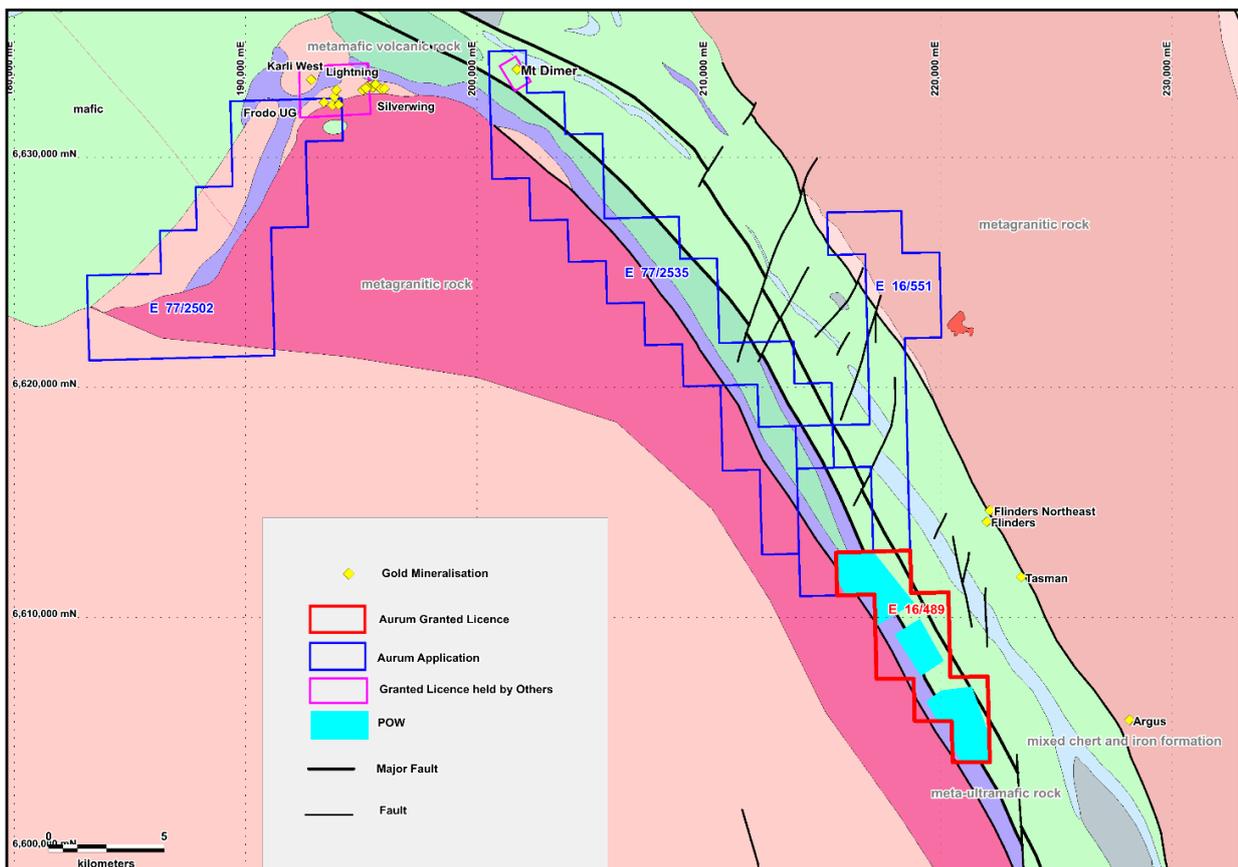


Figure 2: Ryans Find geological setting and licences.

Mt Dimer (Tipan Pit) was mined in the mid 1990's producing **77,000@3.44g/t for ~8,500oz**. Everest Metals (previous Twenty Seven Co, ASX:EMC) hold the mining lease M77/515, but Aurum's exploration licence application surrounds the lease and runs to the SE along the structural trend of the old mine. Everest have released a JORC Inferred Mineral Resource Estimate of **722,000t at 2.10g/t Au for 48,545oz** of Au and **3.84g/t Ag for 89,011oz Ag** (refer to EMC announcement dated 31/5/2021 for further details). It was reported that "The resource remains open to the south and down dip with strong potential to extend the mineralisation along strike to the south". This historic mine is almost surrounded by Aurum's tenement application E77/2535, with potential for strike extension of this mineralised structure into Aurum's ground.

## DIRECTORS' REPORT

On the western side of the dome, another of Aurum's applications lies immediately south of Aurumin Limited (**ASX: AUN**) historic deposits of Frodo (open pit and underground), Golden Slipper, Lightning and others which they are currently reassessing and have reported anomalous gold intersections.

On the granted licence **E16/489** at Ryans Find an aircore drilling programme is planned. Aldoro Resources had previously completed profile soil sampling for base metals and gold over the north-north-westerly striking greenstones, where the gold sampling results appear not to have been followed up (Figure 3). A number of above background low level gold assays were returned in the data and probably reflect specific basement lithological units apparent in the aeromagnetic dataset. Profile aircore drilling (Figure 3) is planned over these anomalous sections with approximately 74 holes for 3,500m planned. The drilling will focus on the contiguous magnetic unit associated with elevated gold in soils. The local geological strike is apparent in the airborne magnetics and local gossans trends north-north-westerly, and the planned drilling is perpendicular along the soil sample traverses. The holes planned will have azimuths of 045 and dips -60.

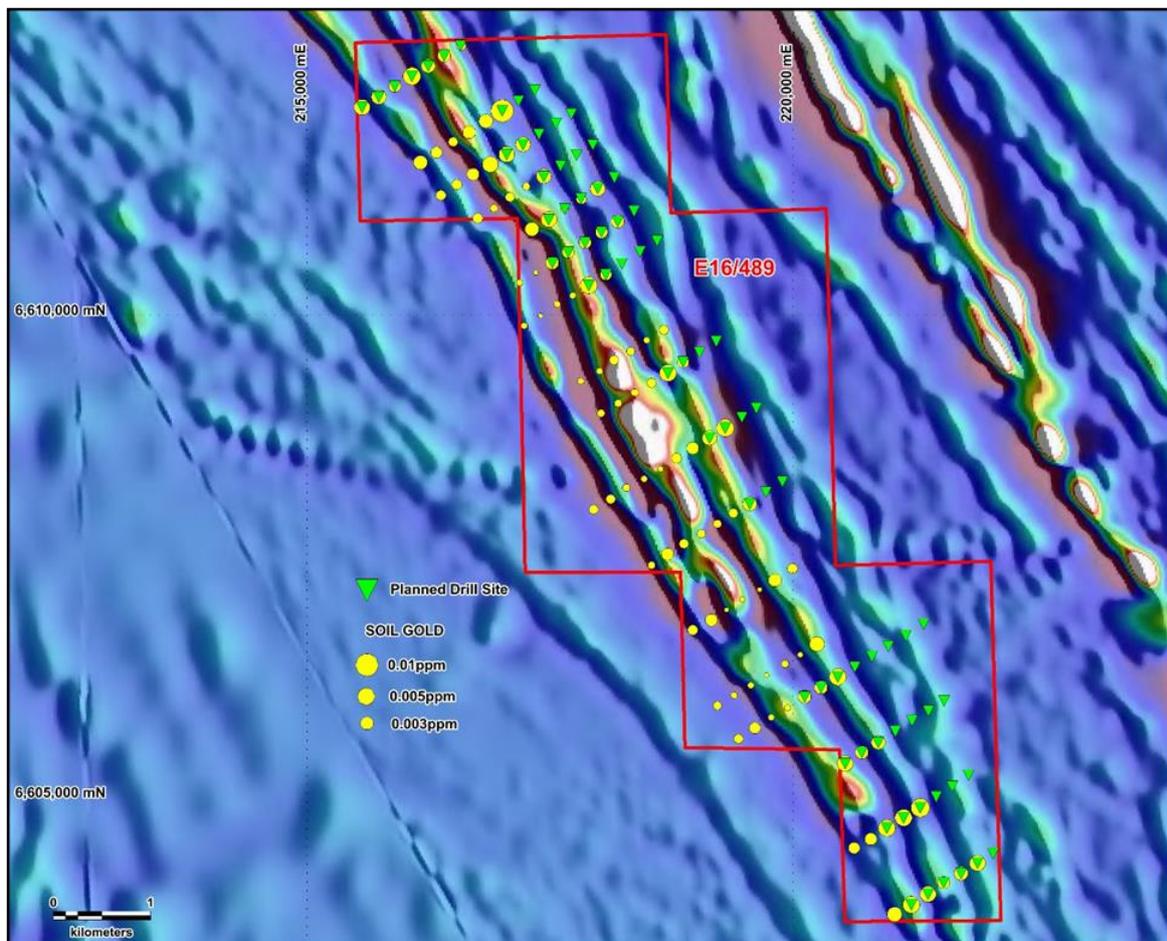


Figure 3: Proposed drill areas and anomalous gold soils

Aurum is continuing to actively pursue the grant of tenement applications ELA77/2520, ELA77/2535 and ELA16/551 with a gold focused soil sampling exploration program proposed. The completed Heritage Agreement with the Marlinyu Ghoorlie includes three applications that will progress on ground activities once these licences are granted.

### Penny South Project

Exploration on Penny South licence E57/1045 has predominantly been focussed on gold exploration with a model similar to Penny West characterised by low tonnage and high-grade style gold mineralisation, despite other mineralisation styles found in the area. On the Penny South licence minor nickel bearing gossanous fragments were found in the southeast (hole PWAC179 8m@0.44%Ni from 32m, ASX:LDR 16 June 2004 and ASX:AUE 18th September 2022). The potential for Nickel mineralisation was followed up with geophysical survey aimed at targeting localised sulphide mineralisation.

## DIRECTORS' REPORT

Aurum completed a ground Induced Polarisation (IP) geophysical survey, and the data has been assessed. The IP Gradient Array survey covers a 5.2km<sup>2</sup> block and includes the historical anomalous nickel strike and the anomalous gold bearing drill intersections, see Figure 4. The main target for the IP survey is the ultramafic schist units which were considered prospective for hosting Ni-Cu mineralisation.

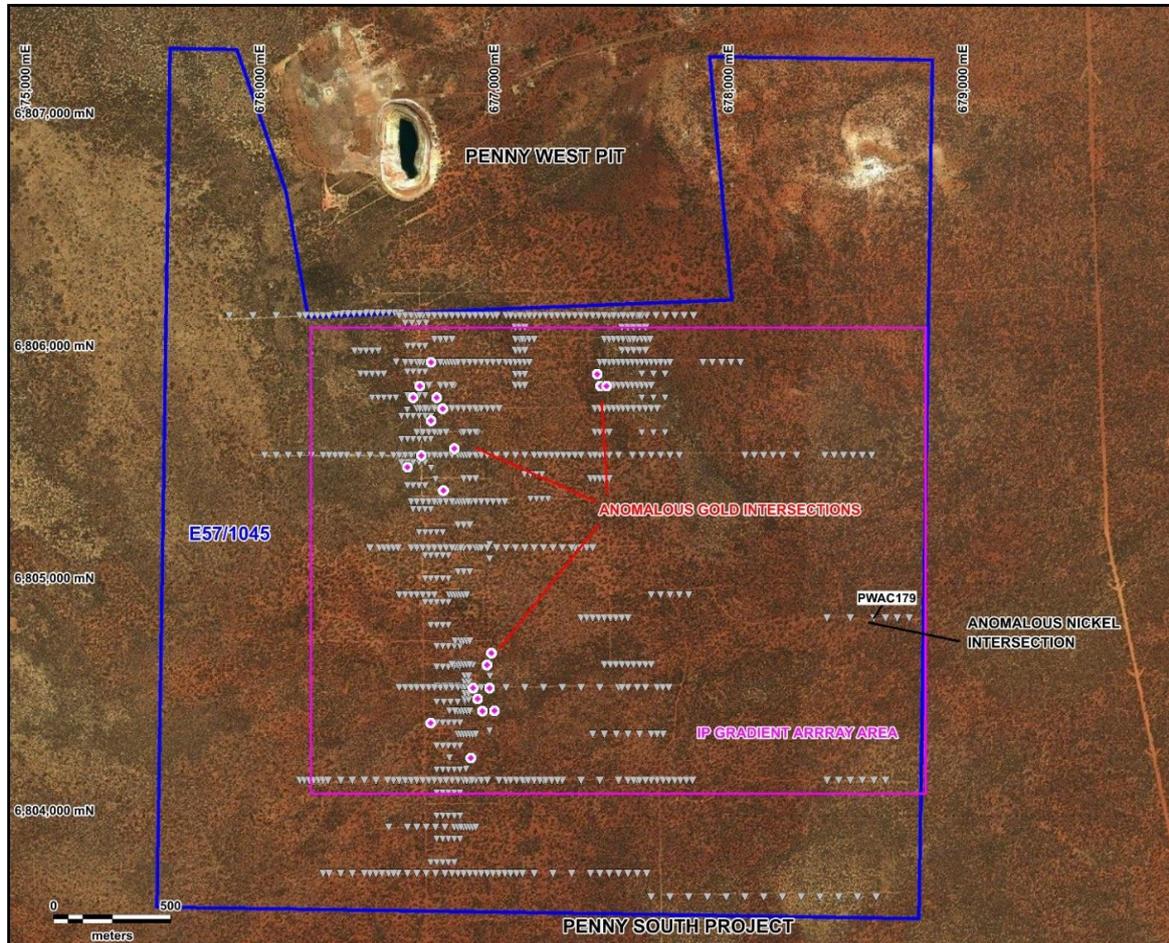


Figure 4: Penny South Overview

The chargeability data reveals a noisy signal with no major coherent discrete anomalies rather a number of areas suggestive of localised sulphide content, however the anomalous gold intercepts do not correlate thus confirming the lack of downhole correlation between sulphide content and the presence of gold. See Figure 5.

The historical nickel intercept (PWAC179 **8m@0.44%Ni** from 32m, ASX:LDR 16 June 2004 and ASX:AUE 18<sup>th</sup> September 2022) is not supported by any chargeability anomaly suggesting no anomalous pentlandite bearing ultramafic unit exists in the localised area.

DIRECTORS' REPORT

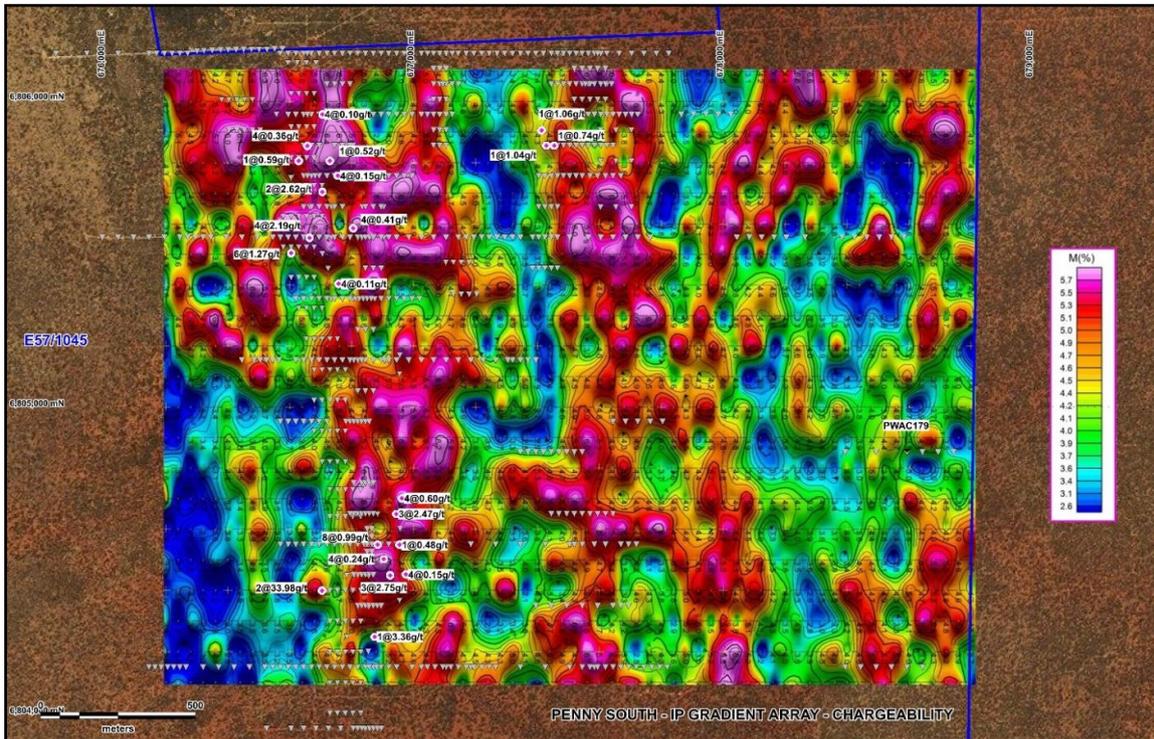


Figure 5: IP gradient array chargeability image and anomalous gold intersection and the anomalous historical nickel intercept (PWAC179).

The resistivity data, see Figure 6, reflects the underlying geology with a north-south conductive central belt possibly supports a serpentinite belt as intersected in the northern aircore drilling and while parts of this belt have high chargeability, drilling failed to recover gold in the drill intersections, suggesting the signal is derived from sulphides only. Whether these sulphides contain pentlandite and/or chalcopyrite is unknown.

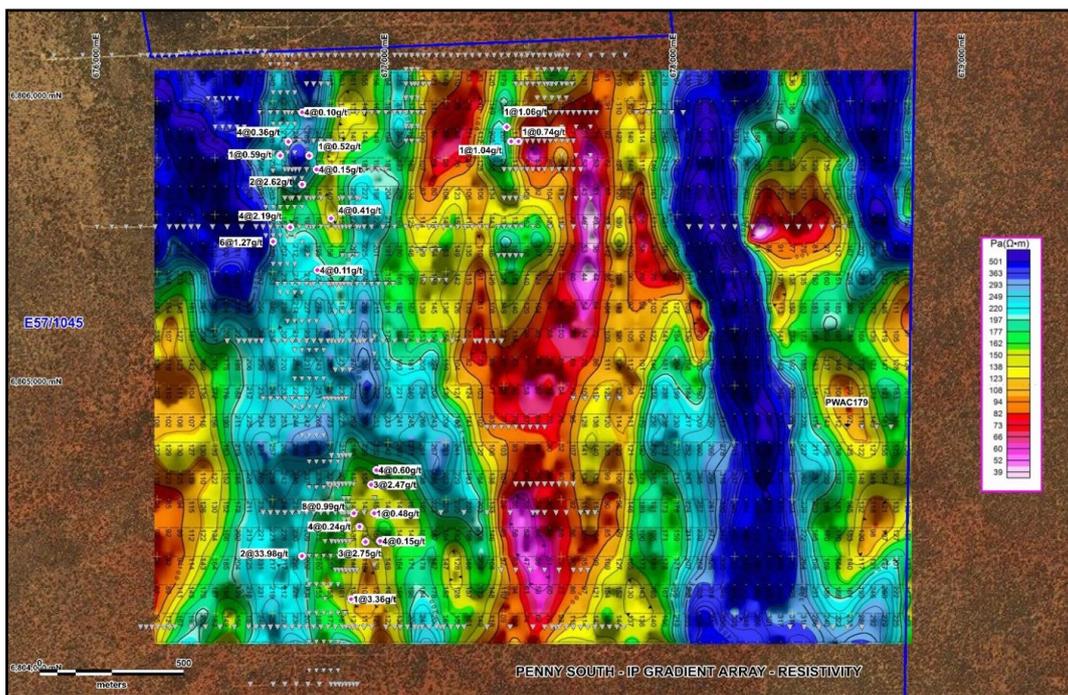


Figure 6: IP gradient array resistivity image.

## DIRECTORS' REPORT

### CORPORATE

#### Environmental Regulations

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that there are no current reporting requirements under this Act, but this may change in the future. The Company is not aware of any matters that requires disclosure regarding any significant environmental regulation in respect of its operating activities.

#### Management Appointment

On 17 February 2023, the Company announced appointing Ms Debra Fullarton as Non-Executive Director, and Joshua Letcher resigned as Non-Executive Chairman. Meanwhile, Troy Flannery was appointed as Non-Executive Chairman and resigned as Non-Executive Director.

### PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were the exploration of mining projects.

### FINANCIAL RESULTS

The financial results of the Company for the year ended 30 June 2023 are:

	Jun-23	Jun-22
Cash and cash equivalents (\$)	2,186,465	3,181,723
Net assets/(liabilities) (\$)	2,160,615	3,368,011

	Jun-23	Jun-22
Other income (\$)	13,849	249
Net loss after tax (\$)	(1,207,396)	(2,329,807)

### DIVIDENDS

No dividend is recommended in respect of the current financial year.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in state of affairs during and subsequent to the end of the financial year.

### MATTERS SUBSEQUENT TO THE REPORTING PERIOD

On 26 September, the Company announced that it has received firm commitments to raise A\$0.715 million by way of a placement of approximately 6.5 million fully paid ordinary shares to professional and sophisticated investors (Placement). The initiative has received strong support and commitment from the Company's existing major shareholders. The Placement will be undertaken at \$0.11 per share in a single tranche using the Company's available Listing Rule 7.1 placement capacity (3.5 million shares) and 7.1A placement capacity (3.0 million shares). Subject to shareholder approval at the Annual General Meeting, Director, Troy Flannery intends to participate in the placement for 100,000 shares. Xcel Capital Pty Ltd has been engaged to act as Lead Manager to the Placement. Fees payable are 6% across all funds raised, 1m options (exercisable at \$0.225 per option, expiring on 21 October 2026) ("Lead Manager Options") and a \$10,000 management fee. The Lead Manager Options will be issued under the Company's remaining 7.1 placement capacity. The funds raised via the Placement will be used to facilitate the continued exploration of the asset portfolio, review new exploration opportunities and to augment working capital.

No other 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.

### LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company's main exploration efforts will be focused on developing value from exploration across its tenement projects in Western Australia.

## DIRECTORS' REPORT

### DIRECTORS' MEETINGS

The number of Directors' meetings held during the financial year and the number of meetings attended by each Director during the time the Director's held office are:

Name	Number Eligible to Attend	Number Attended
Mr Joshua Letcher	2	2
Mr Mauro Piccini	2	2
Mr Troy Flannery	2	2
Ms Debra Fullarton	-	-

During the year, the Directors met regularly on an informal basis to discuss all matters associated with investment strategy, review of operations, and other Company matters.

Due to the size and scale of the Company, there is no Remuneration and Nomination Committee or Audit Committee at present. Matters typically dealt with by these Committees are, for the time being, managed by the Board. For details of the function of the Board, refer to the Corporate Governance Statement.

### REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2023 outlines the remuneration arrangements of the Company in accordance with the requirements of the Corporations Act 2001 ("the Act") and its regulations. This information has been audited as required by section 308(3C) of the Act.

The Remuneration Report details the remuneration arrangements for Key Management Personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing, and controlling the major activities of the Company, directly or indirectly.

#### a) Key Management Personnel Disclosed in this Report

Key Management Personnel of the Company during or since the end of the financial year were:

Joshua Letcher	Non-Executive Chairman (resigned 17 February 2023)
Troy Flannery	Non-Executive Chairman (appointed 17 February 2023)
Mauro Piccini	Non-Executive Director
Debra Fullarton	Non-Executive Director (appointed 17 February 2023)
Mark Mitchell	Chief Executive Officer

There have been no other changes after reporting date and up to the date that the financial report was authorised for issue.

The Remuneration Report is set out under the following main headings:

A	Remuneration Philosophy
B	Remuneration Governance, Structure and Approvals
C	Remuneration and Performance
D	Details of Remuneration
E	Contractual Arrangements
F	Share-based Compensation
G	Equity Instruments Issued on Exercise of Remuneration Options
H	Voting and comments made at the Company's 2020 Annual General Meeting
I	Loans with KMP
J	Other Transactions with KMP
K	Additional Information

## DIRECTORS' REPORT

### A Remuneration Philosophy

KMP have authority and responsibility for planning, directing and controlling the activities of the Company. KMP of the Company comprise of the Board of Directors, and Chief Executive Officer.

The Company's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

No remuneration consultants were employed during the financial year.

### B Remuneration Governance, Structure and Approvals

Remuneration of Directors is currently set by the Board of Directors. The Board has not established a separate Remuneration Committee at this point in the Company's development, nor has the Board engaged the services of an external remuneration consultant. It is considered that the size of the Board along with the level of activity of the Company renders this impractical. The Board is primarily responsible for:

- The over-arching executive remuneration framework;
- Operation of the incentive plans which apply to executive directors and senior executives, including key performance indicators and performance hurdles;
- Remuneration levels of executives; and
- Non-Executive Director fees.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

#### ❖ Non-Executive Remuneration Structure

The remuneration of Non-Executive Directors consists of Directors' fees. The total aggregate fixed sum per annum to be paid to Non-Executive Directors in accordance with the Company's Constitution shall be no more than \$300,000 and may be varied by ordinary resolution of the Shareholders in a General Meeting.

Remuneration of Non-Executive Directors is based on fees approved by the Board of Directors and is set at levels to reflect market conditions and encourage the continued services of the Directors. The chair's fees are determined independently to the fees of the Non-Executive Director's based on comparative roles in the external market. In accordance with the Company's Constitution, the Directors may at any time, subject to the Listing Rules, adopt any scheme or plan which they consider to be in the interests of the Company and which is designed to provide superannuation benefits for both present and future Non-Executive Directors, and they may from time to time vary this scheme or plan.

The remuneration of Non-Executives is detailed in Table 1 and their contractual arrangements are disclosed in "Section E – Contractual Arrangements".

Remuneration may also include an invitation to participate in share-based incentive programmes in accordance with Company policy.

The nature and amount of remuneration is collectively considered by the Board of Directors with reference to relevant employment conditions and fees commensurate to a company of similar size and level of activity, with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Directors.

#### ❖ Executive Remuneration Structure

The nature and amount of remuneration of executives are assessed on a periodic basis with the overall objective of ensuring maximum stakeholder benefit from the retention of high performance Directors.

## DIRECTORS' REPORT

The main objectives sought when reviewing executive remuneration is that the Company has:

- Coherent remuneration policies and practices to attract and retain Executives;
- Executives who will create value for shareholders;
- Competitive remuneration offered benchmarked against the external market; and
- Fair and responsible rewards to Executives having regard to the performance of the Company, the performance of the Executives and the general pay environment.

The remuneration of Executives is detailed in Table 1 and their contractual arrangements are disclosed in “Section E – Contractual Arrangements”.

### ❖ Executive Remuneration Approvals

The Company aims to reward Executives with a level of mix of remuneration commensurate with their position and responsibilities within the company and aligned with market practice. Executive contracts are reviewed annually by the Board, in the absence of a Remuneration Committee, for their approval. The process consists of a review of Company's business unit and individual performance, relevant comparative remuneration internally and externally and, where appropriate, external advice independent of management.

Executive remuneration and incentive policies and practices must be aligned with the Company's vision, values and overall business objectives. Executive remuneration and incentive policies and practices must be designed to motivate management to pursue the Company's long-term growth and success and demonstrate a clear relationship between the Company's overall performance and the performance of executives.

### C Remuneration and Performance

The following table shows the gross revenue, losses, earnings per share (“EPS”) and share price of the Company as at 30 June 2023 and 30 June 2022.

	Jun-23	Jun-22
Other income (\$)	13,849	249
Net loss after tax (\$)	(1,207,396)	(2,329,807)
EPS (\$)	(0.04)	(0.11)

### Relationship between Remuneration and Company Performance

Given the current phase of the Company's development, the Board does not consider earnings during the current financial year when determining, and in relation to, the nature and amount of remuneration of KMP.

The pay and reward framework for key management personnel may consist of the following areas:

- Fixed Remuneration – base salary
- Variable Short-Term Incentives
- Variable Long-Term Incentives

The combination of these would comprise the key management personnel's total remuneration.

#### a) Fixed Remuneration – Base Salary

The fixed remuneration for each KMP is influenced by the nature and responsibilities of each role and knowledge, skills and experience required for each position. Fixed remuneration provides a base level of remuneration which is market competitive and comprises a base salary inclusive of statutory superannuation. It is structured as a total employment cost package.

Key management personnel are offered a competitive base salary that comprises the fixed component of pay and rewards. External remuneration consultants may provide analysis and advice to ensure base pay is set to reflect the market for a comparable role. No external advice was taken during the financial year. Base salary for key management personnel is reviewed annually to ensure the KMP's pay is competitive with the market.

## DIRECTORS' REPORT

### a) Fixed Remuneration – Base Salary (continued)

The pay of key management personnel is also reviewed on promotion. There is no guaranteed pay increase included in any key management personnel's contract.

### b) Variable Remuneration – Short -Term Incentives (STI)

Discretionary cash bonuses may be paid to KMP annually, subject to the requisite Board and shareholder approvals where applicable. There have been no cash bonus payments made to Directors during the year.

### c) Variable Remuneration – Long-Term Incentives (LTI)

Options are issued at the Board's discretion. There have been no options issued to employees at the date of this financial report.

## D Details of Remuneration

Details of the nature and amount of each major element of the remuneration of each KMP of the Company during the financial year are:

Table 1 – Remuneration of KMP of the Company for the year ended 30 June 2023 and 30 June 2022 is set out below

	Short-term Employee Benefits			Post-Employment	Share Based Payments	Total
	Salary & fees	Non-monetary benefits	Other	Superannuation	Options	
30 June 2023	\$	\$	\$	\$	\$	\$
<b>Directors</b>						
Mr Joshua Letcher <sup>(i)</sup>	55,000	-	-	5,775	-	60,775
Mr Troy Flannery	44,800	-	-	4,704	-	49,504
Mr Mauro Piccini	36,000	-	-	3,780	-	39,780
Ms Debra Fullarton <sup>(ii)</sup>	13,200	-	-	1,386	-	14,586
<b>CEO</b>						
Mr Mark Mitchell	150,000	-	-	15,750	-	165,750
<b>Total</b>	<b>299,000</b>	-	-	<b>31,395</b>	-	<b>330,395</b>

(i) Resigned on 17 February 2023.

(ii) Appointed on 17 February 2023, commencement of director fees from 17 February 2023.

	Short-term Employee Benefits			Post-Employment	Share Based Payments	Total
	Salary & fees	Non-monetary benefits	Other	Superannuation	Options	
30 June 2022	\$	\$	\$	\$	\$	\$
<b>Directors</b>						
Mr Joshua Letcher <sup>(i)</sup>	60,000	-	-	6,000	-	66,000
Mr Troy Flannery <sup>(i)</sup>	36,000	-	-	3,600	-	39,600
Mr Mauro Piccini <sup>(i)</sup>	36,000	-	-	3,600	-	39,600
<b>CEO</b>						
Mr Mark Mitchell <sup>(ii)</sup>	150,000	-	-	15,000	-	165,000
<b>Total</b>	<b>282,000</b>	-	-	<b>28,200</b>	-	<b>310,200</b>

(i) Appointed on 25 May 2021, commencement of director fees from 1 July 2021.

(ii) Appointed on 1 July 2021, commencement of executive salary from 1 July 2021.

## DIRECTORS' REPORT

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense in the tables above:

Table 2 – Relative proportion of fixed vs variable remuneration expense

Name	Fixed Remuneration		At Risk – STI (%)		At Risk – LTI (%)	
	2023	2022	2023	2022	2023	2022
<b>Directors</b>						
Mr Joshua Letcher	100%	100%	-	-	-	-
Mr Troy Flannery	100%	100%	-	-	-	-
Ms Debra Fullarton	100%	-	-	-	-	-
Mr Mauro Piccini	100%	100%	-	-	-	-
<b>CEO</b>						
Mr Mark Mitchell	100%	100%	-	-	-	-

Table 3 – Shareholdings of KMP (direct and indirect holdings)

30 June 2023	Balance at 01/07/2022	Granted as Remuneration	On Exercise of Options	Net Change – Other	Balance at 30/06/2023
<b>Directors</b>					
Mr Joshua Letcher	70,000	-	-	(70,000)	-
Mr Troy Flannery	50,000	-	-	-	50,000
Mr Mauro Piccini	40,000	-	-	-	40,000
Ms Debra Fullarton	-	-	-	-	-
<b>CEO</b>					
Mr Mark Mitchell	-	-	-	-	-
<b>Total</b>	<b>160,000</b>	-	-	-	<b>160,000</b>

### E Contractual Arrangements

#### Executive Officer Arrangements

##### ❖ Mark Mitchell – Chief Executive Officer (Appointed 1 July 2021)

- Contract: Contract commenced on 1 July 2021.
- Base Salary: \$150,000 per annum (plus statutory superannuation entitlements).
- Performance Based Bonuses: The Company may at any time during the term of the contract, pay to the Executive a performance-based bonus. In determining the extent of any performance-based bonus, the Company shall take into consideration the key performance indicators of the Executive and the Company, as the Company may set from time to time, and any other matter that it deems appropriate.
- Termination: Either party may terminate the employment agreement with three months' written notice.

#### Non-Executive Director Arrangements

##### ❖ Joshua Letcher – Non-Executive Chairman (Appointed 25 May 2021, resigned 17 February 2023)

- Contract: Contract commenced on 1 July 2021.
- Base Salary: \$60,000 per annum (plus statutory superannuation entitlements).
- Incentive Based Remuneration: The Company's current policy is not to offer equity or other incentive-based remuneration to non-executive directors.
- Term: See Note 1 below for details pertaining to re-appointment and termination.

##### ❖ Troy Flannery – Non-Executive Chairman (Appointed 17 February 2023)

##### – Non-Executive Director (Appointed 25 May 2021, resigned 17 February 2023)

- Contract: Contract commenced on 1 July 2021.
- Director's Fee: \$36,000 per annum (plus statutory superannuation entitlements); starting from 17 February 2023, the director fee increased to \$60,000 per annum plus statutory superannuation

## DIRECTORS' REPORT

entitlements.

- Incentive Based Remuneration: The Company's current policy is not to offer equity or other incentive-based remuneration to non-executive directors.
- Term: See Note 1 below for details pertaining to re-appointment and termination.

### ❖ **Mauro Piccini – Non-Executive Director (Appointed 25 May 2021)**

- Contract: Contract commenced on 1 July 2021.
- Director's Fee: \$36,000 per annum (plus statutory superannuation entitlements).
- Incentive Based Remuneration: The Company's current policy is not to offer equity or other incentive-based remuneration to non-executive directors.
- Term: See Note 1 below for details pertaining to re-appointment and termination.

### ❖ **Debra Fullarton – Non-Executive Director (Appointed 17 February 2023)**

- Contract: Contract commenced on 17 February 2023.
- Director's Fee: \$36,000 per annum (plus statutory superannuation entitlements).
- Incentive Based Remuneration: The Company's current policy is not to offer equity or other incentive-based remuneration to non-executive directors.
- Term: See Note 1 below for details pertaining to re-appointment and termination.

Note 1: The term of each Director is open to the extent that they hold office in accordance with the Constitution of the Company (Constitution) and subject in particular to the provisions dealing with retirement by rotation and the various provisions relating to the election of directors. Appointment shall cease at the end of any meeting at which they are not re-elected as a director by the shareholders of the Company or otherwise ceases in accordance with the Constitution. Moreover, directors agree to submit resignation as a Director, if, for any reason, they become disqualified or prohibited by law from being or acting as a director or from being involved in the management of a company. In particular, they unequivocally agree to submit their resignation as a Director if any background checks are unsatisfactory.

## F Share-based Compensation

The Company may at any time during the contract term pay to the Executive a performance-based bonus over and above the Salary. The Company's current policy is not to offer equity or other incentive-based remuneration to non-executive directors.

### Options

There were no options issued as remuneration to Directors during the current financial year.

### Shares

#### *Short and Long-term Incentives*

No short or long-term incentive-based shares were issued as remuneration to Directors during the current financial year.

## G Equity Instruments Issued on Exercise of Remuneration Options

No remuneration options were exercised during the financial year.

## H Voting and Comments made at the Company's 2022 Annual General Meeting ('AGM')

At the 2022 AGM, 99.83% of the votes received supported the adoption of the Remuneration Report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

## I Loans with KMP

There were no loans made to any KMP during the year ended 30 June 2023 (2022: Nil).

There were no loans from any KMP during the year ended 30 June 2023 (2022: Nil).

## DIRECTORS' REPORT

### J Other Transactions with KMP

No other transactions with KMP during the financial year.

### K Additional Information

The earnings of the Company for the two years to 30 June 2023 are summarised below.

	2023 \$	2022 \$
Other income	13,849	249
EBITDA	(1,193,096)	(2,329,537)
EBIT	(1,193,547)	(2,329,763)
Loss after income tax	(1,207,396)	(2,329,807)
Share Price (\$)	0.15	0.13
EPS (\$)	(0.04)	(0.11)

No further historical information is shown above as the company was only incorporated in May 2021 and listed on the ASX on 2 November 2021.

### [End of Audited Remuneration Report]

## INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

During the year ended 30 June 2023, the Company paid premiums in respect of a contract insuring the directors and officers of the Company against liabilities incurred as directors or officers to the extent permitted by the Corporations Act 2001.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

## PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purposes of taking responsibility on behalf of the Company for all or part of these proceedings.

## ENVIRONMENTAL REGULATIONS

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that there are no current reporting requirements under this Act, but this may change in the future. The Company is not aware of any matters that requires disclosure regarding any significant environmental regulation in respect of its operating activities.

## SHARES UNDER OPTION

At the date of this report there were the following unissued ordinary shares for which options are outstanding:

- (i) 2,800,000 unlisted options expiring 21 October 2026, exercisable at \$0.225

## **DIRECTORS' REPORT**

### **SHARES ISSUED ON THE EXERCISE OF OPTIONS**

During the year and up to the date of this report, no shares have been issued on the exercise of options.

### **OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM AUSTRALIA PARTNERS**

There are no officers of the Company who are former partners of RSM Australia Partners.

### **AUDITOR**

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

### **NON-AUDIT SERVICES**

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

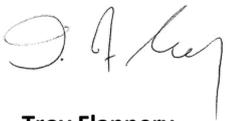
Details of the amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 18 to the financial statements.

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

- all non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to the auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

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



**Troy Flannery**  
**Non-Executive Chairman**  
**29 September 2023**

**RSM Australia Partners**

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2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

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F +61 (0) 8 9261 9111  
www.rsm.com.au

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Aurum Resources Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 29 September 2023

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the year ended 30 June 2023

	Note	Jun-23 \$	Jun-22 \$
		<u>                    </u>	<u>                    </u>
Other income	4	13,849	249
Administrative expenses	5(a)	(111,227)	(60,804)
Compliance and regulatory expenses		(35,384)	(78,785)
Consulting and corporate expenses	5(b)	(242,961)	(203,986)
Marketing and investor relations		(40,050)	(38,353)
Legal fees		(41,619)	(12,195)
Impairment expense	10	(498,293)	(1,653,189)
Employee benefits expense		(251,711)	(250,200)
Other expenses		-	(32,544)
<b>Loss from continuing operations before income tax</b>		<u>(1,207,396)</u>	<u>(2,329,807)</u>
Income tax expense	6	-	-
<b>Loss from continuing operations after income tax</b>		<u>(1,207,396)</u>	<u>(2,329,807)</u>
<b>Other comprehensive income</b>			
Other comprehensive income for the year, net of tax		-	-
<b>Other comprehensive income for the year, net of tax</b>		<u>(1,207,396)</u>	<u>(2,329,807)</u>
<b>Total comprehensive loss attributable to the members of Aurum Resources Limited</b>		<u>(1,207,396)</u>	<u>(2,329,807)</u>
<b>Loss per share for the year attributable to the members of Aurum Resources Limited:</b>			
Basic and diluted loss per share (\$)	7	(0.04)	(0.11)

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

**STATEMENT OF FINANCIAL POSITION**

As at 30 June 2023

	Note	Jun-23 \$	Jun-22 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	2,186,465	3,181,723
Trade and other receivables	9	21,064	16,074
Prepayments	9	10,467	12,977
<b>Total current assets</b>		<b>2,217,996</b>	<b>3,210,774</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		3,383	4,285
Exploration and evaluation expenditure	10	-	234,448
<b>Total Non-Current Assets</b>		<b>3,383</b>	<b>238,733</b>
<b>Total assets</b>		<b>2,221,379</b>	<b>3,449,507</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	60,764	81,496
<b>Total current liabilities</b>		<b>60,764</b>	<b>81,496</b>
<b>Total liabilities</b>		<b>60,764</b>	<b>81,496</b>
<b>Net assets</b>		<b>2,160,615</b>	<b>3,368,011</b>
<b>EQUITY</b>			
Issued capital	12	5,394,506	5,394,506
Reserves	19	308,812	308,812
Accumulated losses	20	(3,542,703)	(2,335,307)
<b>Total equity</b>		<b>2,160,615</b>	<b>3,368,011</b>

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

**STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2023

	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
<b>At 1 July 2022</b>	<b>5,394,506</b>	<b>308,812</b>	<b>(2,335,307)</b>	<b>3,368,011</b>
Loss for the year	-	-	<b>(1,207,396)</b>	<b>(1,207,396)</b>
<b>Total comprehensive loss for the year after tax</b>	-	-	<b>(1,207,396)</b>	<b>(1,207,396)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Issue of share capital	-	-	-	-
Share issue costs	-	-	-	-
Share-based payments	-	-	-	-
<b>Balance at 30 June 2023</b>	<b>5,394,506</b>	<b>308,812</b>	<b>(3,542,703)</b>	<b>2,160,615</b>
<b>At 1 July 2021</b>	<b>1</b>	<b>-</b>	<b>(5,500)</b>	<b>(5,499)</b>
Loss for the period	-	-	<b>(2,329,807)</b>	<b>(2,329,807)</b>
<b>Total comprehensive loss for the period after tax</b>	-	-	<b>(2,329,807)</b>	<b>(2,329,807)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Issue of share capital	6,000,000	-	-	6,000,000
Share issue costs	(605,495)	-	-	(605,495)
Share-based payments	-	308,812	-	308,812
<b>Balance at 30 June 2022</b>	<b>5,394,506</b>	<b>308,812</b>	<b>(2,335,307)</b>	<b>3,368,011</b>

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

**STATEMENT OF CASH FLOWS**

For the year ended 30 June 2023

	Note	Jun-23 \$	Jun-22 \$
<b>Cash flows from operating activities</b>			
Payment to suppliers and employees		(745,262)	(629,653)
Interest received		13,849	206
<b>Net cash outflow from operating activities</b>		<b>(731,413)</b>	<b>(629,447)</b>
<b>Cash flows from investing activities</b>			
Payments for plant and equipment		-	(4,511)
Payments for purchase of exploration projects		-	(200,000)
Payments for exploration and evaluation expenditure	10	(263,845)	(687,637)
<b>Net cash outflow from investing activities</b>		<b>(263,845)</b>	<b>(892,148)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issued shares	12	-	5,000,000
Share issue costs		-	(296,683)
<b>Net cash inflow from financing activities</b>		<b>-</b>	<b>4,703,317</b>
<b>Net increase in cash and cash equivalents</b>		<b>(995,258)</b>	<b>3,181,722</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>3,181,723</b>	<b>1</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>2,186,465</b>	<b>3,181,723</b>

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Reporting Entity

Aurum Resources Limited (referred to as “Aurum” or the “Company”) is a company domiciled in Australia. The address of the Company’s registered office and principal place of business is disclosed in the Corporate Directory of the Annual Report. The nature of the operations and principal activities of the Company are described in the Directors’ Report.

#### (b) Basis of Preparation

##### **Statement of Compliance**

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) and the Corporations Act 2001. The financial statements comply with International Financial Reporting Standards (“IFRS”) adopted by the International Accounting Standards Board (“IASB”). Aurum Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements are authorised for issue on 29 September 2023 by the directors of the Company.

##### **Basis of measurement**

The financial statements have been prepared on a going concern basis in accordance with the historical cost convention, unless otherwise stated.

##### **New, revised or amended standards and interpretations adopted**

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

##### **New standards and interpretations not yet mandatory or early adopted**

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

##### **Significant Judgements and Estimates**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

#### (i) Comparatives

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

#### (ii) Dividends

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

#### (iii) Functional and presentation currency

The financial statements have been presented in Australian dollars, which is the Company’s functional currency.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (iv) Current and non-current classification

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

An asset is classified as current when: it is either expected to be realized 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 realized 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.

#### (v) Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other 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 recognized 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 combined to form a cash-generating unit.

#### (vi) Employee benefits

##### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

##### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

##### *Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (vii) 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.

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.

### NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS 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.

There are no judgements, estimates and assumptions in these financial statements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 3 SEGMENT INFORMATION

The Company operates only in one reportable segment being predominately gold exploration in Australia. The Board considers its business operations in gold exploration to be its primary reporting function. Results are analysed as a whole by the chief operating decision maker, this being the Board of Directors. Consequently, revenue, profit, net assets and total assets for the operating segment are reflected in this financial report.

#### Accounting Policy

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

### NOTE 4 OTHER INCOME

	2023 \$	2022 \$
Interest income	13,849	249
	<b>13,849</b>	<b>249</b>

#### Accounting Policy

##### Interest

Interest income is recognised as interest accrues.

##### Other Revenue

Other revenue is recognised when it is received or when the right to receive payment is established. All revenue is stated net of the amount of goods and services tax.

### NOTE 5 EXPENSES

	2023 \$	2022 \$
<b>(a) Administrative expenses</b>		
Directors and officers insurance	37,596	34,688
Office Rental	36,000	9000
Audit Fees	23,258	-
Other expenses	14,373	17,116
	<b>111,227</b>	<b>60,804</b>
<b>(b) Consultancy and corporate expenses</b>		
Corporate advisory fees	106,000	66,000
Consulting fees	8,069	41,246
Company and secretarial and financial management fees	128,892	96,740
	<b>242,691</b>	<b>203,986</b>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 6 INCOME TAX

	2023 \$	2022 \$
<b>(a) The components of tax expense comprise:</b>		
Current tax	-	-
Deferred tax	-	-
Income tax expense reported in the statement of profit or loss and other comprehensive income	-	-
<b>(b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:</b>		
Loss before income tax expense	<b>(1,207,396)</b>	(2,329,807)
Prima facie tax benefit on loss before income tax at 30% (2022: 30%)	<b>(362,219)</b>	(698,942)
Tax effect of:		
Amounts not deductible in calculating taxable income	-	698,942
Changes in unrecognised temporary differences	<b>362,219</b>	-
Tax losses not recognised	-	-
Income tax expense/(benefit)	-	-
<b>(c) Deferred tax assets not brought to account are:</b>		
Accruals	<b>(8,746)</b>	-
Exploration	<b>741,764</b>	(26,852)
Tax losses	<b>71,623</b>	386,560
Other	<b>334,280</b>	107,182
Total deferred tax assets not brought to account	<b>1,138,921</b>	466,890

Potential deferred tax assets attributable to tax losses and other temporary differences have not been brought to account at 30 June 2023 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the expenditure to be realised; and
- no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the expenditure.

#### Accounting Policy

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

#### Current Tax

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

#### Deferred Tax

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 6 INCOME TAX (continued)

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

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

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

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

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

### NOTE 7 LOSS PER SHARE

Basic loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share amounts are calculated by dividing the net loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	2023 \$	2022 \$
Net loss for the year	<u>(1,207,396)</u>	<u>(2,329,807)</u>
Weighted average number of ordinary shares for basic and diluted loss per share.	<b>30,000,000</b>	20,712,329
Basic and diluted loss per share (\$)	<b>(0.04)</b>	(0.11)

#### Accounting Policy

##### Basic Earnings Per Share

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

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 7 LOSS PER SHARE (continued)

#### 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.

### NOTE 8 CASH AND CASH EQUIVALENTS

	2023 \$	2022 \$
Cash at bank and in hand	2,186,465	3,181,723
	<u>2,186,465</u>	<u>3,181,723</u>

The Company's exposure to interest rate and credit risks is disclosed in Note 13.

#### (a) Reconciliation of net loss after tax to net cash flows from operations

	2023 \$	2022 \$
Loss for the financial year	(1,207,396)	(2,329,807)
<i>Adjustments for:</i>		
Depreciation	903	225
Impairment expense	498,293	1,653,189
<i>Changes in assets and liabilities</i>		
Trade and other receivables	(2,480)	(29,051)
Trade and other payables	(20,732)	75,997
<b>Net cash used in operating activities</b>	<u>(731,413)</u>	<u>(629,447)</u>

#### (b) Non-cash investing and financing activities

	2023 \$	2022 \$
Shares issued for acquisition of exploration and evaluation assets	-	1,000,000
Options issued to lead manager	-	308,812
	<u>-</u>	<u>1,308,812</u>

#### Accounting Policy

Cash at bank earns interest at floating rates based on daily deposit rates. Short-term deposits are made in varying periods between one day and three months, depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

### NOTE 9 TRADE AND OTHER RECEIVABLES

	2023 \$	2022 \$
Prepayments	10,467	12,977
GST receivable	21,064	16,074
	<u>31,531</u>	<u>29,051</u>

#### (a) Allowance for expected credit losses

The Company has recognised a loss of \$nil in profit or loss in respect of the expected credit losses for the year ended 30 June 2023 (2022: nil).

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 9 TRADE AND OTHER RECEIVABLES (continued)

#### Accounting Policy

#### Goods and Services Tax ('GST')

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or the assets or part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST on investing and financial activities, which are disclosed as operating cash flows.

#### 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.

### NOTE 10 EXPLORATION AND EVALUATION EXPENDITURE

	2023	2022
	\$	\$
Carrying amount of exploration and evaluation expenditure	-	234,448
At the beginning of the year	<b>234,448</b>	-
Projects acquired during the year	-	1,200,000
Exploration expenditure incurred during the year	263,845	687,637
Impairment expense <sup>(i)</sup>	(498,293)	(1,653,189)
At the end of the year	-	234,448

(i) The directors have decided to impair all the capitalised exploration expenditures as at 30 June 2023.

#### Accounting Policy

Acquisition, exploration and evaluation costs associated with mining tenements are accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the Company's rights of tenure to that area of interest are current and that the costs are expected to be recouped through the successful commercial development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

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

Each area of interest is also reviewed annually, and acquisition costs written off to the extent that they will not be recoverable in the future.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 11 TRADE AND OTHER PAYABLES

	2023	2022
	\$	\$
Trade payables <sup>(i)</sup>	33,803	20,172
Accrued expenses	20,000	37,000
Other payables	6,961	24,324
	<b>60,764</b>	<b>81,496</b>

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.

#### Accounting Policy

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.

### NOTE 12 ISSUED CAPITAL

	2023		2022	
	No.	\$	No.	\$
Fully paid ordinary shares	30,000,000	5,394,506	30,000,000	5,394,506

#### *Movement in ordinary shares*

		No.	\$	\$
<b>Balance at 1 July 2022</b>		30,000,000		5,394,506
<b>Balance at 30 June 2023</b>		30,000,000		5,394,506
<b>Balance at 1 July 2021</b>		1	-	1
IPO shares	25/10/2021	25,000,000	\$0.20	5,000,000
Consideration shares	25/10/2021	4,999,999	\$0.20	1,000,000
Share issue costs		-	-	(605,495)
<b>Balance at 30 June 2022</b>		<b>30,000,000</b>		<b>5,394,506</b>

#### *Movement in ordinary shares*

	No.	\$	\$
<b>Balance at 1 July 2022</b>	30,000,000		5,394,506
<b>Balance at 30 June 2023</b>	30,000,000		5,394,506

There are no shares issued during 2023.

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

At shareholders meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

#### Accounting Policy

Ordinary shares are classified as equity.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 12 ISSUED CAPITAL (continued)

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

If the Company reacquires its own equity instruments, for example, as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

### NOTE 13 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange prices. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future cash flow forecasts.

Risk management is carried out by Management and overseen by the Board of Directors with assistance from suitably qualified external advisors.

The main risks arising for the Company are foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The carrying values of the Company's financial instruments are as follows:

	2023	2022
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	2,186,465	3,181,723
Trade and other receivables	31,531	16,074
	<b>2,217,996</b>	<b>3,197,797</b>
<b>Financial Liabilities</b>		
Trade and other payables	60,764	81,496
	<b>60,764</b>	<b>81,496</b>

#### (a) Market risk

##### (i) Foreign exchange risk

The Company was not significantly exposed to foreign currency risk fluctuations.

##### (ii) Interest rate risk

The Company is exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest bearing financial instruments. The Company's exposure to this risk relates primarily to the Company's cash and any cash on deposit. The Company does not use derivatives to mitigate these exposures. The Company manages its exposure to interest rate risk by holding certain amounts of cash in fixed and floating interest rate facilities. At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 13 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

	2023		2022	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Cash and cash equivalents	0.63%	2,186,465	0.01%	3,181,723

#### *Sensitivity*

Within the analysis, consideration is given to potential renewals of existing positions and the mix of fixed and variable interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The 1% increase and 1% decrease in rates is based on reasonably expected possible changes over a financial year.

At 30 June 2023, if interest rates had moved, as illustrated in the table below, with all other variables held constant, equity would have been affected as follows:

<i>Judgements of reasonably possible movements:</i>	Profit higher/(lower) 2023	Profit higher/(lower) 2022
	\$	\$
+ 1.0% (100 basis points)	21,865	31,817
- 1.0% (100 basis points)	(21,865)	(31,817)

#### **(b) Credit risk**

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents, trade and other receivables and other financial assets. The Company's exposure to credit risk arises from potential default of the counterparty, with maximum exposure equal to the carrying amount of the financial assets.

The Company's policy is to trade only with recognised, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms will be subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Company except for cash and cash equivalents.

#### **(c) Liquidity risk**

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

The Company manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The Company does not have any external borrowings. The following are the contractual maturities of financial liabilities:

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 13 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

	1 year or less \$	1-5 years \$	> 5 years \$	Total \$
<b>2023</b>				
Trade and other payables	<b>60,764</b>	-	-	<b>60,764</b>
<b>2022</b>				
Trade and other payables	81,496	-	-	81,496

#### (d) Capital risk management

The Company's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Given the stage of the Company's development there are no formal targets set for return on capital. The Company is not subject to externally imposed capital requirements. The net equity of the Company is equivalent to capital. Net capital is obtained through capital raisings on the Australian Securities Exchange ("ASX").

#### Accounting Policy

##### *Investments and other financial assets*

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

##### *Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

##### *Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the Company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

##### *Impairment of financial assets*

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 13 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

### NOTE 14 RELATED PARTY DISCLOSURE

#### (a) Key Management Personnel Compensation

The aggregate compensation made to directors and other members of key management personnel of the Company is set out below.

	2023 \$	2022 \$
Short-term employee benefits	299,000	282,000
Post-employment employee benefits	31,395	28,200
Equity benefits	-	-
	<b>330,395</b>	<b>310,200</b>

#### (b) Transactions with related parties

There were no other transactions with related parties during the year ended 30 June 2023 (30 June 2022: nil).

### NOTE 15 SHARE-BASED PAYMENTS

	2023 \$	2022 \$
<b>Recognised share-based payment transactions</b>		
Options issued to Lead Manager	-	308,812 <sup>(i)</sup>
	-	308,812
<i>Represented by:</i>		
Share issue costs	-	308,812
	-	308,812

- (i) On 2 November 2021, the Company issued 2,800,000 unlisted options to Xcel Capital Pty Ltd, the Lead Manager, as part of the capital raising fee of the IPO placement.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 15 SHARE-BASED PAYMENTS (continued)

The options issued to the Lead Manager of the Company, have been valued using the Hoadley *ESO2* valuation model. The model and assumptions are shown in the table below:

Black Sholes Valuation Model	
	Lead Manager
Grant Date	29/10/2021
Expiry Date	21/10/2026
Strike (Exercise) Price	\$0.225
Underlying Share Price (at date of issue)	\$0.200
Risk-free Rate (at date of issue)	1.57%
Volatility	100%
Number of Options Issued	2,800,000
Dividend Yield	0%
Early Exercise Multiple	2.5x
Fair value per option	\$0.11
Total Fair Value of Options	\$308,812

Set out below are summaries of options granted during the financial year:

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
29/10/2021	21/10/2026	\$0.225	2,800,000	-	-	-	2,800,000
			<u>2,800,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,800,000</u>

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2023 Number	2022 Number
29/10/2021	21/10/2026	2,800,000	2,800,000
		<u>2,800,000</u>	<u>2,800,000</u>

The weighted average share price of options outstanding at the end of the financial year was \$0.225.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.33 years.

#### Accounting Policy:

##### Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided by the Company.

Equity-settled transactions are awards of shares, or options over shares, that are provided by the Company 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.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 15 SHARE-BASED PAYMENTS (continued)

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using an appropriate valuation 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 Company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost 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 period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying an appropriate valuation 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.

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.

### NOTE 16 COMMITMENTS

#### Tenement Commitments

	2023	2022
	\$	\$
Below are the commitments in relation to its exploration and evaluation assets:		
Within one year	<b>109,711</b>	69,889
Later than one year but not later than five years	<b>257,864</b>	178,904
	<b>367,575</b>	248,793

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 17 CONTINGENCIES

There are no contingent liabilities or assets as at 30 June 2023 (30 June 2022: Nil).

### NOTE 18 AUDITOR'S REMUNERATION

	2023 \$	2022 \$
<b>Amounts received or due and receivable by RSM Australia Partners for:</b>		
Audit and review of the financial reports	32,900	32,500
<b>Other services - RSM Australia Pty Ltd</b>		
Independent Accountant's Report	-	12,000
	<b>32,900</b>	<b>44,500</b>

### NOTE 19 RESERVES

	2023 \$	2022 \$
Share-based payment reserve	308,812	308,812
<b>Movement reconciliation</b>		
<b>Balance at beginning of the year</b>	<b>308,812</b>	-
Options issued to Lead Manager (note 15)	-	308,812
<b>Balance at the end of the year</b>	<b>308,812</b>	<b>308,812</b>

#### Reserves

The reserve is used to accumulate amounts from the issue of options.

### NOTE 20 ACCUMULATED LOSSES

	2023 \$	2022 \$
<b>Balance at beginning of the year</b>	<b>(2,335,307)</b>	(5,500)
Loss after income tax for the year	<b>(1,207,396)</b>	(2,329,807)
<b>Balance at end of the year</b>	<b>(3,542,703)</b>	<b>(2,335,307)</b>

### NOTE 21 DIVIDENDS

No dividend has been declared or paid during the year ended 30 June 2023 (30 June 2022: Nil). The Directors do not recommend the payment of a dividend in respect of the year ended 30 June 2023.

### NOTE 22 EVENTS SUBSEQUENT TO THE REPORTING PERIOD

On 26 September, the Company announced that it has received firm commitments to raise A\$0.715 million by way of a placement of approximately 6.5 million fully paid ordinary shares to professional and sophisticated investors (Placement). The initiative has received strong support and commitment from the Company's existing major shareholders. The Placement will be undertaken at \$0.11 per share in a single tranche using the Company's available Listing Rule 7.1 placement capacity (3.5 million shares) and 7.1A placement capacity (3.0 million shares). Subject to shareholder approval at the Annual General Meeting, Director, Troy Flannery intends to participate in the placement for 100,000 shares. Xcel Capital Pty Ltd has been engaged to act as Lead Manager to the Placement. Fees payable are 6% across all funds raised, 1m options (exercisable at \$0.225 per option, expiring on 21 October 2026) ("Lead Manager Options") and a \$10,000 management fee. The Lead Manager Options will be issued under the Company's remaining 7.1 placement capacity. The funds raised via the Placement will be used to facilitate the continued exploration of the asset portfolio, review new exploration opportunities and to augment working capital.

No other 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.

## DIRECTORS' DECLARATION

In the Directors' opinion:

- a) The financial statements and accompanying notes are in accordance with the Corporations Act 2001, including:
  - i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - ii) giving 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.
- b) The financial statements and notes comply with International Financial Reporting Standards.
- c) 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.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001 and is signed for and on behalf of the Directors by:



**Troy Flannery**  
**Non-Executive Chairman**  
**29 September 2023**



**RSM Australia Partners**

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
AURUM RESOURCES LIMITED**

**Opinion**

We have audited the financial report of Aurum Resources 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 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 then ended; 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 (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

**THE POWER OF BEING UNDERSTOOD  
AUDIT | TAX | CONSULTING**

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

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## 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.

Key Audit Matter	How our audit addressed this matter
<b>Exploration and Evaluation Expenditure</b> Refer to Note 10 in the financial statements	
<p>As at 30 June 2023, the Company impaired its capitalised exploration and evaluation expenditure by \$498,293 to a carrying value of \$nil.</p> <p>We considered this to be a key audit matter due to the significant management judgment involved in assessing the carrying value of the asset including:</p> <ul style="list-style-type: none"> <li>• Determination of whether the expenditure can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest;</li> <li>• Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be assessed; and</li> <li>• Assessing whether any indicators of impairment are present, and if so, judgments applied to determine and quantify any impairment loss.</li> </ul>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Assessing whether the Company's right to tenure of each area of interest is current;</li> <li>• Agreeing a sample of additions to supporting documentation and ensuring the amounts are capital in nature and relate to the area of interest;</li> <li>• Assessing the amount of capitalised exploration and evaluation expenditure written off during the year; and</li> <li>• Assessing the appropriateness of the disclosures in the financial statements.</li> </ul>

## Other Information

The directors are responsible for the other information. The other information comprises the information included 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 accordingly we do not express any form of assurance conclusion thereon.

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

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

## **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 have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/auditors\\_responsibilities/ar2.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar2.pdf). This description forms part of our auditor's report.

## **Report on the Remuneration Report**

### *Opinion on the Remuneration Report*

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

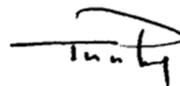
In our opinion, the Remuneration Report of Aurum Resources Limited, for the year ended 30 June 2023, complies with section 300A of the Corporations Act 2001.

### *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.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 29 September 2023

## Corporate Governance Statement

The Board of Directors of Aurum Resources Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and accountable. The Board continuously reviews its governance practices to ensure they remain consistent with the needs of the Company.

The Company complies with each of the recommendations set out in the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 4<sup>th</sup> Edition ("the ASX Principles"). This statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles. All of these practices, unless otherwise stated, are in place.

The Company's Corporate Governance Statement and policies can be found on its website at <https://www.aurumres.com.au>.

## ASX Additional Information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this Annual Report is as follows. The information is current as of 29 September 2023.

### 1. Fully paid ordinary shares

- There is a total of 30,000,000 fully paid ordinary shares on issue which are listed on the ASX.
- The number of holders of fully paid ordinary shares is 276.
- Holders of fully paid ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company.
- There are no preference shares on issue.

### 2. Distribution of fully paid ordinary shareholders is as follows:

The number of shareholders, by size of holding, is:

Range	Total holders	Units	% of Issued Capital
1 - 1,000	8	1,929	0.01%
1,001 - 5,000	20	67,996	0.23%
5,001 - 10,000	81	767,143	2.56%
10,001 - 100,000	123	4,963,622	16.55%
100,001 - 9,999,999,999	44	24,199,310	80.66%
<b>Total</b>	<b>276</b>	<b>30,000,000</b>	<b>100.00%</b>

### 3. Holders of non-marketable parcels

Holders of non-marketable parcels are deemed to be those whose shareholding is valued at less than \$500.

There are 185 shareholders who hold less than a marketable parcel of shares, amount to 8.5% of issued capital.

### 4. Substantial shareholders of ordinary fully paid shares

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	Holding Balance	% of Issued Capital
ALDORO RESOURCES LIMITED	5,000,000	16.67%
THE PIONEER DEVELOPMENT FUND (AUST) LIMITED	3,500,000	11.67%
TELL CORPORATION PTY LTD	2,250,000	7.50%

### 5. Restricted Securities

There are 5,000,000 shares on issue that are subject to voluntary escrow restrictions or mandatory escrow restriction under ASX Listing Rules Chapter 9.

### 6. Share buy-backs

There is currently no on-market buyback program for any of Aurum Resources Limited's listed securities.

### 7. Voting rights of Shareholders

All fully paid ordinary shareholders are entitled to vote at any meeting of the members of the Company and their voting rights are on:

- Show of hands – one vote per shareholders; and
- Poll – one vote per fully paid ordinary share.

## ASX Additional Information

### 8. Tax Status

The Company is treated as a public company for taxation purposes.

### 9. Major Shareholders

The Top 20 largest fully paid ordinary shareholders together held 70.60% of the securities in this class and are listed below:

Rank	Shareholders	Number Held	Percentage
1	ALDORO RESOURCES LIMITED	5,000,000	16.67%
2	THE PIONEER DEVELOPMENT FUND (AUST) LIMITED	3,500,000	11.67%
3	TELL CORPORATION PTY LTD	2,250,000	7.50%
4	RIMOYNE PTY LTD	1,498,903	5.00%
5	PAYZONE PTY LTD <ST BARNABAS SUPER A/C>	1,425,000	4.75%
6	ST BARNABAS INVESTMENTS PTY LTD	805,000	2.68%
7	MR ROGER BLAKE & MRS ERICA LYNETTE BLAKE <THE MANDY SUPER FUND A/C>	600,000	2.00%
8	KALCON INVESTMENTS PTY LTD	580,000	1.93%
9	MR MARTIN ROWNEY	500,000	1.67%
9	PAPILLON HOLDINGS PTY LTD <THE VML NO 1 A/C>	500,000	1.67%
10	WILDING RESOURCES PTY LTD	400,000	1.33%
10	PACKER ROAD NOMINEES PTY LTD	400,000	1.33%
11	SJ CAPITAL PTY LTD	382,854	1.28%
12	SACCO DEVELOPMENTS AUSTRALIA PTY LIMITED <THE SACCO FAMILY A/C>	370,000	1.23%
13	MOSES ROCK INVESTMENTS PTY LTD <AARON CHARLES YOUNG SF A/C>	350,000	1.17%
14	KALCON INVESTMENTS PTY LTD	317,500	1.06%
15	R A COGGINS SUPERANNUATION PTY LIMITED <R A COGGINS SUPER FUND A/C>	300,000	1.00%
15	PACKER ROAD NOMINEES PTY LTD	300,000	1.00%
16	MR PAUL ANTHONY EVANS <NO 2 A/C>	280,744	0.94%
17	LILLARD PTY LTD <CLUTCH A/C>	250,000	0.83%
17	SS415 DEVELOPMENTS PTY LTD	250,000	0.83%
17	NIGHTFALL PTY LTD <NIGHTFALL SUPER FUND A/C>	250,000	0.83%
18	XCEL CAPITAL PTY LTD	245,000	0.82%
19	MR IAN RANDAL THOMPSON & MR PETER RANDAL THOMPSON <THOMPSON FAMILY S/F A/C>	216,000	0.72%
20	MR MICHAEL JAY WILLIAMS	209,647	0.70%
<b>Total: Top 20 holders of ORDINARY FULLY PAID SHARES</b>		<b>21,180,648</b>	<b>70.60%</b>

### 10. Listed Options

The company does not have listed options on issue as at 29 September 2023.

### 11. Unlisted Options

Number of Options	Exercise Price	Expiry Date	Holders
2,800,000	\$0.225	21 October 2026	2

### 12. Franking Credits

The Company has no franking credits.

## ASX Additional Information

### 13. Securities Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited under Security Code AUE.

### 14. Registered Office

Suite 11, 12, Level 2, 23 Railway Road  
Subiaco WA 6008  
Telephone: 08 6559 1792  
Website: <https://www.aurumres.com.au>

### 15. Company Secretary

Mr Mauro Piccini

### 16. Share Registry

Automatic Share Registry  
Level 5, 191 St Georges Terrace  
Perth WA 6000  
Telephone: 1300 288 664

### 17. Tenement Schedule

**Mining tenement interests held at 29 September 2023 and their location**

**Western Australia**

TENEMENT	REGISTERED HOLDER / APPLICANT	Permit Status	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (Blocks)	Interest / Contractual Right
E16/489	Aldoro Resources Ltd	Granted	27-Jan-17	26-Jan-27	15BL	100%
E57/1045	Altilium Metals Pty Ltd	Granted	10-Aug-16	9-Aug-26	4BL	100%

### 18. STATEMENT IN ACCORDANCE WITH ASX LISTING RULE 4.10.19

The Company confirms in the period from admission to the official list of the ASX on 2 November 2021, that it used its cash and assets in a form readily convertible to cash, in a manner consistent with its business objectives.