



VENUS METALS
CORPORATION LIMITED

ABN 99 123 250 582

ANNUAL REPORT
2022

CORPORATE DIRECTORY

DIRECTORS

Peter Charles Hawkins
Non-Executive Chairman

Matthew Vernon Hogan
Managing Director

Barry Fehlberg
Non-Executive Director

Selvakumar Arunachalam
Executive Director

COMPANY SECRETARY

Patrick Tan

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Unit 2, 8 Alvan St
Subiaco WA 6008
AUSTRALIA
Tel: +61 8 9321 7541
Email: info@venusmetals.com.au
Internet: www.venusmetals.com.au

SOLICITORS

Gilbert + Tobin
Level 16, Brookfield Place Tower
2/123 St Georges Terrace
Perth WA 6000
AUSTRALIA

AUDITOR

Stantons
Level 2, 40 Kings Park Road
West Perth WA 6005
AUSTRALIA

SHARE REGISTRY

Automic Group
Level 5, 191 St Georges Terrace
Perth WA 6000
AUSTRALIA
Tel: 1300 288 664 (Within Australia)
Tel: +61 (0) 2 9698 5414 (International)

AUSTRALIAN SECURITIES EXCHANGE

ASX Limited
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000
AUSTRALIA

ASX CODE: VMC

WEBSITE

www.venusmetals.com.au



CONTENTS

	Page
REVIEW OF OPERATIONS	2
DIRECTORS' REPORT	16
AUDITOR'S INDEPENDENCE DECLARATION	26
CORPORATE GOVERNANCE STATEMENT.....	27
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	37
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	38
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	39
CONSOLIDATED STATEMENT OF CASH FLOWS.....	40
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....	41
DIRECTORS' DECLARATION.....	72
INDEPENDENT AUDITOR'S REPORT.....	73
ASX ADDITIONAL INFORMATION.....	76

REVIEW OF OPERATIONS

SUMMARY

During 2021-2022, Venus Metals Corporation Ltd (VMC or the Company) carried out exploration activities on its diverse portfolio of projects (Figure 1) focusing mainly on Gold, Lithium, Rare Earths, Base Metals and Vanadium. The highlights of these exploration activities are summarised below:



Figure 1. Location of Venus Metals Projects in Western Australia.

YOUANMI GOLD PROJECT (Venus 30%; RXL 70%)

(Four JVs with Rox Resources Ltd- refer ASX releases 10 April 2019 and 21 June 2019)

The Youanmi **Near Surface Resource increased by 204koz Au to 1,004koz Au**. This resource upgrade incorporates 16,000m of additional RC drilling above 160m vertical depth and delivers a 26% increase in the Near Surface Resource contained gold. The upgraded Near Surface Resource increases the **overall Youanmi gold inventory to 3.2 million oz Au** (refer RXL ASX release 20 April 2022). Albion Process Technology test work achieved an average of **92.2% gold extraction** (up to 94%) for Youanmi Deeps mineralisation (refer RXL ASX release 23 December 2021).

New hanging-wall lode 'Midway' continues to return high-grade results as follow up drilling confirms at least 160m of plunge continuity including RXRC449: 8m @ 5.1g/t Au from 212m including 4m @ 9.45g/t Au from 212m and 4m @ 6.03g/t Au from 140m (refer RXL ASX release 8 June 2022). RC drilling at the Grace Prospect down to a minimum 40m vertical depth on a closely spaced drill pattern has further delineated high-grade, free milling mineralization close to surface adjacent to historical mining operations (refer RXL ASX release 22 June 2022).

BRIDGETOWN GREENBUSHES EAST LITHIUM-BASE METALS EXPLORATION PROJECT

VMC's Greenbushes East Lithium and Bridgetown East Ni-Cu-PGE Projects comprise four granted tenements held by a Venus Subsidiary, E70/5315, E70/5316, E70/5620 and E70/5712, and two exploration applications, E70/6009 and E70/5675 (VMC). The western boundary of the VMC and Venus Subsidiary tenure abuts the Greenbushes mining leases.

IGO Limited Investment Farm-In / Joint Venture and Placement: Farm-in and Joint Venture in which IGO Subsidiary can progressively acquire up to a 70% interest in the Bridgetown Greenbushes Exploration Project by incurring A\$6,000,000 of exploration expenditure on the Project. IGO Subsidiary will sole fund all Joint Venture expenditure until the completion of a pre-feasibility study in relation to the Project. IGO Limited subscribed for 9,000,000 fully paid ordinary shares in VMC at \$0.23c per share (refer ASX release 27 June 2022 for details of Farm-in and Joint Venture terms).

MANGAROON NORTH RARE EARTH PROJECT (100% Venus)

Venus Metals is well positioned with four tenements located adjacent to the Mangaroon-Yangibana rare earth (REE) mineralised zone. These tenements are considered **prospective for REE** due to the presence of similar host lithologies as 'Dreadnaught' Yin and Yangibana deposits, geological continuity and linear and circular structures along major northwest-trending trans-lithospheric faults, including the Edmund Fault, that intersect Venus' tenements. These faults are interpreted to have acted as pathways for carbonatitic or ferro-carbonatitic melts or brine-melts. **Multiple priority targets at Mangaroon North have been identified based on processed remote-sensed ASTER and Sentinel data, geology and regolith maps, ortho-images, and radiometric data.** A field programme of mapping and sampling is in progress (refer ASX release 5 September 2022).

MARVEL LOCH EAST RARE EARTH PROJECT (100% Venus)

Venus' Marvel Loch East Rare Earth Project is comprised of one granted exploration licence (E15/1796) and four applications (ELAs 15/1944, 15/1946, 15/1947 and 77/2721) for a total area of 283 blocks (828 km²). E15/1796 covers aeromagnetic highs within granite terrain has been historically interpreted as representing an arcuate remnant greenstone belt with associated mafic-ultramafic rocks; most of the EL is covered by sandplain and salt lake sediments with few sub- and outcrops of mainly granitic rocks. Recently, Venus completed a wide-spaced geochemical survey with interpretation of results are in progress (refer ASX release 28 July 2022).

YOUANMI BASE METALS - REE PROJECT (100% Venus)

Wide-spaced reconnaissance aircore drilling on E57/1128 confirmed the presence of sheared mafic-ultramafic bedrock under cover along an east-southeast trending structure that splays off the Youanmi Shear Zone close to the Penny Gold Mine and makes this trend prospective for gold and base metals mineralization. Anomalous rare earth elements (REE) were detected in several holes (refer ASX release 31 May 2022). Follow-up RC drilling is planned to explore the extent of the REE-mineralized zone.

An RC drilling program comprising 13 holes for c. 2,000m was completed at the Pincher Zinc-Copper prospect on E 57/1019. The drilling (refer ASX release 24 May 2022) targeted a historical strong induced polarization (IP) anomaly that is located south of previously drilled high-grade zinc mineralization. Assays are in progress.

HENDERSON LITHIUM-GOLD-NICKEL PROJECT (90% Venus)

The Mt Ida/Ularring Greenstone Belt is recognised as an emerging Lithium Province following the discovery of spodumene-rich Lithium pegmatites near the Mt Ida gold Mine, located some 15 km northwest from the Henderson Project. Historical geological mapping and recent fieldwork by Venus identified pegmatite dykes cross-cutting the greenstone sequence. Of particular interest is the Emerald SE area which shows a relatively high density of outcropping LCT pegmatites with lithium content over 100 ppm LiO₂, including a maximum assay of 5.8 %LiO₂ returned from one narrow, 1m wide, pegmatite.

A spatial zonation of rare-element mineralogy can be expected in this class of pegmatites and a key focus for further exploration will therefore be the drill testing of the Lithium pegmatites. A Phase2 Reverse Circulation (RC) drilling program was completed (31 holes for a total depth of 2834m) and interpretation of assays is in progress.

YOUANMI VANADIUM PROJECT (E57/986 90% Venus)

A comprehensive hydrometallurgical study to develop an integrated process flow sheet for the extraction of vanadium, iron and titanium was conducted by the Hydrometallurgy Research Group (HRG) at Murdoch University, Western Australia. Tests show blended composite raw material grading 0.66% V₂O₅ and 44.38% Fe₂O₃ can be upgraded by a simple concentrate process to 1.07% V₂O₅ and 65.3% Fe₂O₃ (Hematite). Low acid consumption is achieved after a 70% acid recovery by a new process. A provisional patent application for the Youanmi oxide ore process has been lodged and accepted with IP Australia (refer ASX release 11 May 2022).

1. YOUANMI GOLD PROJECT

Four separate Joint Ventures in place between Venus and Rox Resources Ltd (RXL) (Figure 2). These are: OYG JV (Venus 30%; RXL 70%), VMC JV (Venus 50%; RXL 50%), Youanmi JV (Venus 45%; RXL 45%) and Currans Find JV (Venus 45%; RXL 45%) (refer ASX releases 21 June 2019 and 15 April 2019). Importantly, the Joint Venture (VMC JV and Youanmi JV) agreements only apply to the gold rights; all other commodities remain with Venus.

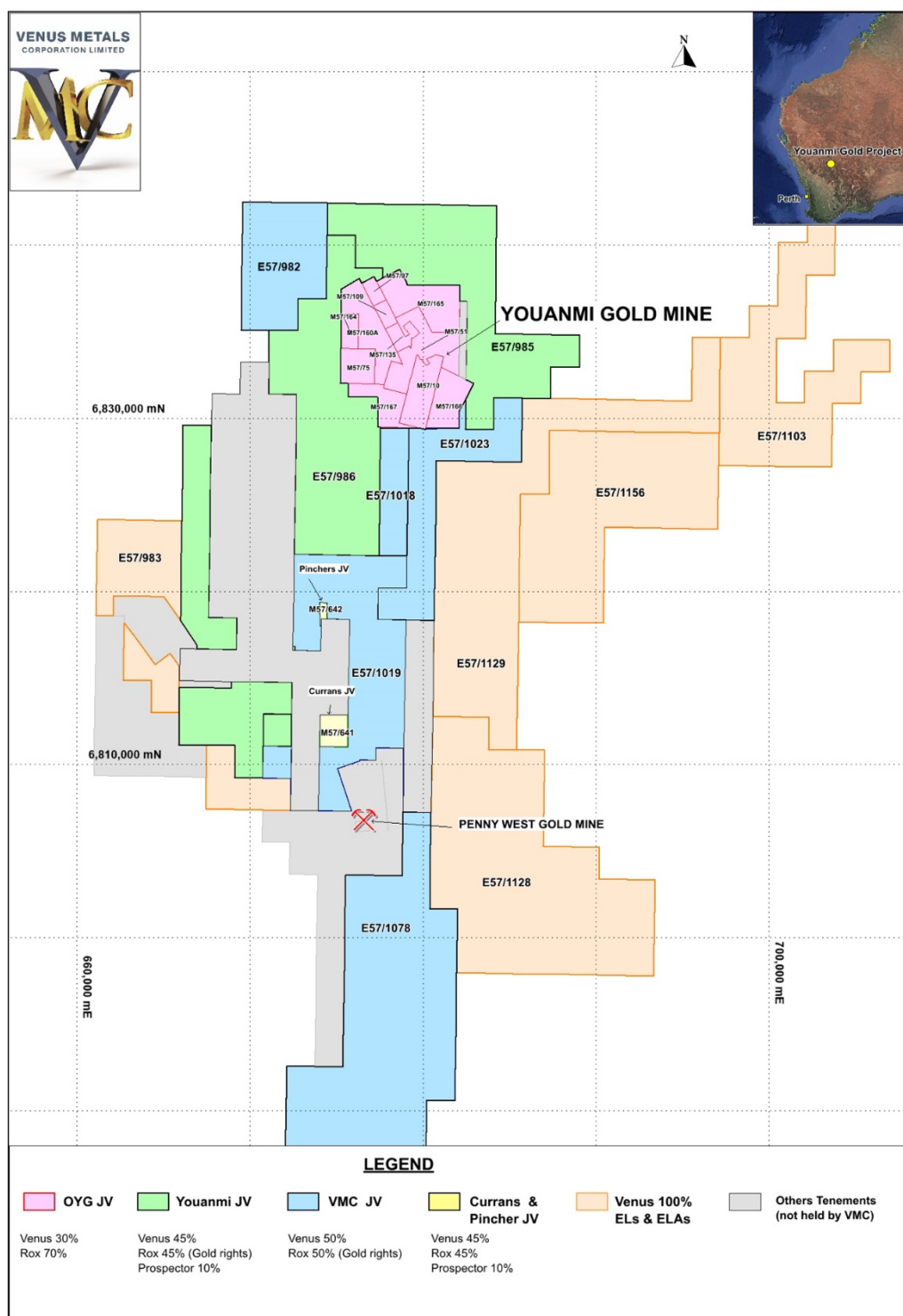


Figure 2. Youanmi Gold Project Location Map

OYG JV -YOUANMI GOLD MINE (30% Venus and 70% RXL)

The Youanmi Near Surface Resource increased by 204Koz Au to 1,004Koz Au (refer RXL ASX release 20 April 2022). This resource upgrade incorporates 16,000m of additional RC drilling above 160m vertical depth and delivers a 26% increase in the Near Surface Resource contained gold. The upgraded Near Surface Resource increases the overall Youanmi gold inventory to 3.2 mil oz Au, up 7% from 3.0 mil oz Au reported in January 2022 (refer RXL ASX release 20 January 2022) and up 93% from the 1.7 mil oz Au Mineral Resource inventory reported in June 2021 (refer RXL ASX 23 June 2021) (Table-1 and Figures 3 & 4).

Table-1

Summary of Youanmi Mineral Resource 2022 (incl. comparison to 2022):									
Area	Classification	Cut-off	January 2022 Resource*			Change in Au Metal (%)	April 2022 Resource		
			Tonnes (dmt)	Au Grade (g/t)	Au Metal (oz)		Tonnes (dmt)	Au Grade (g/t)	Au Metal (oz)
Near Surface	Indicated	0.5 g/t**	7,470,000	1.81	434,000	up 27%	9,070,000	1.89	552,000
Underground	Indicated	3.0 g/t*	3,060,000	7.55	744,000	na	3,060,000	7.55	744,000
SubTotal	Indicated		10,530,000	3.48	1,178,000	up 10%	12,130,000	3.32	1,296,000
Near Surface	Inferred	0.5 g/t**	7,240,000	1.57	366,000	up 24%	8,930,000	1.58	453,000
Underground	Inferred	3.0 g/t*	6,840,000	6.59	1,450,000	na	6,840,000	6.59	1,450,000
SubTotal	Inferred		14,080,000	4.01	1,816,000	up 5%	15,770,000	3.75	1,903,000
Near Surface	Ind + Inf	0.5 g/t**	14,710,000	1.69	800,000	up 26%	18,000,000	1.74	1,004,000
Underground	Ind + Inf	3.0 g/t*	9,900,000	6.89	2,194,000	na	9,900,000	6.89	2,194,000
Near Surface + Underground	Ind + Inf		24,610,000	3.78	2,994,000	up 7%	27,900,000	3.57	3,199,000
* Underground Resource last updated in January 2022									
** Grace 1.5 g/t Au Cut-Off									

(refer RXL ASX release 20 April 2022)

Previous drilling in 2021 has identified high-grade mineralisation in a newly delineated position in the hanging wall to the main Youanmi Mine Lode. This zone of mineralisation is situated 300m south of the Youanmi underground mine between the Bunker Pit and the Youanmi Main Pit (Figure 5).

One RC hole was completed 160m up plunge of RXDD022 to determine lode continuity into shallow depths previously untested by drilling. This has now returned the following strong results:

RXRC449: 8m @ 5.1g/t Au from 212m including **4m @ 9.45g/t Au** from 212m and **4m @ 6.03g/t Au** from 140m. This drilling confirms at least 160m of plunge continuity for high-grade mineralisation at Midway (refer RXL ASX release 8 June 2022).

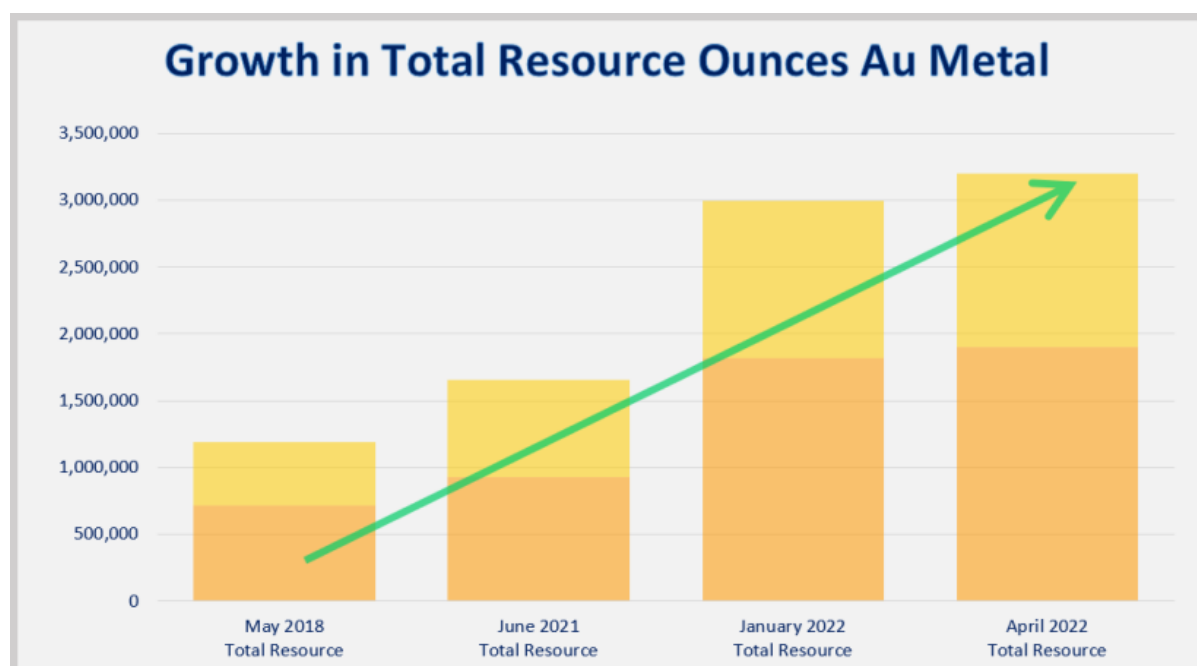


Figure 3 . Growth in Youanmi Total Gold Resources.

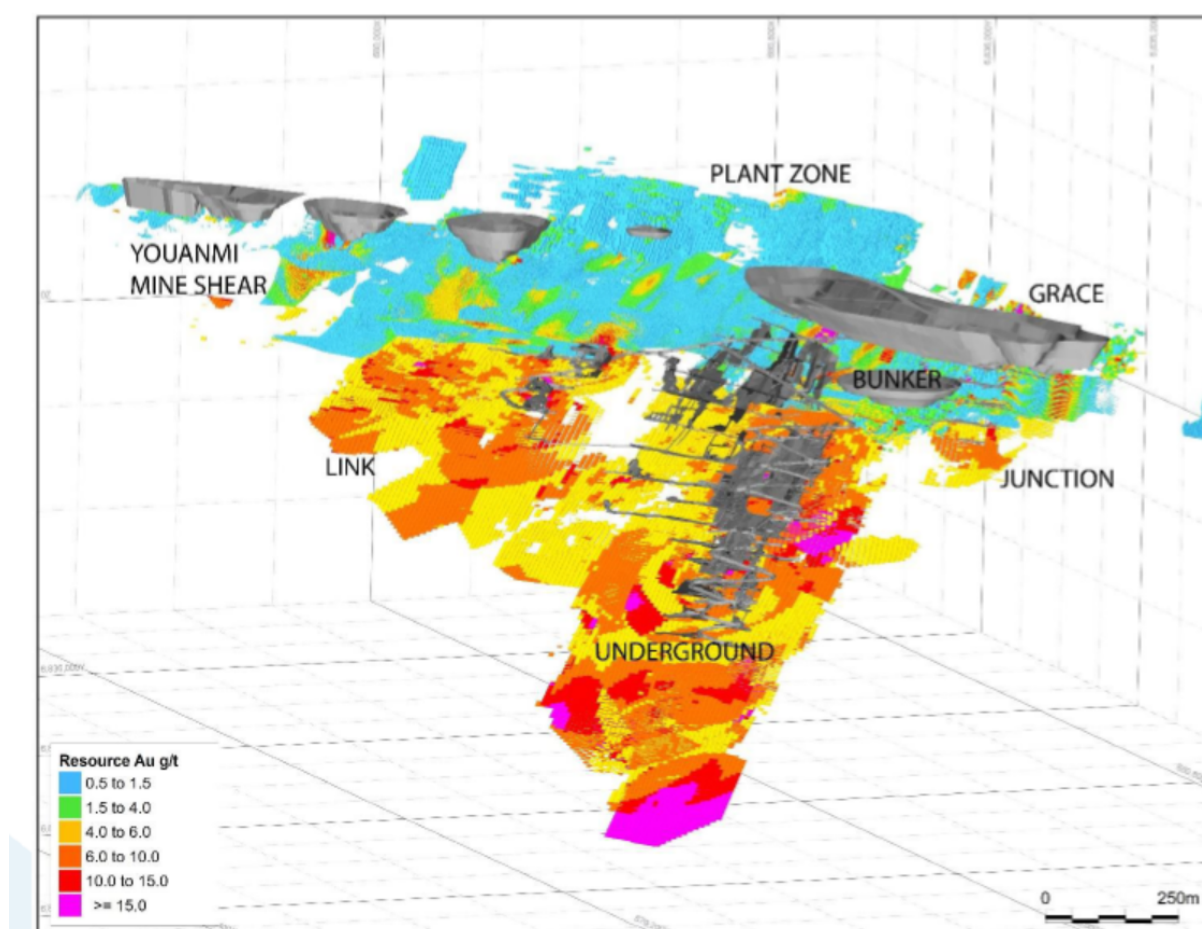


Figure 4. 3D View of Youanmi Underground Resource Model and Near Mine Part of Near Surface Model.

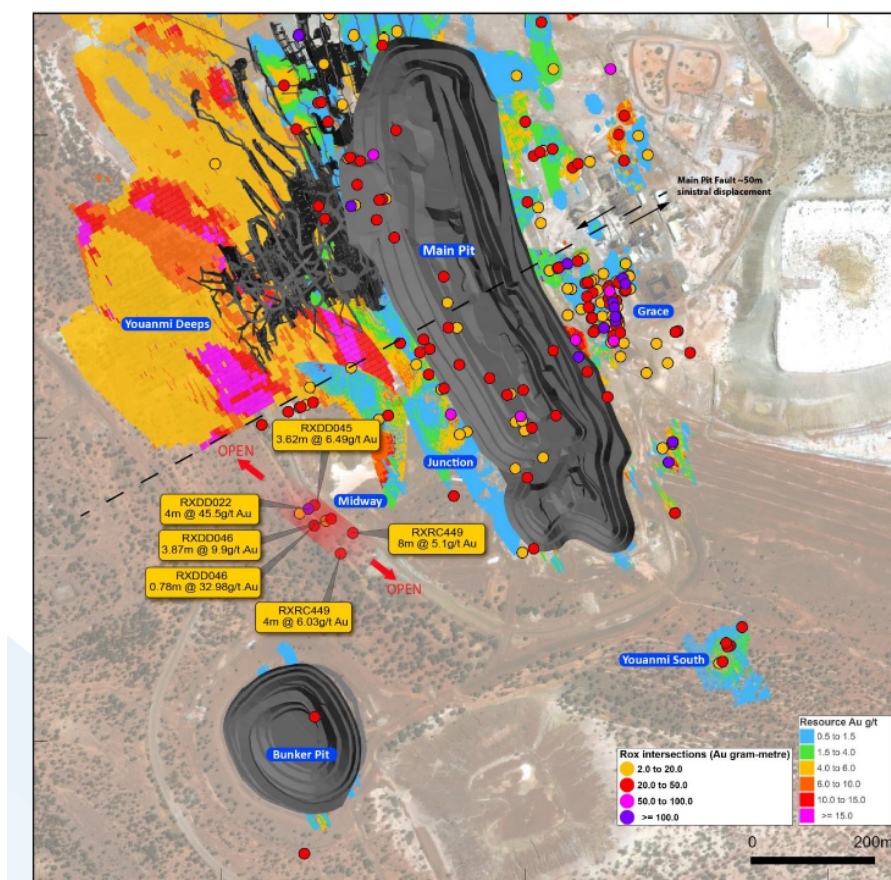


Figure 5. Plan view of Youanmi Mine Area with resource block model and Rox drill intercepts. Midway sits outside areas of known mineralisation (refer RXL ASX release 8 June 2022).

2. BRIDGETOWN GREENBUSHES LITHIUM-BASE METALS EXPLORATION PROJECT

VMC's Greenbushes East Lithium and Bridgetown East Ni-Cu-PGE Projects comprise four granted tenements held by a Venus Subsidiary, E70/5315, E70/5316, E70/5620 and E70/5712, and two exploration applications, E70/6009 (Venus Subsidiary), and E 70/5675 (100% VMC). The western boundary of the VMC and Venus Subsidiary tenure abuts the Greenbushes mining leases (Figure 6). IGO holds a 49% interest in a global joint venture with Tianqi Lithium Corporation. The joint venture has a 51% interest in the Greenbushes Lithium Mine.

Venus' subsidiary has entered a binding transaction with a subsidiary of IGO Limited regarding exploration and, if warranted, development and mining at its Bridgetown Greenbushes Exploration Project (refer ASX release 27 June 2022). Farm-in and Joint Venture in which IGO Subsidiary can progressively acquire up to a 70% interest in the Bridgetown Greenbushes Exploration Project by incurring A\$6,000,000 of exploration expenditure on the Project. IGO Subsidiary will sole fund all Joint Venture expenditure until the completion of a pre-feasibility study in relation to the Project. In connection with the farm-in and joint venture, IGO Limited has subscribed for 9 million fully paid ordinary shares in VMC, at an issue price of \$0.23 per share ("Placement Shares"), raising \$2,070,000 (before costs) (refer ASX release 27 June 2022 for details of Farm-in and Joint Venture terms).

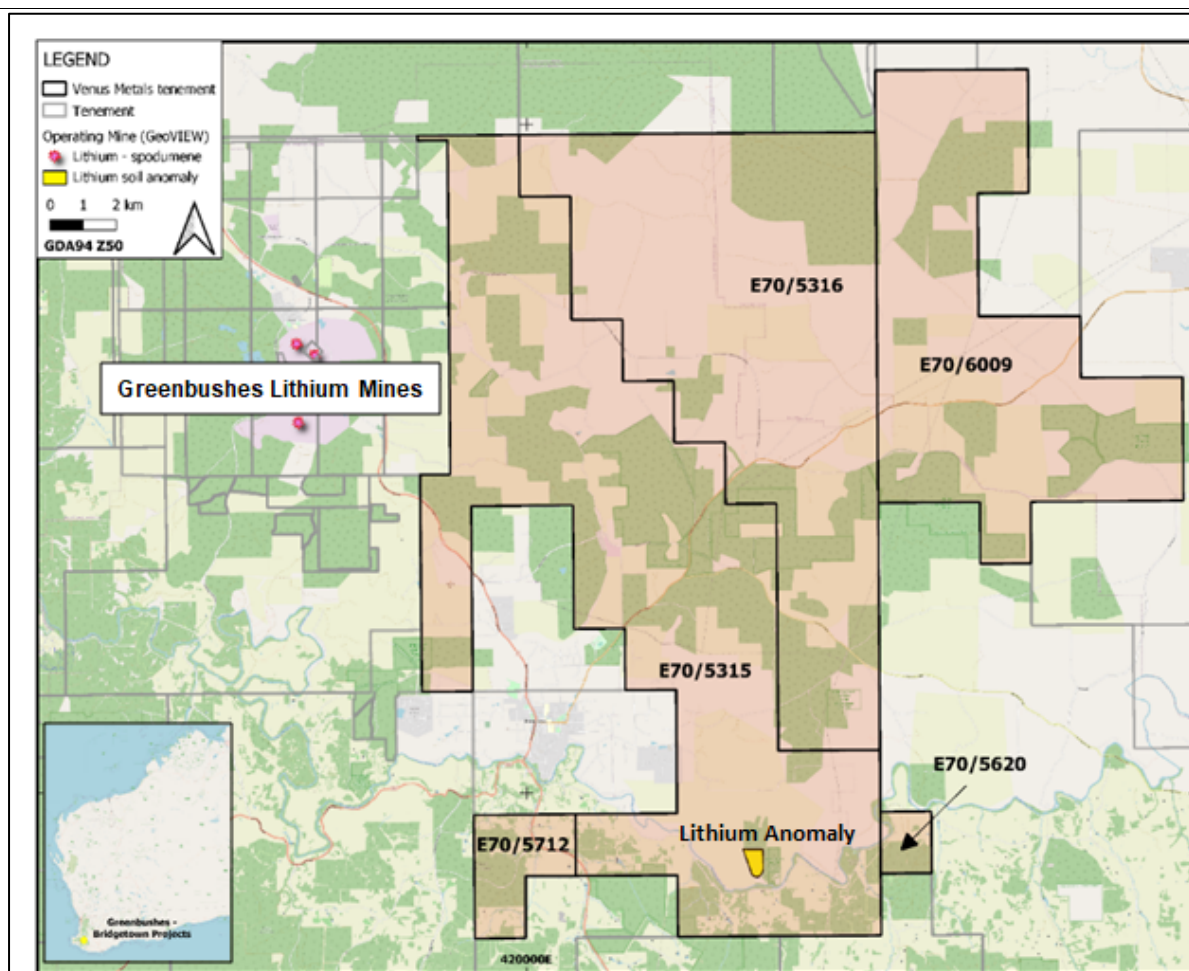


Figure 6. Location plan of Venus tenements in relation to the Greenbushes Lithium Mines.

3. MANGAROON NORTH RARE EARTH PROJECT (100% Venus)

Venus Metals is well positioned with four tenements (E08/3229, E08/3375, E09/2422, and E09/2541) located adjacent to Mangaroon-Yangibana rare earth (REE) mineralised zone. Venus's E09/2541 abuts Hastings Technology Metals Ltd (HAS) Yangibana tenement, Dreadnought Resources Ltd (DRE) Yin tenement and Lanthanein Resources Ltd (LNR) tenement. The other three ELs (E08/3229, E09/2422 and E08/3755) all abut Dreadnought's tenure (Figure 7). Venus' Mangaroon North project tenements are considered prospective for REE due to the following:

- Same host lithologies as Yin and Yangibana are present within Venus' tenements. Geological continuity from Yin and Yangibana along the regional northwest strike.
- Linear and circular structures along major northwest-trending translithospheric faults, including the Edmund Fault, intersect Venus' tenements. These faults are interpreted to have acted as pathways for carbonatitic or ferro-carbonatitic melts or brine-melts.
- Proven ironstones in the carbonatite complex have distinct signatures in ASTER and Sentinel maps. Presence of ironstones and K, Th, and U anomalies in all Venus' tenements.

Multiple priority targets at Mangaroon North have been identified based on processed remote-sensed ASTER and Sentinel data, geology and regolith maps, ortho-images, and radiometric data (Figure 7). A field programme of mapping and sampling in progress (refer ASX release 5 September 2022).

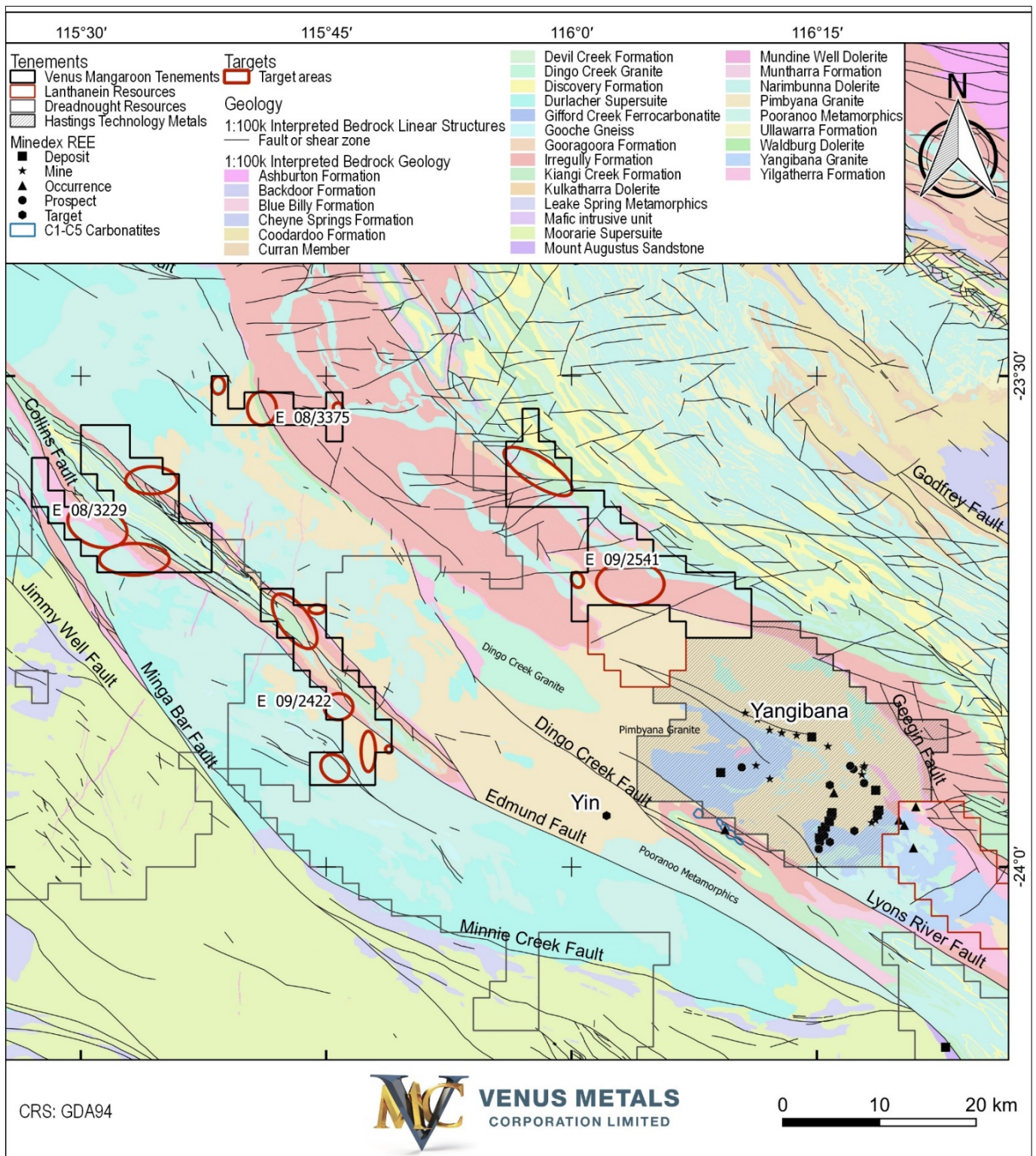


Figure 7. Location of Venus Mangaroon Rare Earth Project Tenements E09/2541, E08/3229, E09/2422 and ELA08/3375 (in the name of Redscope Enterprises Pty Ltd a wholly owned subsidiary of Venus Metals) and Dreadnought Resources (DRE) and Hastings Technology Metals (HAS) Lanthanein Resources (LNR) Tenure shown on regional geology map.

4. MARVEL LOCH EAST RARE EARTH PROJECT (100% Venus)

Venus' Marvel Loch East Rare Earth Project comprises one granted exploration licence (E15/1796) and four applications (ELA15/1944, 15/1946, 15/1947 and E77/2721) for a total area of 283 blocks (828 km²). E15/1796 covers aeromagnetic highs within granite terrain has been historically interpreted as representing an arcuate remnant greenstone belt with associated mafic-ultramafic rocks; most of the EL is covered by sandplain and Salt Lake sediments with few sub- and outcrops of mainly granitic rocks. Recently, Venus completed a wide-spaced geochemical survey with interpretation of results are in progress (refer ASX release 28 July 2022).

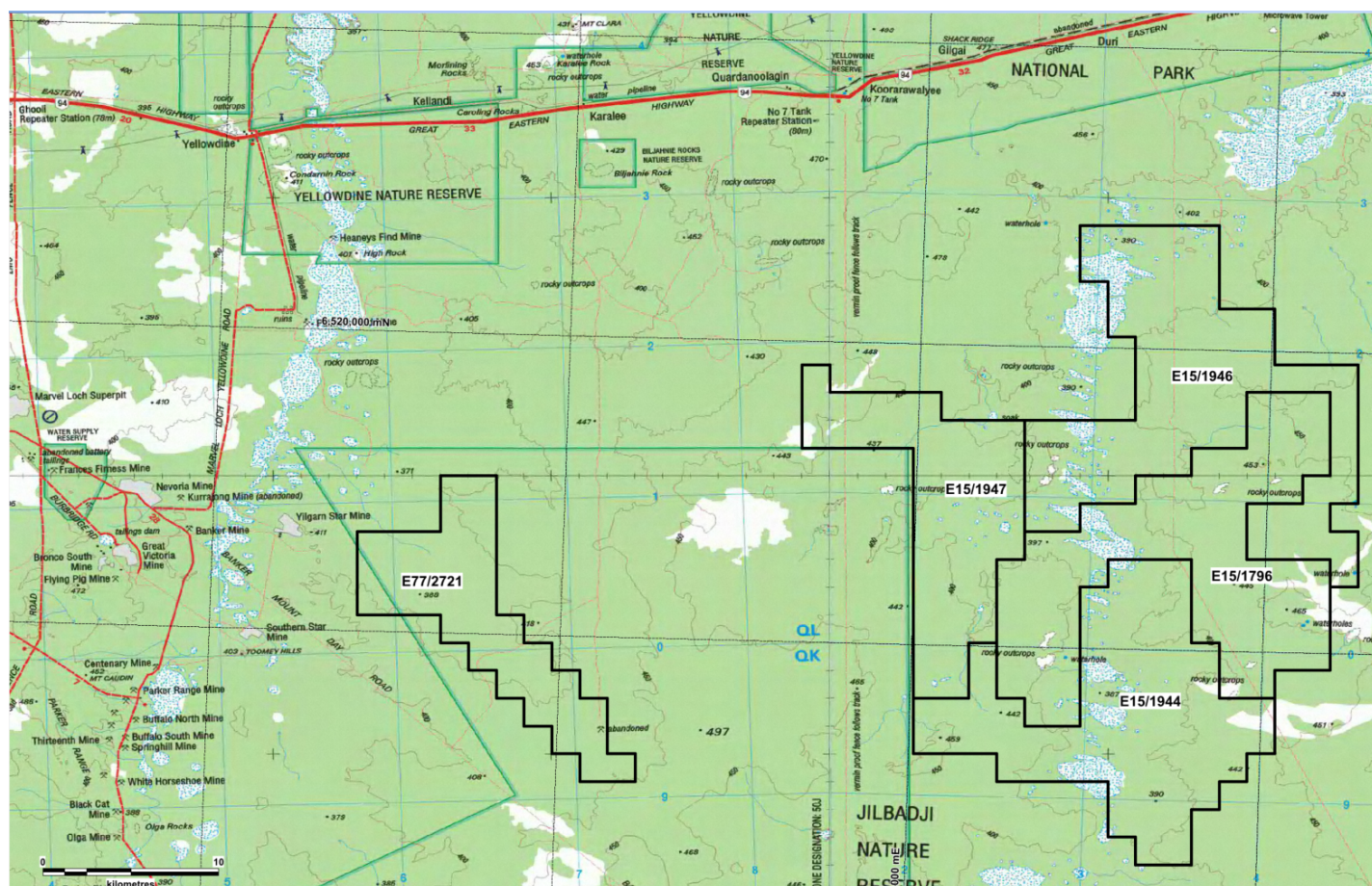


Figure 8. Location of Marvel Loch East REE Project Tenements.

5. YOUANMI BASE METALS - REE PROJECT (100% Venus)

An interpretation of regional aeromagnetic data by Consultant CORE Geophysics identified several structural targets and prospective lithologies on E 57/1128 (Figure 9), some 4km east of Ramelius Resources Limited's Penny Gold Mine. Wide-spaced reconnaissance aircore drilling confirmed the presence of sheared mafic-ultramafic bedrock under cover along an east-southeast trending structure that splays off the Youanmi Shear Zone close to the Penny Gold Mine and makes this trend prospective for gold and base metals mineralization. Anomalous rare earth elements (REE) were detected in several holes (refer ASX release 31 May 2022). Follow-up RC drilling is planned to explore the extent of the REE-mineralized zone.

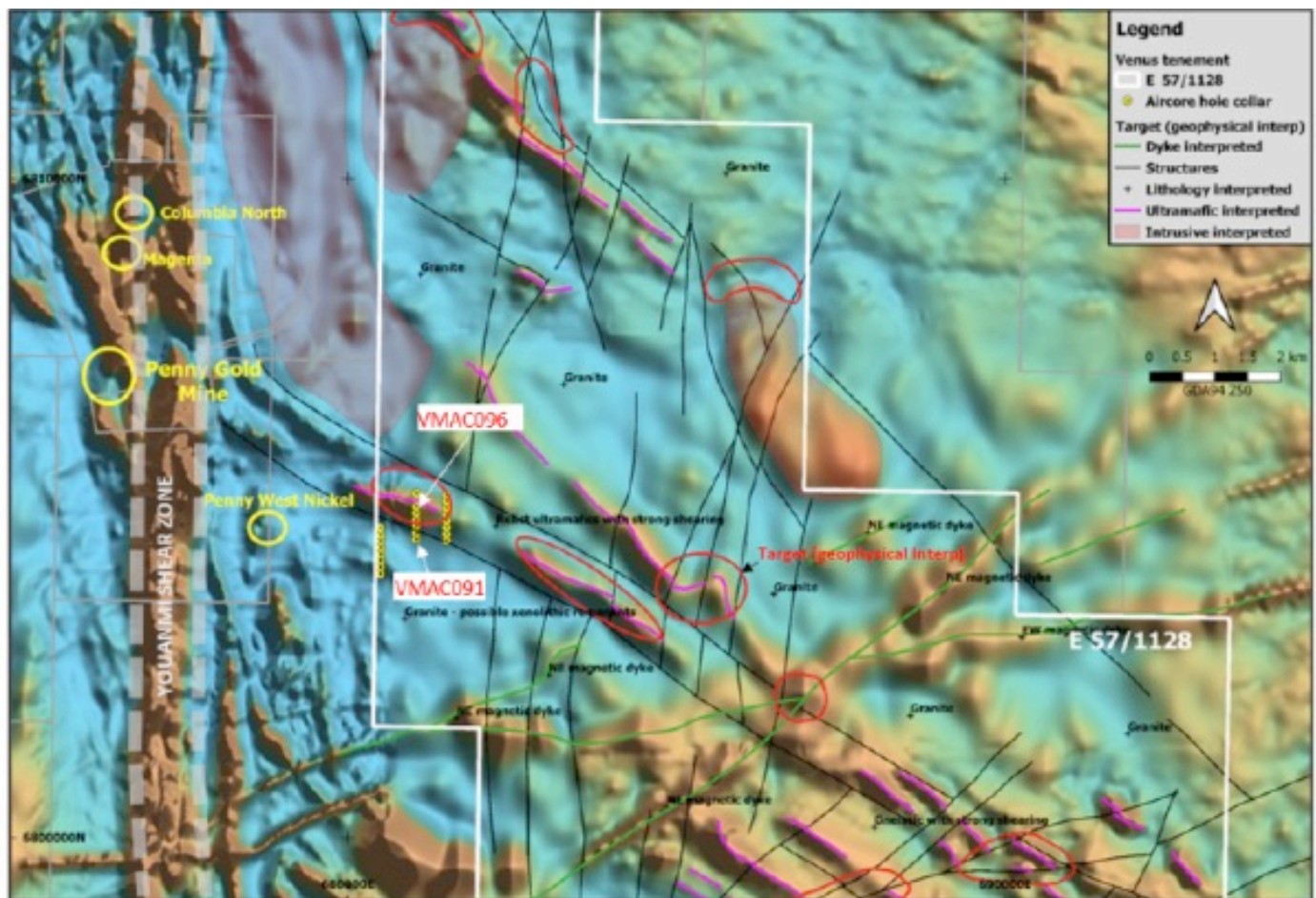


Figure 9. Structural Interpretation of aeromagnetic data and location of aircore drillholes in E57/1128.

A RC drilling program comprising 13 holes for c. 2,000m was completed at the Pincher Zinc-Copper prospect on E 57/1019. The drilling (refer ASX release 24 May 2022) targeted a historical strong induced polarization (IP) anomaly that is located south of previously drilled high-grade zinc (Zn). Mineralisation. Assays are in progress.

6. HENDERSON LITHIUM-GOLD-NICKEL PROJECT (90% Venus):

The Henderson Project comprises five exploration licences covering an approximately 800 km² area including about 25 km strike length of the Mt Ida/Ularring Greenstone Belt, historically known for its gold production but more recently also recognized as an emerging Lithium Province following the discovery of spodumene-rich pegmatites near the Mt Ida Gold Mine, located some 15 km northwest from the Henderson Project area (Figure 10) (refer RDT ASX release 28 September 2021). VMC initiated a review into the hard-rock lithium potential of the Henderson tenements in October 2021 and completed a sampling and mapping programme to determine the composition and mineralogy of outcropping pegmatites. Exploration to date has identified several outcropping LCT pegmatite clusters spread over a total strike length of some 20km along the western margin of the Mt Ida/Ularring Greenstone Belt (refer ASX releases 27 October 2021 and 7 February 2022). Of particular interest is the Emerald SE area which shows a relatively high density of outcropping pegmatites with lithium content over 100 ppm LiO₂, including a maximum assay of 5.8 %LiO₂ returned from one narrow, 1m wide, pegmatite (refer ASX release 27 May 2022).

A spatial zonation of rare-element mineralogy can be expected in this class of pegmatites and a key focus for further exploration will therefore be the drill testing of the Lithium pegmatites. A Phase2 Reverse Circulation (RC) drilling program was completed in July 2022 (31 holes to a total depth of 2834m) with interpretation of assays in progress.

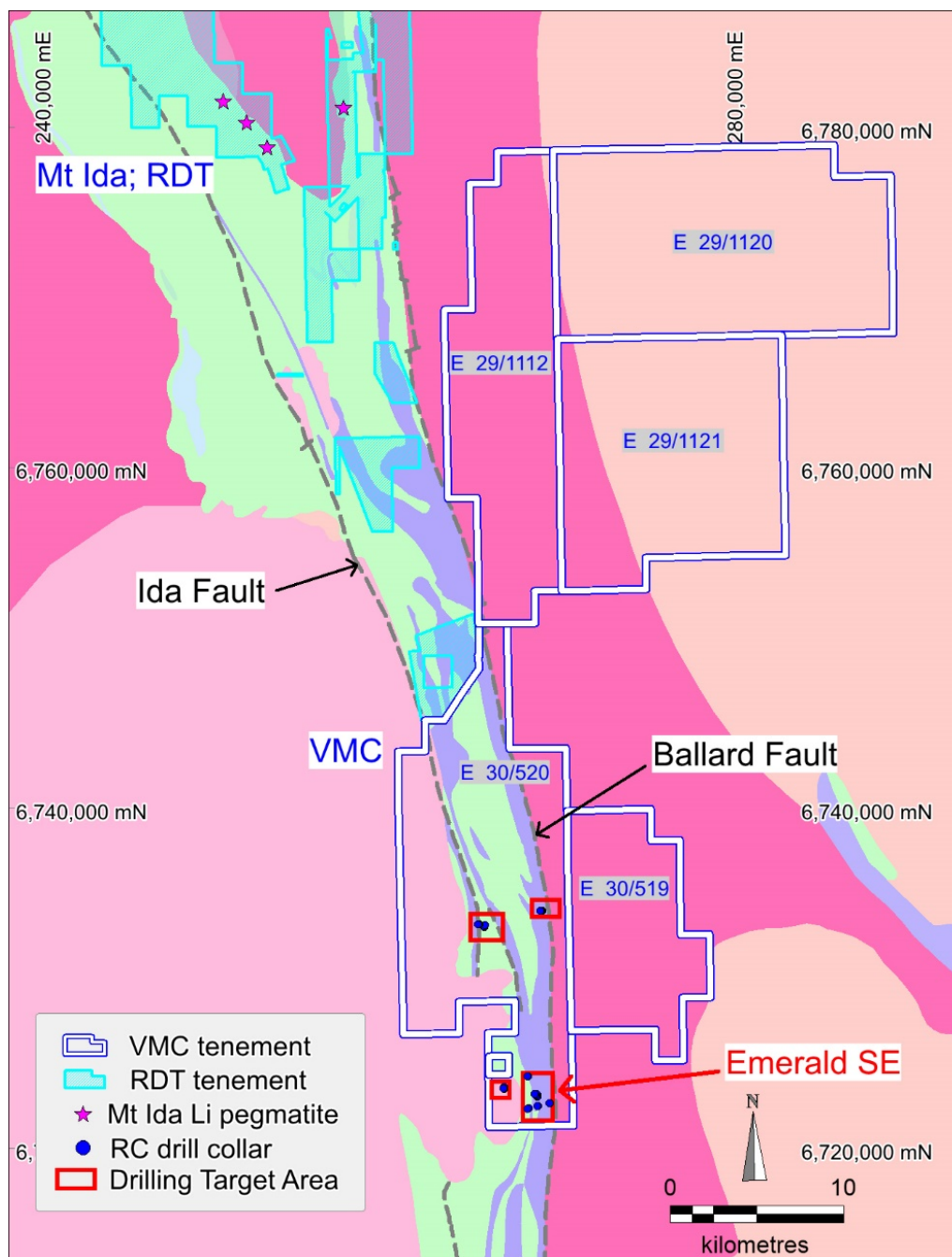


Figure 10. Henderson Project tenements with RC drillhole locations over GSWA 1:500,000 scale interpreted solid geology (2016).

7. YOUANMI VANADIUM PROJECT (E57/986 90% Venus)

Venus' Youanmi Vanadium deposit is located on the exploration licence 57/986 (198.5 km²), approximately 40km southeast of the very substantial vanadium deposit at Windimurra. The Youanmi Vanadium deposit has good access to major infrastructure such as gas pipeline and roads. Venus holds a 90% interest, and a prospector holds a 10% interest in this tenement.

In March 2019, Venus announced a **JORC 2012 Measured, Indicated and Inferred Oxide Resource of 134.7 million tonnes grading 0.34% V₂O₅, 6.27% TiO₂ and 21.33% Fe** (refer ASX release 20 March 2019).

In 2019, Venus signed a metallurgical research contract with Professor Aleks Nikoloski and his team at Murdoch University, Perth, to advance the Youanmi Vanadium Oxide project (refer ASX release 17 June 2019) and to develop an integrated process flow sheet for the extraction of vanadium, iron and titanium, under a Commonwealth co-funded research grant. The research work was carried out over the past three years.

The study was undertaken on ore from four RC drill holes spanning an area around 400 m wide in the Youanmi deposit. The samples were characterized separately and then blended to produce a composite which was used for the majority of the testwork. The blended composite grades were **0.66% V₂O₅ and 44.38% Fe₂O₃**. Different beneficiation options were evaluated to reject reagent consuming gangue components. Grades of **1.07% V₂O₅ and 65.3% Fe₂O₃** were produced. The best extractions for **vanadium (80%) and iron (80%)** were obtained using low-temperature acid leach following reductive roast leaches. Low acid consumption was recorded, 151 kg/t and 236 kg/t (7 and 24 hours respectively). Around **72% sulfuric acid was extracted** from the leach liquor by a proprietary process. **Purified vanadium** was produced by separation of the titanium using iron as a reductant.

Further test work is planned to quantify vanadium pentoxide from the leach liquor produced. Results from this research together with the outcomes of the previous research will form the basis for the design and operation of a pilot plant study. A provisional patent application for the Youanmi oxide ore process has been lodged and accepted with IP Australia (refer ASX release 11 May 2022).

Competent Person's Statement

The information in this report that relates to Exploration Results that relates to Youanmi Base Metals-REE, Mangaroon Rare Earths and Bridgetown East Li-Base Metals Projects are based on information compiled by Dr M. Cornelius, geological consultant and part-time employee of Venus Metals Corporation Ltd, who is a member of The Australian Institute of Geoscientists (AIG). Dr Cornelius has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Cornelius consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Henderson Gold- Ni Project Exploration Results, Mineral Resources or Ore Resources is based on information compiled by Dr F Vanderhor, Geological Consultant who is a member of The Australian Institute of Geoscientists (AIG). Dr Vanderhor has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Vanderhor consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to Youanmi Base Metals Project geophysical data interpretation Results is based on information compiled by Mr Mathew Cooper who is a member of The Australian Institute of Geoscientists. Mr Cooper is Principal Geophysicist of Core Geophysics Pty Ltd who are consultants to Venus Metals Corporation Limited. Mr Cooper has sufficient experience which is relevant to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Cooper consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report has also been prepared by Mr Kumar Arunachalam, who is a Member of The Australasian Institute of Mining and Metallurgy and a full-time employee of the Company. Mr Arunachalam has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Arunachalam consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Venus Metals Corporation Limited planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Venus Metals Corporation Ltd believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

DIRECTORS' REPORT

Your Directors submit their report for the year ended 30 June 2022.

DIRECTORS

The names of Directors in office during the financial year and until the date of this report are as follows.

Directors were in the office for this entire period unless otherwise stated.

Peter Charles Hawkins
Matthew Vernon Hogan
Barry Fehlberg
Selvakumar Arunachalam

COMPANY SECRETARY

Patrick Tan

PRINCIPAL ACTIVITIES

The principal activity of the Group during course of the financial year was the exploration of mineral tenements in Western Australia.

There were no other significant changes in the nature of the activities of the Group during the year.

OPERATING RESULTS

The loss of the Group amounted to \$7,347,390 (2021: loss of \$3,008,935).

DIVIDENDS PAID OR RECOMMENDED

No dividend has been declared or paid by the Company and the Directors do not, at present, recommend a dividend.

REVIEW OF OPERATIONS

For details on the Review of Operations refer to pages 2 to 15.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no other significant changes in the state of affairs of the Group that occurred during the financial year.

EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affair of the Group, in the future financial years.

LIKELY DEVELOPMENTS

Other than likely developments contained in the "Review of Operations", further information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL REGULATION

There were no known significant breaches of the Group's licence conditions or any environmental regulations to which it is subject to.

DIRECTORS' MEETINGS

Directors	Number eligible to attend	Number attended
Peter Hawkins	6	6
Matthew Hogan	6	6
Barry Fehlberg	6	6
Selvakumar Arunachalam	6	6

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

Peter Charles Hawkins

Non - Executive Director/Chairman (appointed 31 July 2019)

Qualifications

B Comm

Experience

Peter Hawkins was appointed to the Board on 31 July 2019 and has over 50 years diverse corporate experience. He has held numerous Managing Director or Partner level positions in several stockbroking firms and has been part of the successful establishment and growth of a number of public and private companies. He has served as the Chairman of the Stock Exchange Perth Limited as a member of the ASX national committee and has also served as Deputy Chairman of the West Australian TAB.

He was Chairman of the Diggers and Dealers conference and has also held Non-Executive Director positions of several publicly listed companies over the past decade.

Directorships Held in Other Listed Entities

In the past three years Mr Hawkins has not held directorships in any ASX listed companies.

Relevant Interest in Shares, Options and Performance Rights as at the date of this report

750,000 unlisted options ex-price 30c expiring 30/11/2022.

300,000 unlisted options ex-price 30c expiring 30/11/2023.

500,000 performance rights expiring 20/12/2024.

DIRECTORS' REPORT

Matthew Vernon Hogan

Managing Director (appointed 22 December 2006)

Qualifications

MAICD

Experience

Mr Matthew Hogan until February 2010 was the Chief Executive Officer of United Minerals Corporation NL (UMC), which successfully discovered the Railway direct shipping iron ore deposit in the Central Pilbara. In February 2010 UMC was acquired by BHP Billiton for \$204m through a scheme of arrangement.

Mr Hogan has over 25 years' experience in the stockbroking industry and was closely involved in bringing a number of company listings to the ASX, the underwriting of shareholder entitlement issues and corporate placements.

Mr Hogan has previously worked in the business services division of international accounting firm Ernst & Young.

Relevant Interest in Shares, Options and Performance Rights as at the date of this report

1,320,056 ordinary shares.
2,500,000 unlisted options ex-price 30c expiring 30/11/2022.
600,000 unlisted options ex-price 30c expiring 30/11/2023.
3,500,000 performance rights expiring 20/12/2024.

Directorships Held in Other Listed Entities

In the past three years Mr Hogan has not held directorships in any ASX listed companies.

Barry Fehlberg

Non- Executive Director (appointed 7 May 2018)

Qualifications

BSc (Hons), MAusIMM

Experience

Mr Fehlberg has 50 years of successful experience in exploration for gold, base metals, diamonds and iron ore.

Mr Fehlberg has been director of exploration for various ASX listed Companies since 1978, and during his career he has made numerous discoveries in all these commodities.

In 1980 he led the drilling team for Spargos Exploration N.L. that discovered the depth extensions of the Bellevue Gold mine which was successfully brought into production.

In more recent times, Mr Fehlberg led the exploration team as Technical Director that discovered the Railway Iron Ore deposit for United Minerals Corporation NL. This Company was taken over by BHP Billiton in 2010 in a \$204 million transaction.

Mr Barry Fehlberg is an Honours Geology graduate of the University of Adelaide (1968).

Relevant Interest in Shares, Options and Performance Rights as at the date of this report

4,585,000 ordinary shares.
750,000 unlisted options ex-price 30c expiring 30/11/2022.
400,000 unlisted options ex-price 30c expiring 30/11/2023.
2,000,000 performance rights expiring 20/12/2024.

Directorships Held in Other Listed Entities

In the past three years Mr Fehlberg has not held directorships in any ASX listed companies.

Selvakumar Arunachalam

Executive Director/General Manager (appointed 15 July 2011)

Qualifications

MAusIMM M.Sc (Geology), M.Tech (Hydrogeology), PG Dip in Geothermal Tech (NZ), Dip in Science (GIS) (NZ)

Experience

Mr Selvakumar Arunachalam has over 30 years' experience in geology in India, New Zealand and Australia.

Mr Arunachalam until February 2010 was also an employee of United Minerals Corporation NL.

Directorships Held in Other Listed Entities

In the past three years Mr Arunachalam has not held directorships in any ASX listed companies.

Relevant Interest in Shares, Options and Performance Rights as at the date of this report

175,000 ordinary shares.
1,000,000 unlisted options ex-price 30c expiring 30/11/2022.
500,000 unlisted options ex-price 30c expiring 30/11/2023.
1,500,000 performance rights expiring 20/12/2024.

Patrick Tan

Company Secretary (appointed 1 July 2018)

Qualifications

B.Acc, FCPA, CA. RTA

Experience

Patrick Tan has over 30 years of experience in accounting, taxation and company secretarial.

DIRECTORS' REPORT

REMUNERATION REPORT (Audited)

This report details the nature and amount of remuneration for each Director of the Group and for the Executives receiving the highest remuneration.

Remuneration Policy

The Group has a Remuneration Policy for determining the nature and amount of remuneration. The amount of emoluments for Board members of the Group is as follows.

The Group's remuneration policy for Executive Directors is designed to promote superior performance and long term commitment to the Group. Executives received a base remuneration which is market related.

The remuneration policy, setting the terms and conditions for the Executive Directors and other Senior Executives, was developed by the Board after seeking professional advice from independent external consultants.

The Board's policy reflects its obligation to align Executives' remuneration with Shareholders' interests and to retain appropriately qualified Executive talent for the benefit of the Group. The main principles of the policy are:

- reward reflects the competitive market in which the Group operates;
- individual reward should be linked to performance criteria; and
- Executives should be rewarded for both financial and non-financial performance.

Executives are also entitled to participate in the employee share and option arrangements.

The Executive Director and Executives receive a superannuation guarantee contribution required by the government, which is 10.5% from 1 July 2022, and do not receive any other retirement benefits.

Group Performance, Shareholder Wealth and Director and Executive Remuneration

The remuneration policy has been tailored to increase goal congruence between Shareholders, Directors and Executives. There have been two methods applied in achieving this aim, the first being a performance based bonus based on key performance indicators, and the second being the issue of options to the majority of Directors and Executives to encourage the alignment of personal and Shareholders' interests.

Employment Agreements

Remuneration and other terms of employment are formalised in employment agreements.

Matthew Hogan – Managing Director

- Updated term of agreement – commenced 1 July 2018.
- Effective from 1 July 2021, Mr Hogan's base salary was increased to \$250,000 per annum (2021: \$175,000 per annum).

- Provision of four weeks annual leave.
- May be terminated by Mr Hogan by giving to the Company one months' notice in writing.
- May be terminated by the Company by giving 12 months' notice in writing to Mr Hogan.

Selvakumar Arunachalam – Executive Director

- Updated term of agreement – commenced 1 August 2019.
- Base salary of \$175,000 per annum.
- Provision of four weeks annual leave.
- May be terminated by Mr Arunachalam or by the Company by giving one month's notice in writing.
- May be terminated by the Company by giving 12 months' notice in writing to Mr Arunachalam.

Barry Fehlberg – Non-Executive Director

- Term of agreement – commenced 1 July 2018.
- Effective from 1 July 2021, Mr Fehlberg's base salary was increased to \$40,000 per annum (2021: \$30,000 per annum).

Peter Charles Hawkins – Non-Executive Director/Chairman

- Term of agreement – commenced 31 July 2019.
- Effective from 1 July 2021, Mr Hawkins' base salary was increased to \$40,000 per annum (2021: \$30,000 per annum).

Non-Executive Directors

Fees to Non-Executives Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-Executive Directors' remuneration consists of set fee amounts and statutory superannuation. Directors' base fees are presently up to \$40,000 per annum.

Non-Executives Directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The total compensation for all Non-Executive Directors, last voted upon by shareholders at the 2010 AGM, is not to exceed \$250,000 per annum. There is no provision for retirement allowances for Non-Executive Directors apart from statutory superannuation. Non-Executive Directors are eligible to be granted options to provide a material additional incentive for their ongoing commitment and dedication to the continued growth of the Group.

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (continued)

Details of Remuneration for the year ended 30 June 2022 and 30 June 2021

	Year	Short Term		Post-employment	Share-based payments	Total	S300A(1)(e)(i) Proportion of remuneration performance related
		Salary & Fees	Non-monetary benefits ⁽¹⁾	Superannuation Contribution	Options		
		\$	\$	\$	\$		
Key Management Person (Directors)							
Matthew Vernon Hogan	2022	250,000	40,184	23,315	-	313,499	Nil
	2021	175,000	(27,880)	16,625	68,702	232,447	Nil*
Peter Charles Hawkins	2022	40,000	-	4,000	-	44,000	Nil
	2021	30,000	-	2,850	31,512	64,362	Nil*
Barry Fehlberg	2022	40,000	-	4,000	-	44,000	Nil
	2021	30,000	-	2,850	47,694	80,544	Nil*
Selvakumar Arunachalam	2022	175,000	(2,647)	17,500	-	189,853	Nil
	2021	175,000	17,933	16,625	56,305	265,863	Nil*
Total	2022	505,000	37,537	48,815	-	591,352	
	2021	410,000	(9,947)	38,950	204,213	643,216	

⁽¹⁾ Movements in the KMP's annual and long service leave during the year.

* Nil % as the options do not have any performance related conditions.

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (continued)

Options awarded and vested during the year

Terms and Conditions for each Grant during the year

	Year	Awarded No.	Award date	Fair value per option at award date (\$)	Exercise price (\$)	Expiry date	No. unvested during the year	No. vested during the year
Key Management Person (Directors)								
Matthew Vernon Hogan	2022	-	-	-	-	-	-	-
	2021	600,000	26/11/2020	\$0.105	\$0.30	30/11/2023	-	975,000*
Peter Charles Hawkins	2022	-	-	-	-	-	-	-
	2021	300,000	26/11/2020	\$0.105	\$0.30	30/11/2023	-	300,000*
Barry Fehlberg	2022	-	-	-	-	-	-	-
	2021	400,000	26/11/2020	\$0.105	\$0.30	30/11/2023	-	775,000*
Selvakumar Arunachalam	2022	-	-	-	-	-	-	-
	2021	500,000	26/11/2020	\$0.105	\$0.30	30/11/2023	-	750,000*
Total	2022	-	-	-	-	-	-	-
	2021	1,800,000	26/11/2020	\$0.105	\$0.30	30/11/2023	-	2,800,000*

*The no. vested in 2021 included options issued in 2020 that were vested in 2021. Hence, different from the no. awarded.

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (continued)

Performance rights awarded and vested during the year

Terms and Conditions for each Grant during the year

	Year	Awarded No.	Award date	Fair value per right at award date (\$)	Exercise price (\$)	Expiry date	No. unvested during the year	No. vested during the year
Key Management Person (Directors)								
Matthew Vernon Hogan	2022	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-
Peter Charles Hawkins	2022	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-
Barry Fehlberg	2022	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-
Selvakumar Arunachalam	2022	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-
Total	2022	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-

Note: There were no performance rights awarded during the financial year.

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (continued)

Options lapsed during the year

	Year	Awarded No.	Award date	Fair value per option at award date (\$)	Exercise price (\$)	Expiry date	No. lapsed during the year
Key Management Person (Directors)							
Matthew Vernon Hogan	2022	750,000	11/12/2018	\$0.0674	\$0.25	30/11/2021	750,000
	2021	-	-	-	-	-	-
Peter Charles Hawkins	2022	-	-	-	-	-	-
	2021	-	-	-	-	-	-
Barry Fehlberg	2022	750,000	11/12/2018	\$0.0674	\$0.25	30/11/2021	750,000
	2021	-	-	-	-	-	-
Selvakumar Arunachalam	2022	500,000	11/12/2018	\$0.0674	\$0.25	30/11/2021	500,000
	2021	-	-	-	-	-	-
Total	2022	2,000,000	11/12/2018	\$0.0674	\$0.25	30/11/2021	2,000,000
	2021	-	-	-	-	-	-

Value of options held by key management personnel, exercised and lapsed during the year

For details on the valuation of the options, including models and assumptions used, please refer to note 18 below.

There were no alterations to the terms and conditions of options awarded as remuneration since their award date.

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (continued)

Options over equity instruments

The movement during the reporting period in the number of options over ordinary shares in the Company held, directly, indirectly or beneficially, by key management persons, including their related parties, is as follows:

	Balance 1 July 2021	Granted as compensation	Exer- cised	Net change Others ⁽¹⁾	Held at 30 June 2022	Vested during the year	Vested and exercisable at 30 June 2022
Directors							
M Hogan	3,850,000	-	-	(750,000)	3,100,000	-	3,100,000
P Hawkins	1,050,000	-	-	-	1,050,000	-	1,050,000
B Fehlberg	1,900,000	-	-	(750,000)	1,150,000	-	1,150,000
S Arunachalam	2,000,000	-	-	(500,000)	1,500,000	-	1,500,000
	8,800,000	-	-	(2,000,000)	6,800,000	-	6,800,000

	Balance 1 July 2020	Granted as compensation	Exer- cised	Net change Others ⁽¹⁾	Held at 30 June 2021	Vested during the year	Vested and exercisable at 30 June 2021
Directors							
M Hogan	3,250,000	600,000	-	-	3,850,000	975,000	3,850,000
P Hawkins	750,000	300,000	-	-	1,050,000	300,000	1,050,000
B Fehlberg	1,500,000	400,000	-	-	1,900,000	775,000	1,900,000
S Arunachalam	1,500,000	500,000	-	-	2,000,000	750,000	2,000,000
	7,000,000	1,800,000	-	-	8,800,000	2,800,000	8,800,000

⁽¹⁾ Other changes represent options that were acquired, expired, transferred or were forfeited during the year.

Performance rights over equity instruments

The movement during the reporting period in the number of performance rights over ordinary shares in the Company held, directly, indirectly or beneficially, by key management persons, including their related parties, is as follows:

	Held at 1 July 2021	Acquired	On exercise of rights	Other change ⁽¹⁾	Held at 30 June 2022
Directors					
M Hogan	3,500,000	-	-	-	3,500,000
P Hawkins	500,000	-	-	-	500,000
B Fehlberg	2,000,000	-	-	-	2,000,000
S Arunachalam	1,500,000	-	-	-	1,500,000
	7,500,000	-	-	-	7,500,000

	Held at 1 July 2020	Acquired	On exercise of options	Other change ⁽¹⁾	Held at 30 June 2021
Directors					
M Hogan	3,500,000	-	-	-	3,500,000
P Hawkins	500,000	-	-	-	500,000
B Fehlberg	2,000,000	-	-	-	2,000,000
S Arunachalam	1,500,000	-	-	-	1,500,000
	7,500,000	-	-	-	7,500,000

⁽¹⁾ Other changes represent performance rights that were acquired, expired, transferred or were forfeited during the year.

DIRECTORS' REPORT

REMUNERATION REPORT (Audited) (continued)

Shareholdings of key management personnel

The movement during the reporting period in the number of shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 1 July 2021	Acquired	On exercise of options	Other change ⁽¹⁾	Held at 30 June 2022
Directors					
M Hogan	1,320,056	-	-	-	1,320,056
P Hawkins	-	-	-	-	-
B Fehlberg	4,585,000	-	-	-	4,585,000
S Arunachalam	175,000	-	-	-	175,000
	6,080,056	-	-	-	6,080,056

	Held at 1 July 2020	Acquired	On exercise of options	Other change ⁽¹⁾	Held at 30 June 2021
Directors					
M Hogan	1,320,056	-	-	-	1,320,056
P Hawkins	-	-	-	-	-
B Fehlberg	4,585,000	-	-	-	4,585,000
S Arunachalam	175,000	-	-	-	175,000
	6,080,056	-	-	-	6,080,056

⁽¹⁾ Other change represents on and off-market trade.

End Remuneration Report

DIRECTORS' REPORT

SHARES ISSUED ON EXERCISE OF OPTIONS

During the year no shares were issued upon exercise of Options.

OPTIONS AND PERFORMANCE RIGHTS

At the date of this report, the number of options and performance rights over ordinary shares in the Company are as follows:

Expiry date	Exercise price	Number of options
<i>Director & Employee Options</i>		
30-Nov-2022	\$0.30	5,750,000
30-Nov-2023	\$0.30	<u>2,775,000</u>
		<u>8,525,000</u>
Expiry date	Exercise price	Number of rights
20-Dec-2024	Nil	7,500,000

These options and performance rights do not entitle the holder to participate in any share issue of the Company.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

Indemnification

The Group has agreed to indemnify the following current directors of the Company, Mr P C Hawkins, Mr M V Hogan, Mr B Fehlberg, and Mr S Arunachalam against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Insurance premium

Since the end of the previous financial year the Company has paid insurance premiums of \$27,340 in respect of directors' and officers' liability insurance for current directors, including senior executives of the Company. The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a willful breach of duty or improper use of information or position to gain a personal advantage.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Group or Company was not a party to any such proceedings during the year.

ENVIRONMENTAL LIABILITIES

There were no environmental liabilities at the date of this report.

NON-AUDIT SERVICES

During the year there were no non-audit services provided by the Group's auditor, Stantons.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 26 and forms part of the Director's Report for the financial year ended 30 June 2022.

This report is made with a resolution of the Directors.



Matthew Vernon Hogan
Managing Director
Perth, Western Australia

29 September 2022

29 September 2022

Board of Directors
Venus Metals Corporation Limited
Unit 2, 8 Alvan St
Subiaco WA 6008

Dear Directors

RE: VENUS METALS CORPORATION LIMITED

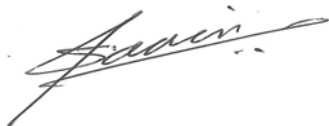
In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Venus Metals Corporation Limited.

As Audit Director for the audit of the financial statements of Venus Metals Corporation Limited for the year ended 30 June 2022, 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.

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)



Samir Tirodkar
Director

CORPORATE GOVERNANCE STATEMENT

Approach to Corporate Governance

The Group has adopted systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised in this statement. Commensurate with the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th edition (**Principles & Recommendations**), the Group has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Group's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Group's corporate governance practices depart from a recommendation, the Board has offered full disclosure and an explanation for the adoption of its own practice.

Further information about the Group's corporate governance practices may be found on the Group's website at www.venusmetals.com.au, under the section marked "Group - Corporate Governance".

The Group reports below on how it has followed (or otherwise departed from) each of the Principles & Recommendations during the financial year ended 30 June 2022 (**Reporting Period**).

Principle	Corporate Governance Council Recommendation	Conform (Y/N)	Disclosure
Principle 1 - Lay solid foundations for management and oversight			
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Y	The Group has established the functions reserved to the Board, and those delegated to senior executives and has set out these functions in its Board Charter. The Charter is available on the Group's website at https://www.venusmetals.com.au/company/corporate-governance . The number of times the Board met during the Reporting Period is disclosed in the Directors' Report section above. In addition to formal Board and Board Committee meetings throughout the Reporting Period, members of the Board spent time with senior executives and other management personnel of the Company and engaged with other key stakeholders.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Y	The Board undertakes appropriate checks before appointing a person or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. The checks which are undertaken, and the information provided to shareholders are set out in the <i>Group's Policy and Procedure for the Selection and (Re) Appointment of Directors</i> which is disclosed on the Group's website.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Y	The Group has a written agreement with each director and senior executive setting out the terms of their appointment. The material terms of any employment, service or consultancy agreement the Group has entered into with any director or senior executive has been disclosed in accordance with ASX Listing Rule 3.16.4.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Y	The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board as outlined in the <i>Board Charter</i> , including preparation of meeting papers and meeting minutes.

Principle	Corporate Governance Council Recommendation	Conform (Y/N)	Disclosure
1.5	<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: <ul style="list-style-type: none"> (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: <ul style="list-style-type: none"> (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. <p>If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	N	<p>The Board is responsible for establishing and monitoring on an annual basis the achievement against gender diversity objectives and strategies, including the representation of women at all levels of the organisation.</p> <p>The proportion of women employees in the whole organisation as at Reporting Period was approximately 2 out of 7 (29%).</p> <p>The Board acknowledges the absence of female participation on the Board of Directors. However, the Board has determined that the composition of the current Board represents the best mix of Directors that have an appropriate range of qualifications and expertise, can understand and competently deal with current and emerging business issues and can effectively review and challenge the performance of management.</p> <p>The Group has not set or disclosed measurable objectives for achieving gender diversity. Due to the size of the Group, the Board does not deem it practical to limit the Group to specific targets for gender diversity as it operates in a very competitive labour market where positions are sometimes difficult to fill. However, every candidate suitably qualified for a position has an equal opportunity of appointment regardless of gender, age, ethnicity or cultural background.</p>
1.6	<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. 	Y	<p>The Group recognizes the pivotal role that the Board has in the governance framework of the Group. Under the Board Charter, the Chairman is responsible for scheduling regular and effective evaluation of the Board's performance. An annual Board evaluation was completed in the Reporting Period.</p>

Principle	Corporate Governance Council Recommendation	Conform (Y/N)	Disclosure
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	Y	<p>The Group has developed its formal processes for the performance evaluation of senior executives in conjunction with the Nominations and Remuneration Committee.</p> <p>The Committee developed and agreed key performance measures for the Managing Director having regard to the Group's strategic, financial and operational objectives for the year. The evaluation is conducted at the time of the executive's annual remuneration review and involves an interview with the Managing Director to discuss performance against the senior executive's contract with the Group. The Managing Director also evaluates the performance of the senior executives on an ongoing basis via informal discussions about performance.</p> <p>A formal review of the Managing Director's and each senior executive's performance occurs at least annually and was undertaken in the Reporting Period.</p>
Principle 2 - Structure the board to be effective and add value			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	N	<p>The Board has not established a separate Nomination Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee. Accordingly, the Board performs the role of the Nomination Committee. Items that are usually required to be discussed by a nomination committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Nomination Committee it carries out those functions which are delegated to it in the Group's Nomination Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Nomination Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.</p> <p>The full Board, in its capacity as the Nomination Committee, has not held any meetings during the Reporting Period.</p> <p>The Board has adopted a Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Nomination Committee. A copy of the Nomination Committee Charter is available on the Group's website at https://www.venusmetals.com.au/company/corporate-governance.</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	Y	<p>The mix of skills and diversity for which the Board is looking to achieve in its membership is represented by the Board's current composition.</p> <p>The skill of each director is set out in the Directors' Report section in this Annual Report on pages 16-17.</p>

Principle	Corporate Governance Council Recommendation	Conform (Y/N)	Disclosure
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	Y	<p>The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles & Recommendations. During the Reporting Period, the two independent directors of the Group were Mr Peter Hawkins and Mr Barry Fehlberg.</p> <p>The Board has considered both Mr Hawkins and Mr Fehlberg's independence that both are sufficiently independent because they are not a member of management, they are free of any business or other relationship that could materially interfere with the independent exercise of their judgement and consistently makes decisions that are in the best interests of the Group. Accordingly, the Board considers both Mr Hawkins and Mr Fehlberg to be independent directors.</p> <p>The length of service of each director is set out in the Directors' Report pages 16-17.</p>
2.4	A majority of the board of a listed entity should be independent directors.	N	<p>The Board does not have a majority of directors who are independent. The Board considers that its composition is appropriate for the Group's circumstances and includes an appropriate mix of skills and expertise relevant to the Group. The Group gives consideration to the balance of independence on the Board and will continue to review its composition in accordance with the Nomination Committee Charter.</p>
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Y	<p>During the Reporting Period, the Group's independent Chair is Mr Peter Hawkins. The Board believes that Mr Hawkins is the most appropriate person for the position of Chair because of his industry experience and knowledge. The Board believes that Mr Hawkins makes decisions that are in the best interests of the Group.</p> <p>The Managing Director of the Group is Mr Matthew Hogan.</p>
2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	N	<p>Given the size of the Group there is no formal induction process for new directors. Board considers that if any new director is to be appointed, that new director will be provided with a personalized induction dependent upon the skills, experience and knowledge of the Group that the new director possesses. All directors are expected to maintain and enhance their skills and knowledge so as to exercise their responsibilities and discharge their obligations to the Group. Directors are expected to participate in appropriate professional development activities.</p>
Principle 3 - Instil a culture of acting lawfully, ethically and responsibly			
3.1	A listed entity should articulate and disclose its values.	Y	<p>The Group has adopted a Code of Conduct which requires Directors, management and employees to deal with the Company's customers, suppliers, competitors and each other with honesty, fairness and integrity and to observe the rule and spirit of the legal and regulatory environment in which the Company operates.</p> <p>The values set up in the Code of Conduct are inculcated across the Group's corporate group and supported by the standards and behaviours set out in the Group's Code of Conduct.</p>

Principle	Corporate Governance Council Recommendation	Conform (Y/N)	Disclosure
3.2	<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code. 	Y	<p>The Group has established a Code of Conduct as to the practices necessary to maintain confidence in the Group's integrity, the practices necessary to take into account its legal obligations and the reasonable expectations of its stakeholders, and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.</p> <p>A summary of the Group's Code of Conduct is available on the Group's website at https://www.venusmetals.com.au/company/corporate-governance.</p>
3.3	<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy. 	Y	<p>The Group has introduced a Whistleblower Policy in December 2019, which reflects the amended Australian whistleblowing laws passed in February 2019 and effective 1 January 2020.</p> <p>The Whistleblower Policy is a practical tool for helping the Group identify non-compliant conduct that may not be uncovered unless there is a safe and secure means for disclosing such conduct. The Policy is available at Group's website at https://www.venusmetals.com.au/company/corporate-governance.</p>
3.4	<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy. 	Y	<p>The Group's position on bribery and corruption are covered in the Group's Anti-Bribery and Corruption Policy and is available on the Group's website https://www.venusmetals.com.au/company/corporate-governance.</p>
Principle 4 - Safeguard integrity in corporate reports			
4.1	<p>The board of a listed entity should:</p> <ul style="list-style-type: none"> (a) have an audit committee which: <ul style="list-style-type: none"> (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: <ul style="list-style-type: none"> (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner. 	Y	<p>The Board has established an Audit Committee and adopted an Audit Committee Charter which describes the role, composition functions and responsibilities of the Audit Committee.</p> <p>The members of the Audit Committee are Peter Hawkins (Chair), Barry Fehlberg, Matthew Hogan, and the Company Secretary, Patrick Tan.</p> <p>All members of the Audit Committee consider themselves to be financially literate and have an understanding of the industry in which the Group operates. The details of qualifications and experience of each Committee member are detailed in the Directors Report above.</p> <p>The Group has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Group through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Group's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee (or its equivalent) and any recommendations are made to the Board.</p> <p>The Group's Audit Committee Charter and the Group's Procedure for Selection, Appointment and Rotation of External Auditor are available on the Group's website.</p>

Principle	Corporate Governance Council Recommendation	Conform (Y/N)	Disclosure
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Y	The Managing Director and Chief Financial Officer/Company Secretary declared in writing to the Board that the financial records of the Group for the financial year have been properly maintained, the Group's financial reports for the Reporting Period comply with accounting standards and present a true and fair view of the Group's financial condition and operation results. The statement is required annually.
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Y	<p>The Group has implemented process to verify certain periodic corporate reports prepared and released during the Reporting Period, where those reports are not subject to audit or review by an external auditor, to satisfy itself that each report was materially accurate and balanced and provided investors. With appropriate information to make investment decisions. Such periodic corporate reports are drafted by staff with responsibility for, or expertise in, the subject matter and are verified, including by documenting the sources of information and consultation undertaken within the Group or with external parties.</p> <p>The Board or, where appropriate, Board committees, review and approve statutory and other periodic corporate reports prior to release to the market.</p>
Principle 5 - Make timely and balanced disclosure			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Y	The Group has established written policies and procedures for complying with its continuous disclosure obligations under the ASX Listing Rules. A summary of the Group's <i>Policy on Continuous Disclosure</i> is disclosed on the Group's website https://www.venusmetals.com.au/company/corporate-governance .
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Y	Copies of all material market announcements are provided to the Group's Board immediately after they have been made.
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Y	The Group releases a copy of materials for all new and substantive investor and analyst presentations to the ASX Market Announcement Platform ahead of such presentations. These presentations include results presentations as well as presentations given at the Group's Annual General Meeting, at investor days and to broker conferences.
Principle 6 - Respect the rights of security holders			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Y	The Group provides information about itself and its governance to security holders via the Investor Centre on its website at https://www.venusmetals.com.au/company/corporate-governance .
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Y	The Group has implemented an investor relations program, which includes the Annual General Meeting to facilitate effective two-way communication with investors. The program is set out in the <i>Shareholder Communication Policy</i> at https://www.venusmetals.com.au/company/corporate-governance .

Principle	Corporate Governance Council Recommendation	Conform (Y/N)	Disclosure
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Y	The Group has in place a <i>Shareholder Communication Policy</i> which outlines the policies and processes that it has in place to facilitate and encourage participation at meeting of shareholders.
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Y	The Group ensures that all substantive resolutions at meeting of security holders are decided by a poll rather than by a show of hands.
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Y	Shareholders are given the option to receive communications from, and send communications to, the Group and its share registry electronically. The contact details of the Group and its share registry are available on the website. Further, shareholders may register to receive ASX Announcements through the website.
Principle 7 - Recognise and manage risk			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	N	<p>The Board has adopted a Risk Management Policy, which sets out the Group's risk profile. Under the policy, the Board is responsible for approving the Group's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.</p> <p>Under the policy, the Board delegates day-to-day management of risk to the Managing Director, who is responsible for identifying, assessing, monitoring and managing risks. The Managing Director is also responsible for updating the Group's material business risks to reflect any material changes, with the approval of the Board.</p> <p>In fulfilling the duties of risk management, the Managing Director may have unrestricted access to Group employees, contractors and records and may obtain independent expert advice on any matter he/she deems appropriate, with the prior approval of the Board.</p> <p>In addition, the following risk management measures have been adopted by the Board to manage the Group's material business risks:</p> <ul style="list-style-type: none"> the Board has established authority limits for management, which, if proposed to be exceeded, requires prior Board's approval; the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Group's continuous disclosure obligations; and the Board has adopted a corporate governance manual which contains other policies to assist the Group to establish and maintain its governance practices. <p>The Group considers the following categories of risk to have a material effect impact its business and hence are included in the Group's risk profile.</p> <ul style="list-style-type: none"> Financial reporting; Operational; Environmental; Sustainability; Occupational Health & Safety; Ethical conduct; Reputation; and Legal and Compliance.

Principle	Corporate Governance Council Recommendation	Conform (Y/N)	Disclosure
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Y	<p>The Board has required management to design, implement and maintain risk management and internal control systems to manage the Group's material business risks. The Board also requires management to report to it confirming that those risks are being managed effectively. The Board has received a report from management as to the effectiveness of the Group's management of its material business risks for the Reporting Period.</p> <p>The Managing Director has provided assurance in writing to the Board that the Group's financial reports are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.</p> <p>Monthly actual results are reported against budgets approved by the Directors and revised forecasts for the year are prepared regularly.</p> <p>All Directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group.</p> <p>Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Group. The Board has developed procedures to assist Directors to disclosed potential conflict of interest.</p> <p>Where the Board believes that a significant conflict exists for a Director on a board matter, the Director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered.</p> <p>A summary of the Group's <i>Risk Management Policy</i> is available on the Group's website.</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	N	<p>The Group does not have an internal audit function. To evaluate and continually improve the effectiveness of the Group's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Group's <i>Risk Management Policy</i> at https://www.venusmetals.com.au/company/corporate-governance.</p>

Principle	Corporate Governance Council Recommendation	Conform (Y/N)	Disclosure						
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	Y	<p>Using its risk management framework, the Board has identified the following risk categories – liquidity, strategic risk, operational, environmental, compliance, human capital, workplace, health and safety, financial reporting, market and commodity related.</p> <p>As the Group is not in production nor has any major operations, the Group has not identified any material exposure to any economic, environmental and/or social sustainability risks.</p> <table><tr><th>Economic risk</th><th>Mitigation strategies</th></tr><tr><td>Market risk – movements in commodity prices</td><td>The group manages its exposure to market risk by monitoring market conditions and making decisions based on industry experience.</td></tr><tr><td>Future capital – cost and availability of funds to meet the Group's business needs</td><td>The Group monitors its cash reserves and manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance requirements to finance the group's current and future operations.</td></tr></table>	Economic risk	Mitigation strategies	Market risk – movements in commodity prices	The group manages its exposure to market risk by monitoring market conditions and making decisions based on industry experience.	Future capital – cost and availability of funds to meet the Group's business needs	The Group monitors its cash reserves and manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance requirements to finance the group's current and future operations.
Economic risk	Mitigation strategies								
Market risk – movements in commodity prices	The group manages its exposure to market risk by monitoring market conditions and making decisions based on industry experience.								
Future capital – cost and availability of funds to meet the Group's business needs	The Group monitors its cash reserves and manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance requirements to finance the group's current and future operations.								
Principle 8 - Remunerate fairly and responsibly									
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	Y	<p>The Board has established a Remuneration Committee. The members of the Remuneration Committee are Peter Hawkins (Chair), Matthew Hogan and Barry Fehlberg.</p> <p>During the year the Remuneration Committee has met to discuss the remuneration of the Executive Directors.</p> <p>The members of the Committee collectively have appropriate skills, and a sufficient understanding of the business and industry sector in which the Group operates, to discharge the Committee's mandate effectively.</p>						
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Y	Details of remuneration, including the Group's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report above.						

Principle	Corporate Governance Council Recommendation	Conform (Y/N)	Disclosure
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	N/A	The Group does not have an equity-based remuneration scheme and this recommendation is therefore not applicable.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	4	1,030	137,254
Other income	4	32,474	68,268
Gain on disposal of tenements		-	1,393,230
Profit / (Loss) on sale of investments		174,803	(126,310)
Profit on sale of fixed assets		29,818	-
Employee benefit expenses	5	(1,090,097)	(1,181,523)
Exploration expense		(4,966,710)	(3,439,858)
Depreciation and amortisation expense		(66,277)	(88,859)
Changes in market value of shares		(1,030,157)	476,525
Other expenses		(432,274)	(247,662)
Loss before income tax		(7,347,390)	(3,008,935)
Income tax	6	-	-
Loss for the year		(7,347,390)	(3,008,935)
Other comprehensive income		-	-
Income tax on other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(7,347,390)	(3,008,935)
Net loss attributable to:			
Owners of the Company		(7,347,390)	(3,008,935)
Net loss for the year		(7,347,390)	(3,008,935)
Total comprehensive loss attributable to:			
Owners of the Company		(7,347,390)	(3,008,935)
Total comprehensive loss for the year		(7,347,390)	(3,008,935)
Earnings per share			
Basic loss per share	8	(0.049)	(0.020)
Diluted loss per share	8	(0.049)	(0.020)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	5,476,698	4,695,313
Trade and other receivables	9	277,561	2,686,846
Financial assets at fair value through profit or loss	25	1,004,167	2,034,323
Prepayments		138,181	177,698
TOTAL CURRENT ASSETS		6,896,607	9,594,180
NON-CURRENT ASSETS			
Property, plant and equipment	11	194,924	181,261
Capitalised acquisition costs	12	2,278,957	2,278,957
Right-of-use assets	13	21,421	42,841
TOTAL NON-CURRENT ASSETS		2,495,302	2,503,059
TOTAL ASSETS		9,391,909	12,097,239
CURRENT LIABILITIES			
Trade and other payables	14	313,612	425,954
Employee benefits	15	124,495	75,358
Lease liability	13	26,113	26,113
Other current liabilities	16	4,546,990	1,934,702
TOTAL CURRENT LIABILITIES		5,011,210	2,462,127
NON-CURRENT LIABILITIES			
Lease liability	13	1,058	27,011
TOTAL NON-CURRENT LIABILITIES		1,058	27,011
TOTAL LIABILITIES		5,012,268	2,489,138
NET ASSETS		4,379,641	9,608,101
EQUITY			
Share capital	17	36,002,702	33,941,282
Reserves	17	4,708,479	4,650,969
Accumulated losses		(36,331,540)	(28,984,150)
TOTAL EQUITY		4,379,641	9,608,101

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	Attributable to owners of the Company			
	Share Capital	Share Options Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
As at 1 July 2021	33,941,282	4,650,969	(28,984,150)	9,608,101
Total comprehensive income for the year				
Loss for the year	-	-	(7,347,390)	(7,347,390)
Total comprehensive loss for the year	-	-	(7,347,390)	(7,347,390)
Transactions with owners recorded directly into equity				
<i>Contributions by and distributions to owners</i>				
Issue of ordinary shares	2,070,000	-	-	2,070,000
Issue of options as share-based payments	-	57,510	-	57,510
Transaction costs	(8,580)	-	-	(8,580)
Balance at 30 June 2022	36,002,702	4,708,479	(36,331,540)	4,379,641

	Attributable to owners of the Company			
	Share Capital	Share Options Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
As at 1 July 2020	33,941,282	4,348,172	(25,975,215)	12,314,239
Total comprehensive income for the year				
Loss for the year	-	-	(3,008,935)	(3,008,935)
Total comprehensive loss for the year	-	-	(3,008,935)	(3,008,935)
Transactions with owners recorded directly into equity				
<i>Contributions by and distributions to owners</i>				
Issue of options as share-based payments	-	302,520	-	302,520
Options fees received	-	277	-	277
Balance at 30 June 2021	33,941,282	4,650,969	(28,984,150)	9,608,101

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		1,030	134,024
Cash paid to suppliers and employees		(1,751,772)	(1,333,277)
Exploration expenditure (net of JV cash calls)		(2,140,056)	(1,762,577)
Cash flow boost received		-	37,500
R&D tax credit		32,474	30,768
Net cash flows used in operating activities	10 (b)	(3,858,324)	(2,893,562)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of plant and equipment		(45,732)	(40,856)
Acquisition of listed investments		-	(50,000)
Proceeds from sale of fixed assets		1,818	-
Acquisition of exploration tenements		-	(15,700)
Proceeds from sale of listed investments		174,803	4,733,930
Proceeds from sale of tenements		2,475,000	-
Net cash flows provided by investing activities		2,605,889	4,627,374
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares (net of costs)		2,061,420	-
Payment of finance lease liability		(27,600)	(13,800)
Proceeds from issues of unlisted options		-	277
Net cash flows provided by / (used in) financing activities		2,033,820	(13,523)
Net increase in cash and cash equivalents		781,385	1,720,289
Cash and cash equivalents at 1 July		4,695,313	2,975,024
Cash and cash equivalents at 30 June	10(a)	5,476,698	4,695,313

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 1 Reporting entity

Venus Metals Corporation Limited (the “Company”) is a company domiciled in Australia. The Company’s registered address is at Unit 2, 8 Alvan Street, Subiaco, WA 6008, Australia. The consolidated financial statements of the Group as at and for the year ended 30 June 2022 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group Entities”) and the Group’s jointly controlled entities. The Group is a for-profit entity and primarily is involved in exploration for gold, rare earths, lithium, base metals and vanadium.

Note 2 Summaries of significant accounting policies

(a) Basis of Preparation

The consolidated financial statements are a general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). The consolidated financial statements are presented in Australian Dollars (AUD).

Except for cashflow information, the consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The consolidated financial statements were authorised for issue by the Board of Directors on 29 September 2022.

(b) Going concern

The financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation and extinguishment of liabilities in the ordinary courses of business.

For the year ended 30 June 2022 the Group incurred a loss of \$7,347,390 (2021: loss of \$3,008,935) and had working capital excess of \$1,885,397 (2021: Working capital excess of \$7,132,053). Based upon the Group’s existing cash resources and short-term investments of \$6,480,865 (2021: \$6,729,636) the ability to modify expenditure outlays if required, and to source additional funds, the Directors consider there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable, and therefore the going concern basis of preparation is considered to be appropriate for the Group’s 2022 financial report.

The Board of Directors is aware of the Group’s working capital requirements and the need to access additional equity funding or asset divestment if required within the next 12 months.

In the event that the Group is not able to continue as a going concern, it may be required to realise assets and extinguish liabilities other than in the normal course of business and perhaps at amounts different to those stated in its financial report.

(c) New and Amended Accounting Standards Adopted by the Group

The Group has considered the implications of new and amended Accounting Standards which have become applicable for the current financial reporting period.

- **AASB 2021-3: Amendments to Australian Accounting Standards – COVID-19 Related Rent Concessions beyond 30 June 2021**

The Group has applied AASB 2021-3: *Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions beyond 30 June 2021* this reporting period.

The amendment amends AASB 16 to extend by one year, the application of the practical expedient added to AASB 16 by AASB 2020-4: *Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions*. The practical expedient permits lessees not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and instead, to account for those rent concessions as if they were not lease modifications. The amendment has not had a material impact on the Group’s financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

▪ **AASB 2020-8: Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2**

The Group has applied AASB 2020-8 which amends various standards to help listed entities to provide financial statement users with useful information about the effects of the interest rate benchmark reform on those entities' financial statements. As a result of these amendments, an entity:

- will not have to derecognise or adjust the carrying amount of financial statements for changes required by the reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;
- will not have to discontinue its hedge accounting solely because it makes changes required by the reform, if the hedge meets other hedge accounting criteria; and
- will be required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates. The amendment has not had a material impact on the Group's financials.

This amendment amends Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of Conceptual Framework for Financial Reporting by the AASB.

The standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(d) New and Amended Accounting Policies Not Yet Adopted by the Group

▪ **AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current**

The amendment amends AASB 101 to clarify whether a liability should be presented as current or non-current. The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The amendment is not expected to have a material impact on the financial statements once adopted.

▪ **AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments**

AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments is an omnibus standard that amends AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141. The Group plans on adopting the amendment for the reporting period ending 30 June 2023. The impact of the initial application is not yet known.

▪ **AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates**

The amendment amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. These amendments arise from the issuance by the IASB of the following International Financial Reporting Standards: Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) and Definition of Accounting Estimates (Amendments to IAS 8).

The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

▪ **AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

The amendment amends the initial recognition exemption in AASB 112: *Income Taxes* such that it is not applicable to leases and decommissioning obligations – transactions for which companies recognise both an asset and liability and that give rise to equal taxable and deductible temporary differences. The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

(e) Significant accounting policies

Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Venus Metals Corporation Limited) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 19.

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

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

Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a "joint venture" and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

Details of the Group's interests in joint arrangements are provided in Note 23.

Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- (i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- (ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

(f) Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(g) Jointly controlled operations

A jointly controlled operation is a joint venture by each venture using its own assets in pursuit of the joint operations. The consolidated financial statements include the assets that the Group controls and the liabilities that it incurs in the course of pursuing the joint operations, and the expenses that the Group incurs and its share of the income that it earns from the joint operation.

(h) Income tax

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and associates and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- The cost of materials and direct labour,
- Any other costs directly attributable to bringing the assets to a working condition for their intended use,
- When the Group has an obligation to remove the assets or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located, and
- Capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as difference between the net proceeds from the disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date the asset is completed and ready for use.

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a reducing balance basis over their useful lives to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Plant and equipment	40%
Computer equipment	40%
Motor vehicles	40%
Building improvements	40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to accumulated losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

(j) Exploration and development expenditure

Exploration and evaluation costs are expensed as incurred. Acquisition expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

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

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

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

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

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

(k) Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement

Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through other comprehensive income (Equity instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading.

Financial assets at fair value through profit or loss (FVPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. The Group's financial assets at FVPL is disclosed in Note 25 to the financial statements.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Impairment

From 1 July 2019, the Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition

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

Derecognition of financial liabilities

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

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

Derecognition of financial assets

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

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

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

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

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

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

(l) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

(m) Revenue recognition

Interest Income

Interest income is recognised using the effective interest method.

Government Grant

An unconditional government grant is recognised in the statement of profit or loss as other income when the grant becomes receivable. Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same period in which the expenses are recognised.

Research and development tax incentives are recognised in the statement of profit or loss as other income when received or when the amount to be received can be reliably estimated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

(n) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

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

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are generally paid within 30 days of recognition.

(p) Earnings per share

(i) Basic earnings per share

Basic earnings per share is determined by dividing net profits after income tax attributable to members of the Group, 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 during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking 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.

(q) Critical accounting estimates and judgments

The Directors evaluated estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained externally.

(i) Key Estimates – Impairment

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

(ii) Acquisition Costs

The Group is required to estimate whether there has been an impairment of mineral acquisition costs capitalised.

(iii) Option and Performance Right Valuations

Estimating the fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or performance right, volatility and making assumptions about them.

The fair value is determined by a valuation using the Black Scholes Option Pricing Model, using the assumptions detailed in Note 18.

(r) Financial risk management objectives and policies

The Group's principal financial instruments comprise cash and cash equivalents and financial assets at FVPL.

The main risks arise from the Group's financial instruments are fair value interest rate risks and market risks. The Board reviews and agrees policies for managing this risk are summarised below.

Details of the significant accounting policies and methods adopted, including the criterion for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed elsewhere in Note 2 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

(i) Interest Risk

The Group's exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market rates.

(ii) Credit Risk

The Group does not have any material credit risk exposure to any single debtor under financial instruments.

(iii) Liquidity Risk

The Group manages liquidity risk by monitoring forecast cash flows.

(s) Interest in joint ventures

(i) Reimbursement of the joint venture operator's costs

When the Group, acting as an operator, receives reimbursement of direct costs recharges to the joint venture such recharges represent reimbursements of cost that the operator incurred as an agent for the joint venture and therefore have no effect on the consolidated statement of comprehensive income.

In many cases, the Group also incurs certain general overhead expenses in carrying out activities on behalf of the joint venture. As these costs can often not be specifically identified, joint venture agreements allow the operator to recover the general overhead expenses incurred by charging an overhead fee that is based on a fixed percentage of the total costs incurred for the year, often in the form of a management fee. Although the purpose of this recharge is very similar to the reimbursement of direct costs, the Group is not acting as an agent in this case. Therefore, the general overhead expenses and the overhead fee are recognised in the consolidated statement of comprehensive income as an expense and income respectively.

(ii) Jointly controlled assets

A jointly controlled asset involves joint control and offers joint ownership by the Group and other ventures of assets contributed to or acquired for the purpose of the joint venture, without the formation of a corporation partnership or other entity.

Where the Group's activities are conducted through jointly controlled assets, the Group recognises its share of jointly controlled assets, and liabilities it has incurred, its share of liabilities incurred jointly with other venturers, related revenue and operating costs in the consolidated financial statements and share of their production.

(iii) Jointly controlled entities

A jointly controlled entity is a corporation, partnership or other entity in which each venturer holds an interest. A jointly controlled entity operates in the same way as other entities, except that a contractual arrangement established joint control. A jointly controlled entity controls the assets of the joint venture earns its own income and incurs its own liabilities and expenses. Interests in jointly controlled entities are accounted for using the equity method.

Under the equity method, the investment in the joint venture is carried in the consolidated statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The consolidated statement of comprehensive income reflects the Group's share of the result of operations of the joint venture. Where there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The share of the joint venture net profit is shown on the face of the consolidated statement of comprehensive income. This is the profit attributable to venturers in the joint venture.

The consolidated financial statements of the joint controlled entities are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the account policies in line with those of the Group.

(t) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flow at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

(u) Employees benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 18.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

(v) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112: *Income Taxes* and AASB 119: *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2: *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5: *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* or AASB 137: *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

(w) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(x) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred. subsequently measured at amortised cost using the effective interest method.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 3 Operating segments

The Group operates predominantly in the mineral exploration industry in Australia. For management purposes, the Group is organised into one main operating segment which involves the exploration of minerals in Australia. All of the Group's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

The financial results from this segment are equivalent to the financial statements of the Group as a whole.

Geographical information

The Group operates solely in one country, Australia.

Note 4 Revenue and other income

	2022	2021
	\$	\$
Interest income*	1,030	134,024
Others	-	3,230
Revenue	1,030	137,254
R&D Tax credit	32,474	30,768
Cash flow boost	-	37,500
Other income	32,474	68,268

*Interest income in prior year of \$133K was from treasury bonds. They were cashed out during the year. Hence, the significant decrease in interest income.

Note 5 Employee benefits expense

	2022	2021
	\$	\$
Wages and salaries	938,616	796,149
Compulsory social security contributions	93,971	82,854
Share-based payment transaction expense	57,510	302,520
	1,090,097	1,181,523

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 6 Income tax

	2022 \$	2021 \$
(a) Numerical reconciliation of income tax expense to prima facie tax payable		
Accounting loss before income tax	(7,347,390)	(3,008,935)
Less: R&D tax credit	(32,474)	(30,768)
Loss from continuing operations before tax credit	(7,379,864)	(3,039,703)
Prima facie tax benefit from ordinary activities at 25.0% (2021: 30.0%)	(1,844,966)	(911,911)
Tax effect of amounts which are not deductible in calculating taxable income (including R&D tax credit)	15,479	91,319
Movement in unrecognised temporary differences	398,480	(434,589)
Tax effect of current year losses for which no deferred tax assets have been recognised	1,431,007	1,255,181
Income tax expense	-	-
	2022 \$	2021 \$
(b) Tax losses		
Revenue losses	29,497,064	23,773,035
Capital losses	1,001,631	-
Total	30,498,695	23,773,035
Potential tax benefit at 25.0% (2021: 30.0%)	7,624,674	7,131,910

The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future profit will be available against which the Group can utilise the benefit.

(c) Deferred tax asset / (liability) not brought to account and carried forward in relation to:

	2022 \$	2021 \$
Tax losses	7,624,674	7,131,910
Section 40-880 deduction	102,266	95,831
Exploration acquisition costs	(477,029)	(572,834)
Prepayment	(34,546)	(53,309)
Provisions	39,595	32,333
Plant & Equipment	(31,228)	(32,015)
	7,223,732	6,601,916

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 7 Related party disclosures

Key management personnel compensation

	2022	2021
	\$	\$
Short-term employee benefits	505,000	410,000
Post-employment benefits	48,815	38,950
Other costs	37,537	(9,947)
Share-based payments	-	204,213
	591,352	643,216

Information regarding individual directors' and executives' compensation and some equity instruments disclosures as required by Corporate Regulation 2M.3.03 is provided in the remuneration report section of the Directors' Report.

Apart from the details disclosed in this note, no director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving Director's interests existing at year-end.

Transactions with related parties

Transaction between each parent company and its subsidiary which are related parties of that Company are eliminated on consolidation and are not disclosed in this note.

Loan to key management personnel and their related parties

There are no loans made to directors or other key management personnel of the Company or the Group.

Key management personnel and director transaction

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

Zoe Hogan, daughter of Mr Matthew Hogan, is an employee of the Company. She received total remuneration inclusive of superannuation during the financial year of \$52,617 (2021: \$42,000) as Office Administrator.

There were no other transactions with related parties during the year.

Note 8 Loss per share

The calculation of basic and diluted loss per share for the years ended 30 June 2022 and 30 June 2021 were based on the following:

	2022	2021
	\$	\$
Net loss attributable to ordinary equity holders of the Company	(7,347,390)	(3,008,935)
	2022	2021
	No.	No.
Weighted average number of ordinary shares used in calculating basic loss per share	150,689,427	151,078,683

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Note 8 Loss per share (continued)

	2022 No.	2021 No.
<i>Effect of dilution:</i>		
Share options	8,525,000	11,775,000
Performance rights	7,500,000	7,500,000
Adjusted weighted average number of ordinary shares (diluted) used in calculating basic diluted loss per share	166,714,427	170,353,683
	2022 \$	2021 \$
Basic loss per share	(0.049)	(0.020)
Diluted loss per share	(0.049)	(0.020)

Note 9 Trade and other receivables

	2022 \$	2021 \$
Receivables from a joint venture partner	-	25,647
Receivable from the sale of Yalgoo Iron Ore Project ⁽¹⁾	-	2,608,097
Other receivables	277,561	53,102
	277,561	2,686,846

⁽¹⁾ Payment was received on 1 July 2021.

None of the receivables are past due or impaired.

Note 10 Cash and cash equivalents

(a) Cash and cash equivalents

	2022 \$	2021 \$
Cash at bank and on hand	5,476,698	4,695,313
	5,476,698	4,695,313

Cash at bank earns interest at floating rates based on daily bank deposit rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 10 Cash and cash equivalents (continued)

(b) Reconciliation of cash flows from operating activities

	2022 \$	2021 \$
Loss for the year	(7,347,390)	(3,008,935)
<i>Adjustments for:</i>		
- Loss on sale of listed investments	-	126,310
- Depreciation and amortisation	66,277	88,859
- Share-based payment transaction expenses	57,510	302,520
- Interest on lease	1,647	-
- Profit on disposal of fixed assets	(29,818)	-
- Gain on sale of tenements	-	(1,393,230)
- Fair value loss / (gain) on revaluation of listed investments	1,030,157	(476,525)
- Interest income	-	2,665
<i>Changes in:</i>		
- Prepayments	39,517	(5,803)
- Trade and other receivables	(65,715)	(44,752)
- Trade and other payables	(112,342)	(152,866)
- Employee benefits	49,137	(9,086)
- Other current liabilities	2,452,696	1,677,281
Net cash used in operating activities	(3,858,324)	(2,893,562)

(c) Non-cash financing and investing activities

	2022 \$	2021 \$
(i) Sale of 0% (2021: 50%) interest in Yalgoo Iron Ore Project to FIJV Pty Ltd for a consideration of \$nil (2021: \$2.5 million).		
Cash consideration	-	2,500,000
Cost of tenement	-	(1,106,770)
Gain on sale	-	1,393,230

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 11 Property, plant and equipment

	Motor vehicles \$	Plant & equipment \$	Total \$
Cost			
Balance 1 July 2021	222,080	502,606	724,686
Additions	63,458	4,340	67,798
Disposals	-	-	-
Balance at 30 June 2022	285,538	506,946	792,484
Balance 1 July 2020	222,080	461,750	683,830
Additions	-	40,856	40,856
Disposals	-	-	-
Balance at 30 June 2021	222,080	502,606	724,686
Accumulated depreciation			
Balance 1 July 2021	185,725	357,700	543,425
Depreciation charge for the year	15,682	38,453	54,135
Balance at 30 June 2022	201,407	396,153	597,560
Balance 1 July 2020	176,538	293,972	470,510
Depreciation charge for the year	9,187	63,728	72,915
Balance at 30 June 2021	185,725	357,700	543,425
Carrying amounts			
At 30 June 2022	84,131	110,793	194,924
At 30 June 2021	36,355	144,906	181,261

Note 12 Capitalised acquisition costs

	2022 \$	2021 \$
Cost		
Balance at 1 July	5,260,390	6,371,460
Acquisition costs during the year	-	15,700
Disposal during the year ⁽¹⁾	-	(1,126,770)
Balance at 30 June	5,260,390	5,260,390
Impairment		
Balance at 1 July	(2,981,433)	(2,981,433)
Impairment	-	-
Balance at 30 June	(2,981,433)	(2,981,433)
Carrying amounts	2,278,957	2,278,957

The ultimate recoupment of capitalised acquisition costs carried forward is dependent on successful development and commercial exploitation or, alternatively, sale of the respective project areas.

⁽¹⁾ On 30 June 2021, the Group completed the sale of the 50% interest in the Yalgoo Iron Ore Project to FIJV Pty Ltd for \$2.5 million in cash. The cost of the tenement was \$1,106,770, making a gain of \$1,393,230.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 13 Right-of-use assets and lease liability

The Group's lease portfolio includes the office lease. The average term of the lease is 3 years with option to extend for an additional 3 years. Where the option to extend is reasonably certain, this has been included in the calculation.

(a) Carrying value

	2022	2021
	\$	\$
Balance at inception of the lease	64,262	64,262
Accumulated depreciation	(42,841)	(21,421)
	21,421	42,841

(b) AASB related amounts recognised in the consolidated statement of profit or loss and other comprehensive income

	2022	2021
	\$	\$
Depreciation expense	21,420	21,421
Interest expenses (included in administrative expenses)	1,647	2,233
	23,067	23,654

(c) Total cash outflows for leases

	2022	2021
	\$	\$
Repayment of lease liability	27,600	-

(d) Option to extend or terminate

The Group uses hindsight in determining the lease term where contract contains option to extend or terminate the lease.

(e) Lease liability

	2022	2021
	\$	\$
Balance at inception of the lease	53,124	50,891
Less: Principal repayments	(27,600)	-
Interest expense on lease liability	1,647	2,233
	27,171	53,124
Current lease liability	26,113	26,113
Non-Current lease liability	1,058	27,011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 13 Right-of-use assets and lease liability (continued)

(f) The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year \$	1-5 years \$	> 5 years \$	Total undiscounted lease liability \$	Lease liability included in the Consolidated Statement of Financial Position \$
30 June 2022					
Lease liability	25,300	2,300	-	27,600	27,171
30 June 2021					
Lease liability	27,600	27,600	-	55,200	53,124

Note 14 Trade and other payables

	2022 \$	2021 \$
Trade payables	240,693	126,213
Accrued expenses	33,083	32,208
Other payables (including GST payable)	39,836	267,533
	313,612	425,954

The Group's exposure to liquidity risk related to trade and other payables is disclosed in Note 21.

Note 15 Employee benefits

	2022 \$	2021 \$
Liability for annual leave	97,041	60,881
Liability for long service leave	27,454	14,477
	124,495	75,358

Note 16 Other current liabilities

	2022 \$	2021 \$
Farmin Agreement	-	9,278
Amount owing to a joint venture partner ⁽¹⁾	4,546,990	1,925,424
	4,546,990	1,934,702

⁽¹⁾ This amount includes a limited recourse loan which amounted to \$4,546,990 (2021: \$1,925,424) advanced by joint venture partner, Rox Resources Limited (Rox) to the Group's subsidiary, Oz Youanmi Gold Pty Ltd, on exploration expenditure pertaining to OYG Joint Venture which was 70% held by Rox.

Oz Youanmi Gold Pty Ltd has opted not to contribute its 30% share of exploration expenditure under the joint venture and entered into a limited recourse loan arrangement and repayment under the Deed of Variation, Assignment and Assumption dated 10 May 22 - (Annexure A - Term Sheet - Youanmi Gold Project Clause 24). The term of the loan is interest free with no fixed maturity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 17 Capital and reserves

Share capital

	2022 \$	2021 \$
160,078,683 (2021: 151,078,683) fully paid ordinary shares	36,002,702	33,941,282

	2022 No.	2021 No.	2022 \$	2021 \$
On issue at 1 July	151,078,683	151,078,683	33,941,282	33,941,282
Issued during the year (at \$0.23 per share)	9,000,000	-	2,070,000	-
Share issue costs	-	-	(8,580)	-
On issue at 30 June	160,078,683	151,078,683	36,002,702	33,941,282

Ordinary shares

The Group does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the Group's residue assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Group.

Capital Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

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

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

Reserves – Share Option Reserve

	2022 \$	2021 \$
As at 1 July	4,650,969	4,348,172
Share-based payment transactions	57,510	302,520
Option fee received	-	277
As at 30 June	4,708,479	4,650,969

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 17 Capital and reserves (continued)

Options	2022 No.	2021 No.
As at 1 July	11,775,000	9,000,000
Issued during the year	-	2,775,000
Exercised during the year	-	-
Lapsed during the year	(3,250,000)	-
As at 30 June	8,525,000	11,775,000

Performance rights	2022 No.	2021 No.
As at 1 July	7,500,000	7,500,000
Issued during the year	-	-
Exercised during the year	-	-
Lapsed during the year	-	-
As at 30 June	7,500,000	7,500,000

Nature and purpose of the share option reserve

Share-based payment reserve

The share option reserve is used to recognise the value of equity-settled share-based payment transaction provided to employees, including key management personnel, as part of their remuneration and the value of issued options issued during the year net of listing costs. Refer to Note 18 for further details of these plans.

Note 18 Share-based payment arrangements

Description of the share-based payment arrangements

Employee Equity Incentive Plan (Plan)

On 11 October 2018 the Company established an incentive plan to replace its previous employee share option plan established on 15 March 2007, under which employees and executive Directors may be offered the opportunity to subscribe for Shares, Options and Performance Rights (**Awards**) to acquire Shares in the Company in order to increase the range of potential incentives available to them and to strengthen links between the Company and its employees.

The Plan is designed to provide incentives to the employees of the Company and to recognise their contribution to the Company's success. Under the Company's current circumstances, the Directors consider that the incentives to employees are a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure employees and Directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Plan is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 18 Share-based payment arrangements (continued)

Reconciliation of outstanding unlisted share options

The number and weighted average exercise prices (WAEP) of, and movements in, unlisted share options during the year are as follows:

	Number of options 2022	WAEP 2022	Number of options 2021	WAEP 2021
Outstanding at 1 July	11,775,000	\$0.28	9,000,000	\$0.28
Granted during the year	-	-	2,775,000	\$0.30
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	(3,250,000)	(\$0.25)	-	-
Outstanding at 30 June	8,525,000	\$0.30	11,775,000	\$0.28
Exercisable at 30 June	8,037,500	\$0.30	10,425,000	\$0.28

The options outstanding at 30 June 2022 have an exercise price of \$0.30 (2021: \$0.25 to \$0.30) and weighted average remaining contractual life of years 0.38 (2021: 1.38 years).

The weighted average share price at the date of exercise for share options exercised in 2022 was nil as no unlisted options were exercised (2021: nil).

Directors, employees and consultants' expenses

The expenses recognised for directors, employees and consultants during the year is shown in the following tables:

	2022 \$	2021 \$
Expenses arising from equity-settled share-based transaction	57,510	302,520
Total expenses arising from share-based payment transactions	57,510	302,520

Note 19 Group entities

	Country of Incorporation	Ownership interest 2022	2021
Parent entity			
Venus Metals Corporation Limited			
Subsidiaries			
Redscope Enterprises Pty Ltd	Australia	100%	100%
Oz Youanmi Gold Pty Ltd	Australia	100%	100%
Vanadium Power Corporation Pty Ltd*	Australia	100%	-

*Dormant during the year

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 20 Capital commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure as specified by Department of Mines and Petroleum.

	2022	2021
	\$	\$
Contracted for but not provided and payable		
Less than one year	1,468,193	1,062,837
Between one and five years	3,892,178	3,394,776
More than five years	240,056	268,628
	5,600,427	4,726,241

Note 21 Financial instruments

Financial risk management

Overview

The Group has exposure to the following risks arising from financial instrument:

- credit risk
- liquidity risk
- market risk (interest rate risk and other price risk)

The note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishing and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies. The policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at end of the reporting period are as follows:

	Carrying amount	
	2022	2021
	\$	\$
Cash and cash equivalents	5,476,698	4,695,313
Trade and other receivables	277,561	2,686,846
Financial assets at fair value through profit or loss	1,004,167	2,034,323
	6,758,426	9,416,482

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 21 Financial instruments (continued)

Trade and other receivables

The maximum exposure to credit risk for other receivables at the end of the reporting period by geographic region was as follows:

	Carrying amount	
	2022	2021
	\$	\$
Australia	277,561	2,686,846

Impairment losses

None of the Group's other receivables are past due (2021: nil).

Cash and cash equivalents

The Group held cash and cash equivalents of \$5,476,698 as at 30 June 2022 (2021: \$4,695,313), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with a bank which is rated AA-, by S&P Global Ratings.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 the Group's reputation.

The following are the remaining contractual maturities at the end of the reporting period of financial liabilities, excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
30 June 2022							
Trade and other payables	313,612	(313,612)	(313,612)	-	-	-	-
Lease liability	27,171	(27,171)	-	(26,113)	(1,058)	-	-
	340,783	(340,783)	(313,612)	(26,113)	(1,058)	-	-
30 June 2021							
Trade and other payables	425,954	(425,954)	(425,954)	-	-	-	-
Lease liability	53,124	(53,124)	-	(26,113)	(27,011)	-	-
	479,078	(479,078)	(425,954)	(26,113)	(27,011)	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 21 Financial instruments (continued)

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Interest rate risk

Profile

At the end of the reporting period the interest rate profile of the Group's interest bearing financial instruments as reported to the management of the Group was as follows:

	2022 \$	2021 \$
Variable rate instruments		
Financial assets	6,480,865	6,729,636
Financial liabilities	-	-
	6,480,865	6,729,636

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the end of reporting period would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity	
	100bp increase \$	100bp decrease \$	100bp increase \$	100bp decrease \$
30 June 2022				
Variable rate instruments	(64,809)	64,809	(64,809)	64,809
Cash flow sensitivity (net)	(64,809)	64,809	(64,809)	64,809
30 June 2021				
Variable rate instruments	67,296)	67,296	(67,296)	67,296
Cash flow sensitivity (net)	(67,296)	67,296	(67,296)	67,296

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 21 Financial instruments (continued)

Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors (other than those arising from interest rate risk or foreign currency risk) for commodities.

The Group is also exposed to securities price risk on investments held for trading over the medium to longer terms. Such risk is managed through diversification of investments across industries and geographical locations.

The Group's investments are held in the following sectors at the end of the reporting period:

	2022 %	2021 %
Mining and minerals	100	100
	100	100

Fair values

Fair value versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the consolidated statement of financial position are as follows:

	30 June 2022		30 June 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Assets				
Cash and cash equivalents	5,476,698	5,476,698	4,695,313	4,695,313
Other receivables	277,561	277,561	2,686,846	2,686,846
Other financial assets	1,004,167	1,004,167	2,034,323	2,034,323
	6,758,426	6,758,426	9,416,482	9,416,482
Liabilities				
Trade and other payables	313,612	313,612	425,954	425,954
Lease liability	27,171	27,171	53,124	53,124
Other current liabilities	4,546,990	4,546,990	1,934,702	1,934,702
	4,887,773	4,887,773	2,413,780	2,413,780

Financial risk management objectives

The Group's corporate treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including fair value interest rate risk and price risk), credit risk and liquidity risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 22 Contingent liabilities

Royalty payable under the Henderson Gold-Nickel Project's tenement:

On 9 April 2020, the Company entered into a joint venture agreement with Prospector on exploration tenement E20/520 on the following terms:

- 90% Company and 10% (free-carried interest) Prospector
- The 10% interest can be converted into 1% Net Smelter Royalty at mining stage, payable by the Company to the Prospector, at the election of the Prospector.

No material losses are anticipated in respect of any of the above contingent liabilities.

Note 23 Joint venture

The Company had a 50% interest in the Yalgoo Iron Ore Joint Venture, an unincorporated joint venture whose principal activity is to jointly explore the tenements in Yalgoo, Western Australia with the other 50% joint venture holder, HD Mining & Investments Pty Ltd (HD Mining), for iron ore and if warranted, to develop an iron ore mining operation. The Company and HD Mining agree to fund the joint venture expenditure base on a jointly approved annual operating programs and budgets.

The Company completed the sale of the 50% in the joint venture to FIJV Pty Ltd on 30 June 2021.

The following amounts are included in the Group's consolidated financial statements.

	2022 \$	2021 \$
Current assets	-	25,647
Current liabilities	-	9,278
Expenses for the year	-	108,216

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 24 Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2022 the parent entity of the Group was Venus Metals Corporation Limited.

	2022 \$	2021 \$
Result of parent entity		
Loss for the year	(5,952,727)	(1,197,870)
Other comprehensive income	-	-
Total comprehensive loss for the year	(5,952,727)	(1,197,870)
	2022 \$	2021 \$
Financial position of parent entity at year end		
Current assets	5,891,956	9,594,180
Non-current assets	6,228,214	6,458,242
Total assets	12,120,170	16,052,422
Current liabilities	6,463,671	6,536,172
Non-current liabilities	1,058	27,011
Total liabilities	6,464,729	6,563,183
Net assets	5,655,441	9,489,239
Total equity of the parent entity comprising of:		
Share capital	35,693,023	33,631,603
Reserves	4,708,479	4,650,970
Accumulated losses	(34,746,061)	(28,793,334)
Total equity	5,655,441	9,489,239

Parent entity contingencies

Other than those disclosed in Notes 20 and 22, the parent entity has no other guarantees, capital commitments and contingent liabilities as at 30 June 2022 (2021: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 25 Financial assets at fair value through profit or loss

	2022	2021
	\$	\$
Equity securities ⁽¹⁾	1,004,167	2,033,333
Share options in listed entity	-	990
	<u>1,004,167</u>	<u>2,034,323</u>

⁽¹⁾ The Group holds 37.5 million shares in eMetals Limited (ASX: EMT) and 2,777,778 shares in Rox Resources Limited (ASX: RXL) at reporting date.

The fair value of the equity securities and share options as at 30 June 2022 was based on the ASX quoted market value. These investments are a financial asset at fair value through profit or loss.

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- financial assets at fair value through profit or loss

The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

Fair Value Hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach converts estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach reflects the current replacement cost of an asset at its current service capacity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Note 25 Financial assets at fair value through profit or loss (continued)

The following tables provide the fair values of the Group's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

30 June 2022				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Recurring fair value measurements				
<i>Financial assets</i>				
Financial assets at fair value through profit or loss:				
– Australian listed shares	1,004,167	-	-	1,004,167
– Options - Listed	-	-	-	-
Total financial assets recognised at fair value on a recurring basis	1,004,167	-	-	1,004,167

30 June 2021				
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Recurring fair value measurements				
<i>Financial assets</i>				
Financial assets at fair value through profit or loss:				
- Australian listed shares	2,033,333	-	-	2,033,333
- Options - Listed	990	-	-	990
Total financial assets recognised at fair value on a recurring basis	2,034,323	-	-	2,034,323

Note 26 Auditor's remuneration

	2022	2021
	\$	\$
Audit services		
<i>Auditors of the Group</i>		
Stantons		
Audit and review of financial statements	58,506	44,209

Note 27 Subsequent events

There has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in the future financial years.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Venus Metals Corporation Limited (the "Company"):
 - (a) The consolidated financial statements and notes, and the Remuneration Report in the Directors' Report are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and its performance, for the financial year ended on that date, and
 - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
 - (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and
2. The directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Managing Director for the financial year ended 30 June 2022.
3. The consolidated financial statements also comply with International Financial Reporting Standards as disclosed in note 2(a) to the consolidated financial statements.

Signed in accordance with a resolution of the Directors.



Matthew Vernon Hogan
Managing Director

Perth, Western Australia
29 September 2022

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
VENUS METALS CORPORATION LIMITED**

Report on the Audit of the Financial Report**Opinion**

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

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

- (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

We have determined that there are no key audit matters to be communicated in our report.

Other Information

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

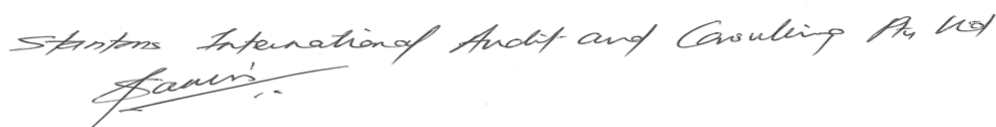
We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

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

Responsibilities

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

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)



Samir Tirodkar

Director

West Perth, Western Australia

29 September 2022

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 15 September 2022.

1. Voting Rights

Ordinary Share

All issued ordinary shares carry voting rights on a one-for-one basis.

Unquoted Options:

There are no voting rights attached to unquoted options.

Unquoted Performance Rights:

There are no voting rights attached to unquoted performance rights

There are no other classes of equity securities.

2. Substantial Shareholders

Ordinary Shareholders	Fully paid ordinary shares Number	Percentage
MORANBAH NOMINEES PTY LTD <CHRIS WALLIN SUPER FUND A/C>	20,064,128	12.53%
PAZIFIK PTY LTD <PAZIFIK A/C>	20,000,000	12.49%
IGO LIMITED	9,000,000	5.62%

3. Distribution of Holders of Ordinary Shares

Category	No of holders	No of ordinary shares	Percentage
1 – 1,000	204	32,847	0.02%
1,001 – 5,000	311	1,046,376	0.65%
5,001 – 10,000	230	1,928,340	1.20%
10,001 – 100,000	531	19,760,344	12.34%
100,001 and over	157	137,310,776	85.78%
Total	1,433	160,078,683	100.00%

The number of shareholders holding less than a marketable parcel of ordinary shares (market value less than \$500) is 361.

ASX ADDITIONAL INFORMATION

4. Distribution of Holders of Unquoted Options

Category	No of holders	No of unquoted options	Percentage
1 – 1,000	0	0	0.00%
1,001 – 5,000	0	0	0.00%
5,001 – 10,000	0	0	0.00%
10,001 – 100,000	0	0	0.00%
100,001 and over	16	8,525,000	100.00%
Total	16	8,525,000	100.00%

5. Distribution of Holders of Unquoted Performance Rights

Category	No of holders	No of unquoted performance rights	Percentage
1 – 1,000	0	0	0.00%
1,001 – 5,000	0	0	0.00%
5,001 – 10,000	0	0	0.00%
10,001 – 100,000	0	0	0.00%
100,001 and over	4	7,500,000	100.00%
Total	4	7,500,000	100.00%

6. Twenty Largest Holders of Quoted Equity Securities

Name	Number	Percentage
Moranbah Nominees Pty Ltd <Chris Wallin Super Fund A/c>	20,064,128	12.53%
Pazifik Pty Ltd <Pazifik A/c>	20,000,000	12.49%
IGO Limited	9,000,000	5.62%
Mr Lafras Luitingh	6,020,155	3.76%
Mr Christopher Ian Wallin	6,000,000	3.75%
Investment Holdings Pty Ltd <Investment Holdings Unit A/c>	5,000,000	3.12%
Mrs Wendy Carolyn Hogan	3,530,000	2.21%
Mrs Marisa Mackow	2,826,000	1.77%
BMP Gold Mines Pty Ltd <Beneficiary Account 2>	2,820,000	1.76%
Bazco Pty Ltd	2,250,000	1.41%
TT Nicolls Pty Ltd <TT Nicholls P/L S/F A/c>	2,245,445	1.40%
Est Mr Peter Piotr Mackow	2,212,962	1.38%
BMP Gold Mines Pty Ltd <Beneficiary Account >	2,066,426	1.29%
HD Mining & Investment Pty Ltd	2,000,000	1.25%
NDPM Pty Ltd <Morris Family Super Fund A/c>	1,800,000	1.12%
BNP Paribas Nominees Pty Ltd <IB Au Noms Retailclient Drp>	1,791,707	1.12%
Aurea Productions Pty Ltd <Japa No 2 A/c>	1,543,630	0.96%
Balthazar Pty Ltd (Balthazar P/L Exec S/F A/c>	1,475,000	0.92%
Yafco Pty Ltd <3 Bears Super Fund No 1 A/c>	1,300,000	0.81%
Squirrell Pty Ltd <Heiton Super Fund A/c>	1,290,000	0.81%
Top 20 Total	95,235,453	59.49%

7. On-Market Buy-Back

There is currently no on-market-buy back.

ASX ADDITIONAL INFORMATION

8. Schedule of Tenements

Project	Tenement	Date of Grant	% Venus Interest	
Youanmi Gold	M57/10	30/05/1984	30%	
	M57/109	03/03/1989		
	M57/135	09/10/1989		
	M57/160A	14/12/1989		
	M57/164	31/01/1990		
	M57/165	31/01/1990		
	M57/166	31/01/1990		
	M57/167	31/01/1990		
	M57/51	25/02/1987		
	M57/75	22/04/1988		
	M57/97	19/05/1988		
Youanmi	E 57/982	5/09/2016	90% Base Metals	45% Gold Youanmi JV
Youanmi	E 57/985	31/03/2016		
Youanmi	E 57/986	28/01/2015		
Currans Well	E 57/1011-I	18/11/2015		
Youanmi	P 57/1365	5/11/2015		
Youanmi	P 57/1366	5/11/2015		
Pincher Well	E 57/1018	5/09/2016	100% Base Metals	50% Gold VMC JV
Pincher Well	E 57/1019-I	20/10/2015		
Youanmi	E 57/1023-I	5/09/2016		
Youanmi	E 57/1078	13/06/2018		
Youanmi	E 57/983	4/02/2015	100%	
Youanmi	E 57/1103	28/05/2019	100%	
Penny West East	E 57/1128	18/02/2020	100%	
Youanmi	E 57/1129	2/07/2020	100%	
Youanmi	E 57/1156	2/03/2021	100%	
Currans Find JV	M57/641	2/07/2018	45%	
Pinchers JV	M57/642	2/07/2018	45%	
Bellchambers/Sandstone	E 57/984	17/03/2015	90%	
	E 57/1152	10/02/2021	100%	
Bridgetown East	E 70/5315	2/07/2020	100%	
	E 70/5316	3/07/2020	100%	
	E 70/5620	22/04/2021	100%	
	E 70/5712	26/08/2021	100%	
Henderson	E 29/1112	2/07/2021	100%	
	E 30/519	5/02/2021	100%	
	E 30/520	17/02/2021	90%	
	E29/1120	4/11/2021	100%	
	E29/1121	4/11/2021	100%	

8. Schedule of Tenements (continued)

Project	Tenement	Date of Grant	% Venus Interest	
Mangaroon North	E 08/3229	22/07/2021	100%	
	E 09/2422	8/07/2021	100%	
	E09/2541	16/05/2022	100%	
Marvel Loch East	E 15/1796	12/07/2021	100%	
Mullewa	E70/5912	18/11/2021	100%	
	E70/5913	18/11/2021	100%	
	E59/2548	24/03/2022	100%	
	E70/5787	21/02/2022	100%	
Narndee North	E 58/561	22/12/2020	100%	
Curara Well	E 52/3068-I	5/01/2016	20%	Curara Well JV (VMC-AIC Mines Ltd)
	E 52/3069-I	10/02/2016	20%	
	E 52/3486	15/05/2018	20%	
	E 52/3487	19/01/2018	20%	
	E 52/3488	15/05/2018	20%	
	E 52/3489	15/05/2018	20%	

