



**Carawine  
Resources**  
Limited ACN 611 352 348

20  
22  
ANNUAL  
REPORT

EXPLORATION • GOLD • COPPER • BASE METALS

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*Corporate Directory*

**Directors**

Mr Hayden Leary, Non-Executive Chairman  
Mr David Boyd, Managing Director  
Mr David Archer, Non-Executive Director  
Mr Martin Lackner, Non-Executive Director

**Company Secretary**

Mr Martin Lackner

**Registered Office**

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**Share Register**

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**Solicitors**

Steinpreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
Perth WA 6000

**Bankers**

Australia and New Zealand Banking Corporation

**Auditors**

HLB Mann Judd (WA Partnership)  
Level 4, 130 Stirling Street  
Perth WA 6000

**Securities Exchange**

Australian Securities Exchange (ASX: **CWX**)

**Website**

[www.carawine.com.au](http://www.carawine.com.au)

**Australian Business Number (ABN)**

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Dear Shareholders,

On behalf of the Directors, I am pleased to report on the Company's activities and events for the year ended 30 June 2022.

The year started with two drill rigs operating at our Thunderstruck JV property at Tropicana North, following up on the Company's previous success at the Hercules gold prospect. This drill program delivered immediately, with the first diamond core hole returning visible gold and high grade assay results. Drilling continued throughout much of the year as the geology and extents of the Hercules mineralisation were explored, with mineralisation now defined along a 340m strike length, to 250m below surface and remaining open. Highlighted results from the program received during the year include:

- 4.61m @ 14.7g/t Au from 165.24m (TNDD001), including 0.5m @ 104g/t Au from 166.7m and 0.9m @ 14.2g/t Au from 168.95m
- 0.95m @ 73.7g/t Au from 60.08m (TNDD002), and 0.65m @ 50.6g/t Au from 92.4m
- 4m @ 40.1g/t Au from 239m, (TNDD014) including 1m @ 137g/t Au from 239m

An improved understanding of the deposit developed by the Company's geology team has opened up potential for significant extensions of the Hercules system into areas not currently tested by drilling, and we look forward to drilling these areas in the coming 12 months.

Discovery success also continued with high grade gold assays returned from the Big Freeze prospect, located about 8km southwest of Hercules, including:

- 5m @ 18.2g/t Au from 38m (TNRC058), including 1m @ 85.5g/t Au from 38m, and 4m @ 0.42g/t Au from 135m

The Big Freeze mineralisation has a similar style to high-grade gold mineralisation at Hercules and is open along strike and down-dip into areas without any previous drilling, representing an exciting new target for further exploration.

Regionally, several new prospects were identified from historic data within the Tropicana North project. Geophysical surveying at Big Bang, within the nearby Fraser Range Project, commenced later in the year resulting in three new bedrock conductor targets being identified. Together, these add to a growing pipeline of quality exploration targets on the Company's majority and 100%-owned tenure, which we look forward to advancing during the coming year.

The Company's established earn-in and joint venture partners were also actively exploring during the year, with programs across the Paterson, Oakover and Fraser Range projects. Most significant was the announcement by Black Canyon Ltd of an Indicated Mineral Resource totalling 104 Mt @ 10.5% manganese for Flanagan Bore, followed by a positive Scoping Study announced subsequent to the reporting period<sup>1</sup>. Flanagan Bore is within the Oakover Project and is part of the "Carawine Joint Venture" where Black Canyon has a 51% interest and is currently earning to 75%. We look forward to further developments from the JV as the year progresses.

The year also saw major change to the Group, with the unsolicited on-market takeover offer by QGold Pty Ltd to acquire all the shares it did not already own in the Company closing with QGold holding an 82.63% interest in the Group.

Over the past year the Group has successfully navigated various challenges, including conducting exploration programs during a time of unprecedented high demand for labour and mining services. Throughout, our dedicated and hard-working team has continued to deliver exploration success, and I thank them for this and their commitment to the Group during the year.

Your Board is committed to continuing the Group's strategy of identifying, acquiring, and exploring its strong portfolio of exploration projects, and is confident this will deliver new discoveries and drive the growth of the Group. I look forward to continued success in the year ahead.

Yours sincerely,



**Mr Hayden Leary**  
Chairman

<sup>1</sup> Refer Black Canyon Black Canyon's ASX announcements 13 April & 18 August 2022



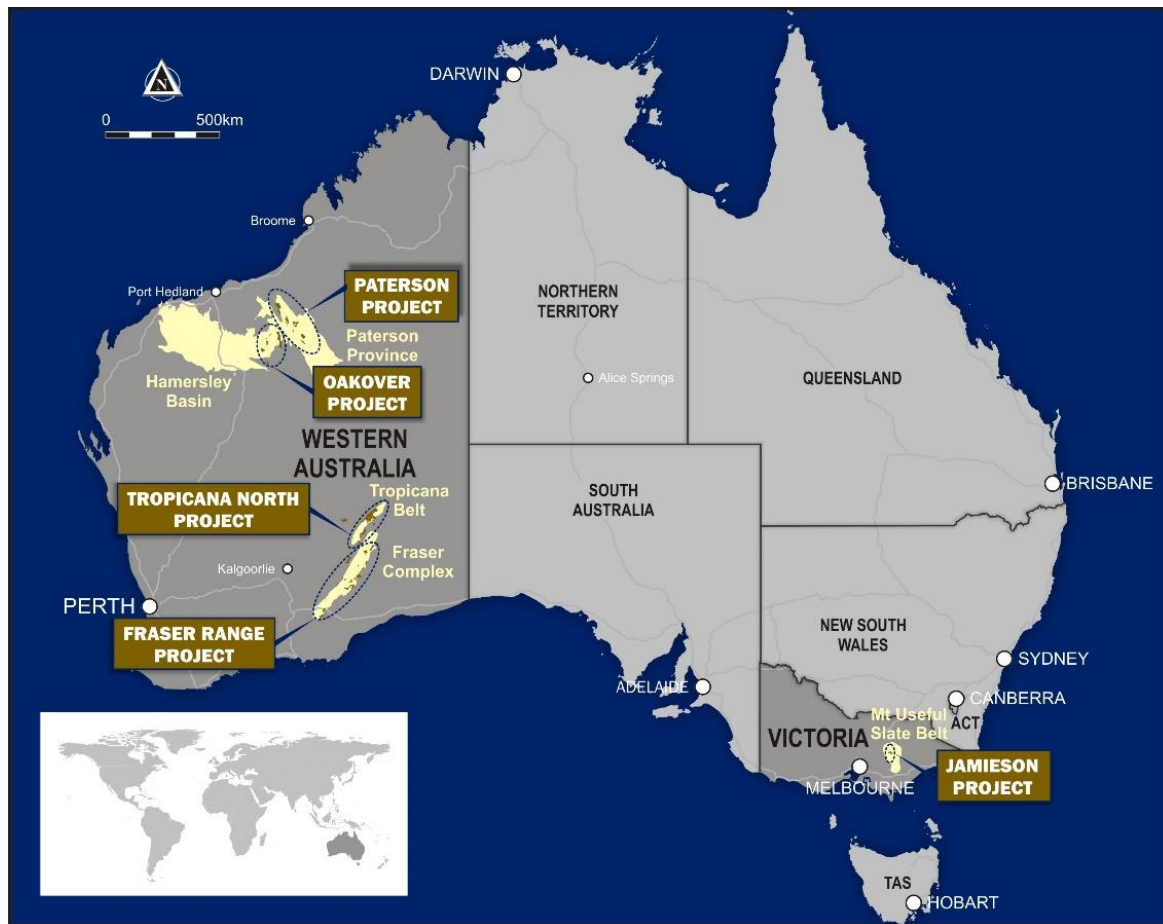


Figure 1: Carawine’s project locations.

**REVIEW OF OPERATIONS - OVERVIEW**

Carawine Resources Limited (“Carawine” or “the Company”) is a dedicated mineral exploration company focussed on creating value for its shareholders through the exploration, discovery and development of mineral deposits. Based in Perth, Western Australia the Group is led by an experienced and successful team with a proven track record of discovery, value creation and corporate transactions.

The Company has five gold, copper and base metal exploration projects, targeting high value deposits in highly prospective, active mineral provinces in Western Australia and Victoria (Figure 1). Part of Carawine’s assets located in Western Australia are held by its wholly owned subsidiary, Phantom Resources Pty Ltd.

In the 12 months to 30 June 2022, the Company focussed exploration on its Tropicana North Gold Project, with follow-up drilling extending high-grade gold mineralisation at the Hercules prospect<sup>1</sup> and discovering new gold mineralisation at the Big Freeze and Banie prospects<sup>2</sup>, all within the Thunderstruck Joint Venture’s Neale tenement<sup>3</sup>. Numerous new prospects, targets, and target areas were also generated within the Tropicana North Project, adding to a growing pipeline of quality targets which the Company plans to test with drilling and other exploration programs during FY2023<sup>4</sup>. Exploration on Carawine’s 100%-owned Fraser Range Nickel Project commenced during the period with a ground geophysical survey at the Big Bang tenement identifying three conductive anomalies as potential nickel-copper sulphide targets, warranting direct drill testing<sup>5</sup>.

In addition to these programs, exploration activities funded and or managed by the Company’s farm-in and joint venture partners during the period included ground and airborne geophysical surveys and drilling programs, targeting nickel, copper-gold and manganese mineralisation within the Fraser Range, Paterson and Oakover Project areas respectively. The highlight of this work was the release by Black Canyon Ltd (“Black Canyon”, ASX:BCA) of an Indicated Mineral Resource estimate for the LR1 and FB3 deposits at the Flanagan Bore Project totalling 104 million tonnes (Mt) @ 10.5% manganese (Mn)<sup>6</sup>, and the subsequent release of a Scoping Study for the Project<sup>7</sup>. Flanagan Bore is part of the Carawine Joint Venture in the East Pilbara region of Western Australia (Black Canyon 51%, earning to 75%).

The Company is looking forward to building on the exploration successes achieved during FY2022, with exploration programs planned across its gold, nickel and copper exploration projects in the coming 12 months, as well as looking forward to the results of continued work by its farm-in and joint venture partners.

At the end of the reporting period the Company had cash reserves of approximately \$3.0 million.

<sup>1</sup> for the latest exploration results related to the Hercules prospect refer ASX announcement dated 26 July 2022  
<sup>2</sup> refer ASX announcements 14 & 19 April 2022  
<sup>3</sup> Thunderstruck Joint Venture: Carawine 90% interest & Thunderstruck Investments Pty Ltd 10% interest; Carawine managing and sole-funding exploration  
<sup>4</sup> refer ASX announcements 1 November 2021 & 4 March 2022  
<sup>5</sup> refer ASX announcement 6 September 2022  
<sup>6</sup> refer Black Canyon’s ASX announcement 13 April 2022  
<sup>7</sup> refer Black Canyon’s ASX announcement 18 August 2022

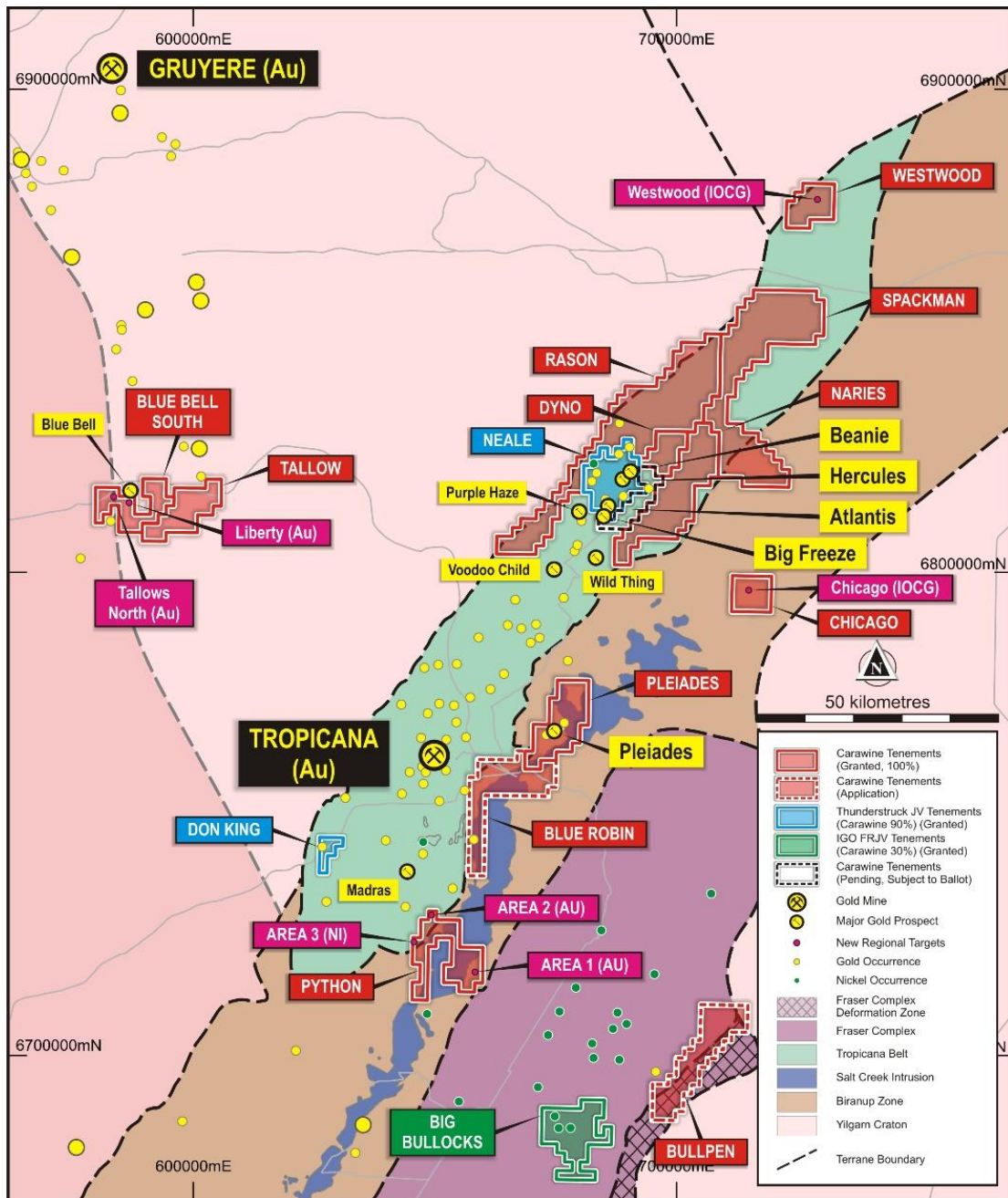
**EXPLORATION ACTIVITIES**

*Tropicana North Gold Project*

The Tropicana North Gold Project is located in the Tropicana and Yamarna regions of Western Australia’s north-eastern goldfields, covering approximately 80km strike of the Tropicana Belt and containing strike extensions of the same or similar rock units and structures to those hosting the large Tropicana gold mine operated by AngloGold Ashanti Australia Ltd (“AGA”) in joint venture with Regis Resources Ltd.

The Project comprises two granted exploration licences (“Neale” and “Don King”) subject to a Joint Venture between Carawine (90% interest) and Thunderstruck Investments Pty Ltd (10% interest) with Carawine as the manager and sole-funding exploration (the “Thunderstruck JV”), plus ten granted exploration licences (“Dyno”, “Chicago”, “Westwood”, “Pleiades”, “Python”, “Bluebell South”, “Rason”, “Spackman” and “Naries”) and two exploration licence applications (“Blue Robin” and “Bobbies”) held 100% by Carawine (Figure 2). Combined, these cover an area of more than 2,100km<sup>2</sup>, making Carawine the second-largest tenement holder in the region behind AGA.

Exploration activities completed during the reporting period were focussed on the Neale tenement, including the completion of a program of follow-up reverse circulation (“RC”) and diamond drilling at the Hercules prospect and an initial phase of RC drilling at the Big Freeze and Beanie prospects.



**Figure 2:** Tropicana North project geology, tenements, and prospects.

At Hercules within the Thunderstruck JV, drilling continued with 6 RC holes totalling 1,050m and 21 diamond holes totalling 6,329.9m completed to May 2022, ending the initial follow-up phase of drilling. This drilling program was designed to define the geology, structure and grade characteristics of gold mineralisation at Hercules, and test its extents along strike and at depth. All assay results from the program have been reported, as well as the results of a structural study completed on the drill core.

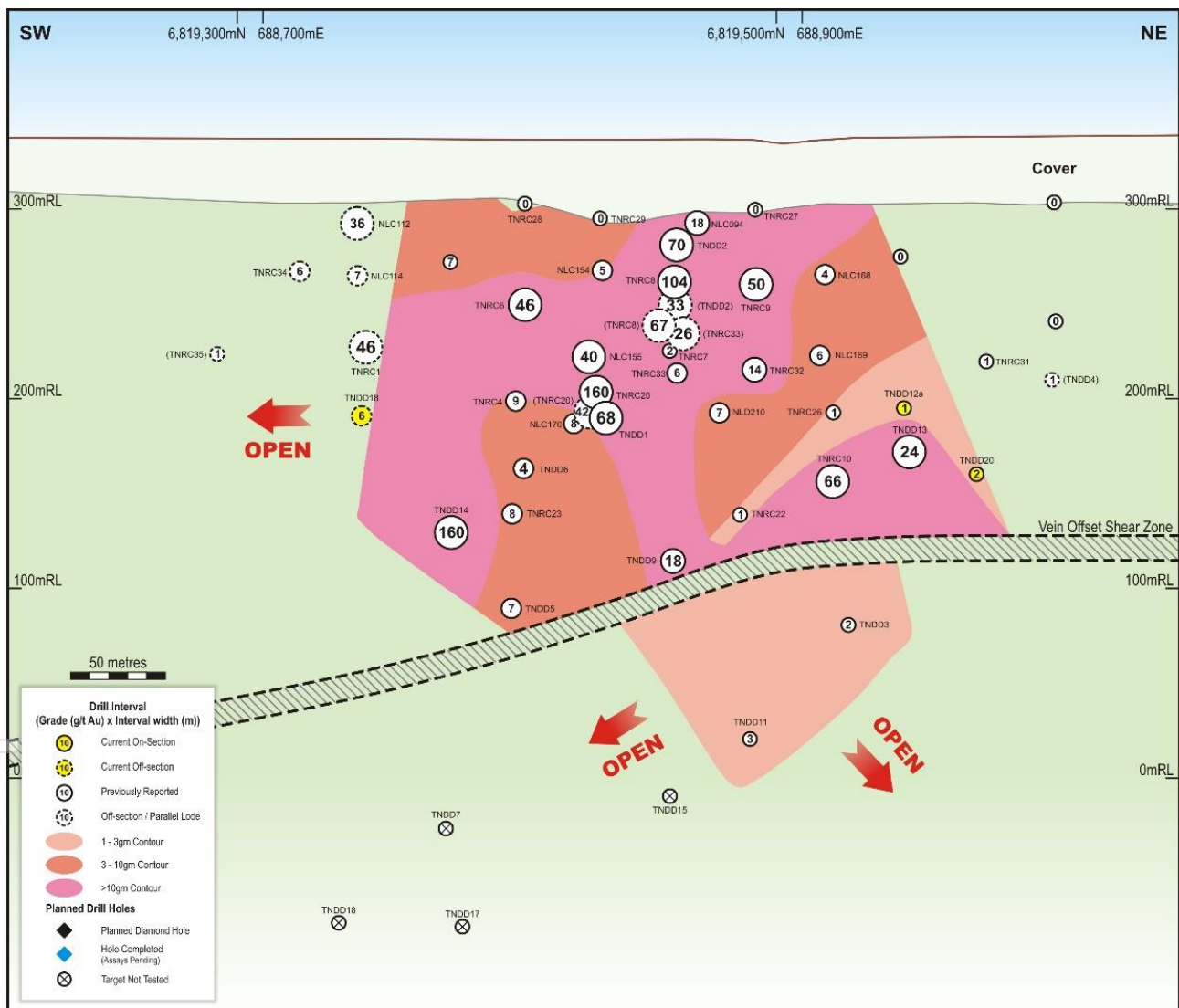
The program was successful in extending gold mineralisation along a 340m strike length, from 35m to 250m below surface and remaining open, confirming Hercules as a significant discovery. The structural study identified a new “Vein Offset Shear” zone, interpreted to displace the main Hercules mineralised zone at depth and along strike to the southwest, beyond the current limits of drilling. This opens up potential for significant extension of the Hercules system into areas currently not tested by drilling (Figures 3 & 4)<sup>1</sup>.

Assay results released from Hercules during the period include<sup>2</sup>:

- 4.61m @ 14.7g/t Au from 165.24m (TNDD001), including 0.5m @ 104g/t Au from 166.7m and 0.9m @ 14.2g/t Au from 168.95m
- 0.95m @ 73.7g/t Au from 60.08m (TNDD002), and 0.65m @ 50.6g/t Au from 92.4m
- 6m @ 4.29g/t Au from 117m (TNRC033), including 2m @ 12.4g/t Au from 117m
- 6m @ 3.01g/t Au from 251m (TNDD009), including 5m @ 3.46g/t Au from 252m
- 4m @ 40.1g/t Au from 239m, (TNDD014) including 1m @ 137g/t Au from 239m
- 1m @ 23.9g/t Au from 192m (TNDD013)

Subsequent to the period reported assay results extended a parallel mineralised zone, south of the main mineralised trend, providing another target for future exploration, as follows<sup>3</sup>:

- 1.12m @ 5.42g/t Au from 163.57m (TNDD018), including **0.55m @ 10.7g/t Au** from 164.14m



**Figure 3:** Hercules prospect long section showing significant gram-metre gold intervals (interval grade (g/t Au) x width (m)), and gram-metre gold interval contours of the main mineralised zone.

The main mineralised zone at Hercules remains open to the southwest, and at depth, beyond the limits of current drilling (Figures 3 & 4). These provide new target areas to test for extensions to high-grade gold mineralisation. A Mineral Resource estimate is planned for Hercules and will be the first Mineral Resource for the prospect. Follow-up drilling, targeting the offset vein position, and southwest strike extent of the Hercules mineralisation, is planned to follow the Mineral Resource estimation.

<sup>1</sup> refer ASX announcement 23 June 2022

<sup>2</sup> reported intervals cut to geological boundaries and/or >0.3g/t Au cut-off including >1.0g/t Au cut-off, downhole widths; refer ASX announcements 23 September & 21 December 2021 and 10 March 2022

<sup>3</sup> reported intervals cut to geological boundaries and/or >0.3g/t Au cut-off including >1.0g/t Au cut-off, downhole widths; refer ASX announcement 26 July 2022



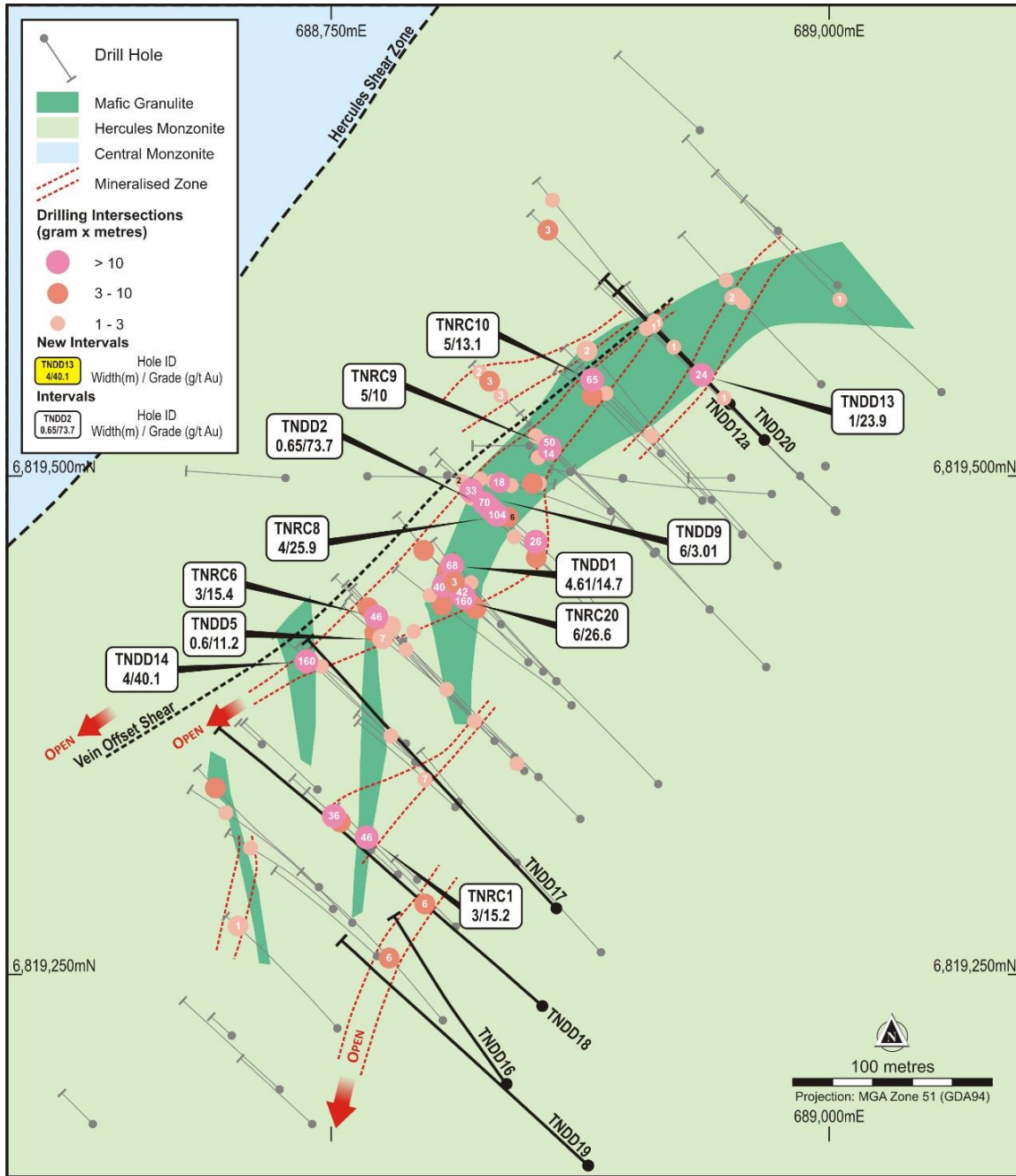


Figure 4: Hercules prospect geology and mineralisation.

The Big Freeze prospect is located within the Thunderstruck JV's Neale tenement, about 8km southwest of Hercules. An 8-hole RC drilling program was completed during the period, designed as an initial test of historic drill hole gold anomalism adjacent to the Hercules shear zone. This program was successful in defining a 900m-long, continuous zone of gold mineralisation above 1g/t Au<sup>1</sup>, with a follow-up drilling program comprising 18 RC holes leading to the discovery of shallow, high-grade gold mineralisation at Big Freeze, as follows<sup>2</sup>:

- 5m @ 18.2g/t Au from 38m (TNRC058), including 1m @ 85.5g/t Au from 38m, and 4m @ 0.42g/t Au from 135m
- 2m @ 2.39g/t Au from 138m (TNRC060), including 1m @ 4.26g/t Au from 138m, and 4m @ 1.83g/t Au from 159m

The reported intervals in TNRC058 and TNRC060 are associated with sulphidic quartz veining in foliated chlorite altered zones within monzonite and mafic granulite, similar in style to high-grade gold mineralisation at the nearby Atlantis and Hercules deposits. These intervals, combined with the 2m @ 3.26g/t Au from 35m interval in historic drill hole NLD070<sup>3</sup>, define a northeast-southwest mineralised trend of more than 100m, which is open along strike and down-dip (Figure 5). Follow up drilling of this trend and other significant intervals at Big Freeze is planned.

An initial 2-hole RC drilling program was also completed at the Beanie prospect, located about 1.5km northeast of Hercules within the Thunderstruck JV's Neale tenement. This program identified a northerly trend of gold mineralisation in limited drilling, with further drilling required to explore this trend and determine its significance<sup>4</sup>.

<sup>1</sup> Refer ASX announcements 15 April, 1 November and 20 December 2021.

<sup>2</sup> reported intervals cut to geological boundaries and/or >0.3g/t Au, including >1g/t Au cut-off, downhole widths; refer ASX announcements 14 & 19 April 2022

<sup>3</sup> refer ASX announcement 3 September 2020

<sup>4</sup> Refer ASX announcement 19 April 2022



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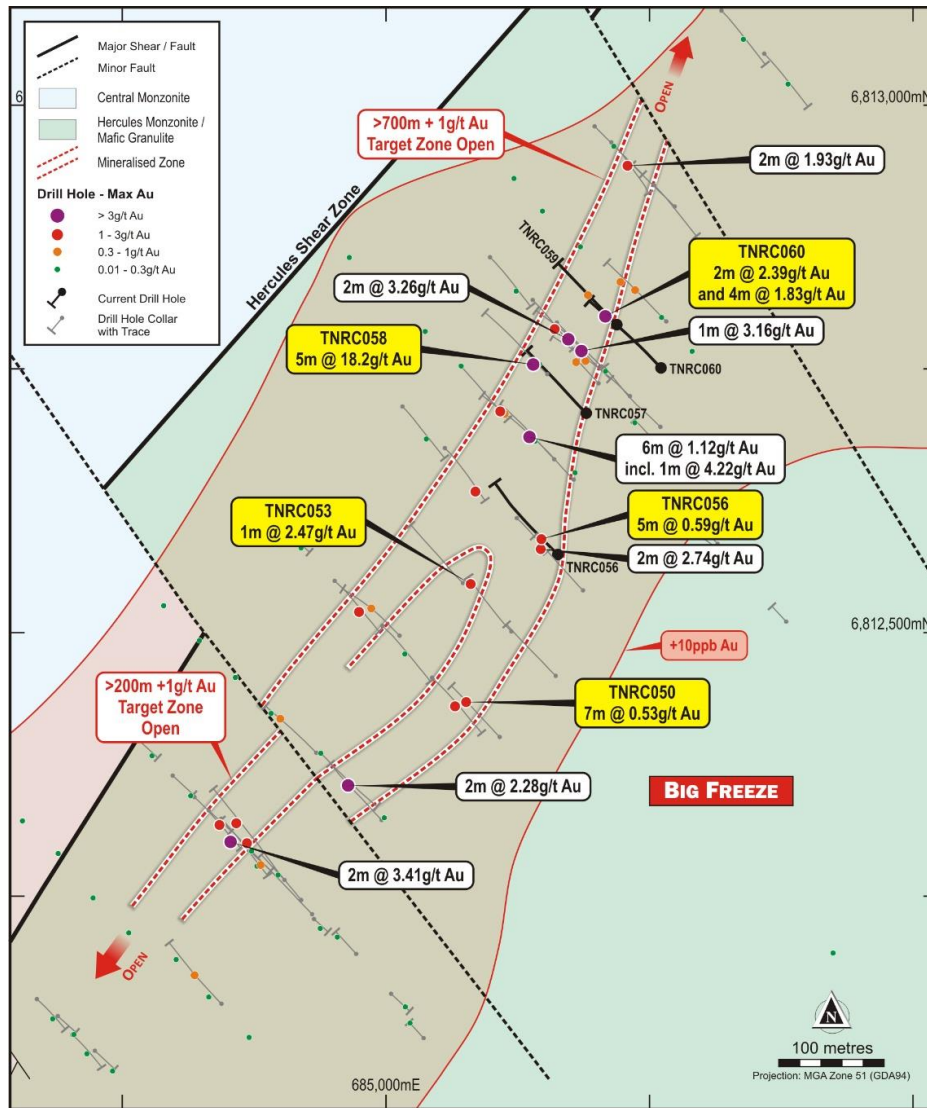


Figure 5: Big Freeze drill hole location and gold anomalism.

Numerous additional prospects, targets and target areas were generated during the period within the Thunderstruck JV and Carawine’s 100%-owned tenements in the Tropicana North Gold Project from a detailed airborne magnetic survey, over the Neale (Thunderstruck JV) and adjacent Rason and Dyno (Carawine 100%) tenements<sup>1</sup> and historic data reviews over the Pleiades, Westwood, Chicago, Python and Blue Bell South tenements (Carawine 100%)<sup>2</sup>. These range from conceptual, intrusion-related mineral system targets (IRGS or IOCG) to advanced targets with significant drill hole gold intervals and add to a growing pipeline of exploration prospects at Tropicana North.

**Fraser Range Nickel Project**

Carawine’s Fraser Range Nickel Project includes nine granted exploration licences, five of which are subject to the Fraser Range Joint Venture with IGO Ltd (“IGO”), and three active exploration licence applications in the Fraser Range region of Western Australia (Figure 6).

At the Company’s 100%-owned Big Bang tenement in the Central Fraser Range, a moving-loop electromagnetic (“MLEM”) survey was completed over three priority targets areas considered prospective for magmatic nickel-copper sulphide mineralisation. Three new conductive anomalies were identified from the survey, providing targets for direct drill testing in FY2023<sup>3</sup>. A number of Carawine’s other 100%-owned tenements in the Fraser Range were granted during and subsequent to the period, reviews of previous exploration are underway to generate and prioritise targets on these tenements.

IGO managed and sole-funded exploration on the Fraser Range Joint Venture tenements during the period, earning an additional 6% interest with the respective interests of each party in the Joint Venture now IGO 76% and Carawine 24%. IGO identified and drill-tested three conductive anomaly targets at Red Bull, targeting magmatic nickel-copper sulphides, with graphitic metasediment determined as the source of the conductive anomalies<sup>4</sup>. Air core (“AC”) drilling programs at Big Bullocks, Aries and Red bull were completed during the second half of FY2022, with several anomalous Ni, Cu and Co assays returned from the Big Bullocks program subsequent to the period, mapping out a low-level but significant Ni-Cu sulphide halo at Big Bullocks with further exploration warranted<sup>5</sup>.

<sup>1</sup> Refer ASX announcement 1 November 2021  
<sup>2</sup> Refer ASX announcement 4 March 2022  
<sup>3</sup> Refer ASX announcement 6 September 2022  
<sup>4</sup> Refer ASX announcements 19 July and 8 & 22 November 2021, and 4 March 2022.  
<sup>5</sup> Refer ASX announcement 28 July 2022

Additional exploration programs are planned at Big Bullocks and Red Bull, with further programs to be dependent on receipt of outstanding assay results and a review of the programs completed to date. For FY2023 the Fraser Range Joint Venture has approved a work program and budget of up to approximately \$0.6 million. Carawine will contribute to this budget and maintain its 24% interest, IGO will remain as the manager of the Joint Venture and will conduct the exploration programs.

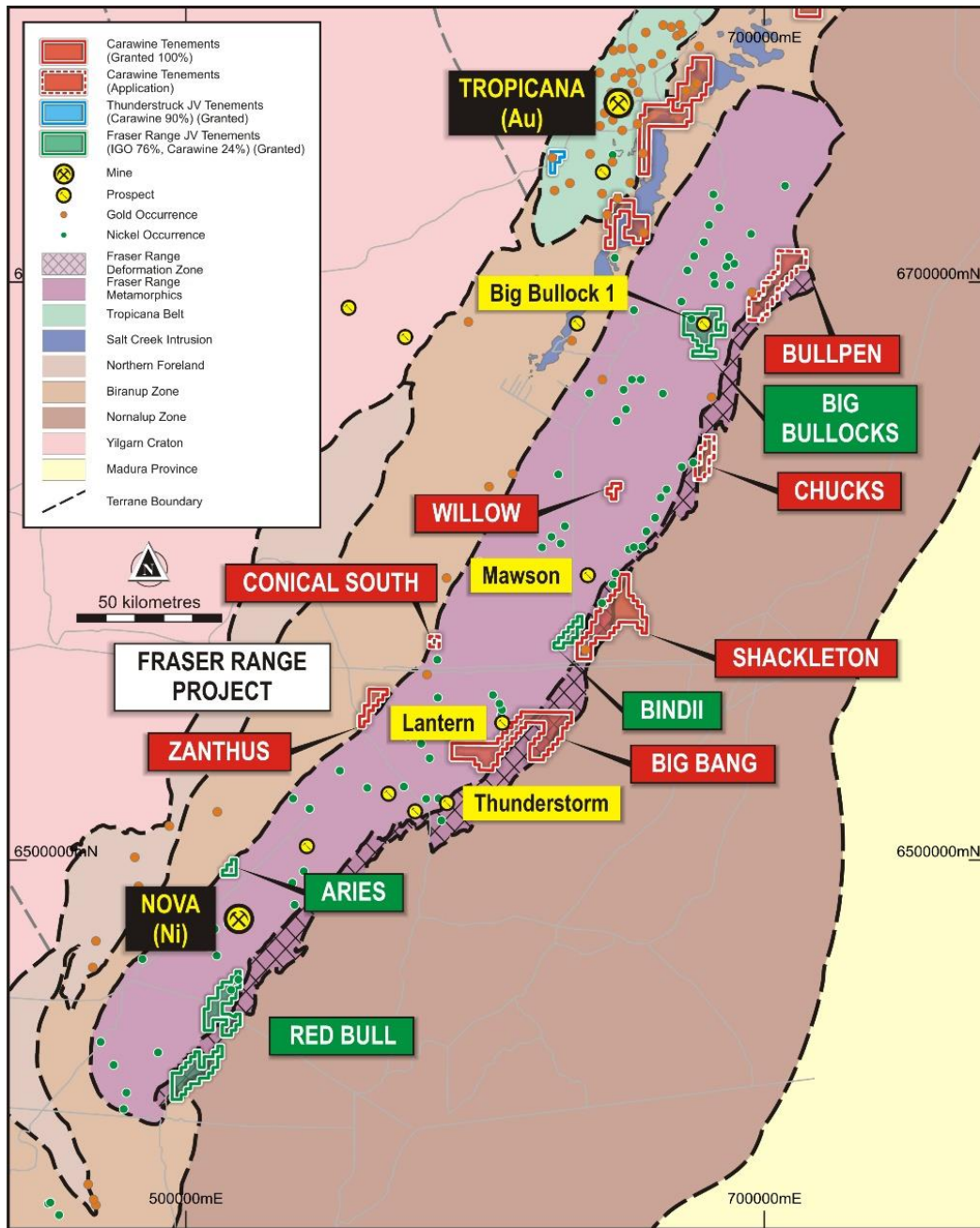


Figure 6: Fraser Range Project tenements.

*Paterson Project (Copper, Gold)*

The Company’s Paterson Project is located in the Paterson Province of Western Australia, host to several large copper and copper-gold deposits and recent discoveries. The project comprises ten granted exploration licences, seven of which are subject to farm-in and joint venture agreements, and one active exploration licence application over an area of about 1,400km<sup>2</sup>. The Company’s Paterson Project tenements contain host formations and structures common to the major copper, gold and copper-gold mineral deposits in the area (Figure 7).

Carawine’s “West Paterson JV” is a farm-in and joint venture agreement with Rio Tinto Exploration Pty Ltd (“RTX”), a wholly owned subsidiary of Rio Tinto Limited, whereby RTX has the right to earn up to an 80% interest in the Baton and Red Dog tenements by spending \$5.5 million in the six years to October 2025 to earn a 70% interest and then sole funding to a prescribed milestone. RTX is managing and operating exploration activities whilst it is farming-in. During the period an initial phase of RC drilling was completed at the Ghost and Zulu prospects on the Red Dog tenement, with only trace levels of base metal (copper, zinc, lead) sulphides encountered<sup>1</sup>. A helicopter-borne electromagnetic (“HEM”) survey over the Baton tenements generated six conductive anomalies, two of which are associated with gravity highs and have been selected for follow-up exploration, including drill testing<sup>2</sup>.

<sup>1</sup> Refer ASX announcement 27 April 2022

<sup>2</sup> refer ASX announcement 27 October 2021



The “Coolbro JV” is a farm-in and joint venture agreement with FMG Resources Pty Ltd, a wholly owned subsidiary of Fortescue Metals Group Ltd (“Fortescue”), whereby Fortescue has the right to earn up to a 75% interest in the Lamil Hills, Trotman South, Sunday and Eider tenements by spending \$6.1 million in the seven years to November 2026. Fortescue is managing and operating exploration activities whilst it is farming-in. Target generation activities continued during the period, with HEM anomalies from a survey conducted in 2021 being assessed with geological and geochemical datasets to define targets for follow up exploration. Access and heritage survey works at the Eider tenement continued, with drilling on the tenement planned for FY2023.

Carawine’s “Puffer”, “Magnus” and “Cable” exploration licences and “Tyama West” exploration licence application are not subject to any farm-in or joint venture agreements. The Company advanced target generation activities on these tenements during the period, ahead of designing and prioritising exploration programs to explore these tenements in its own right.

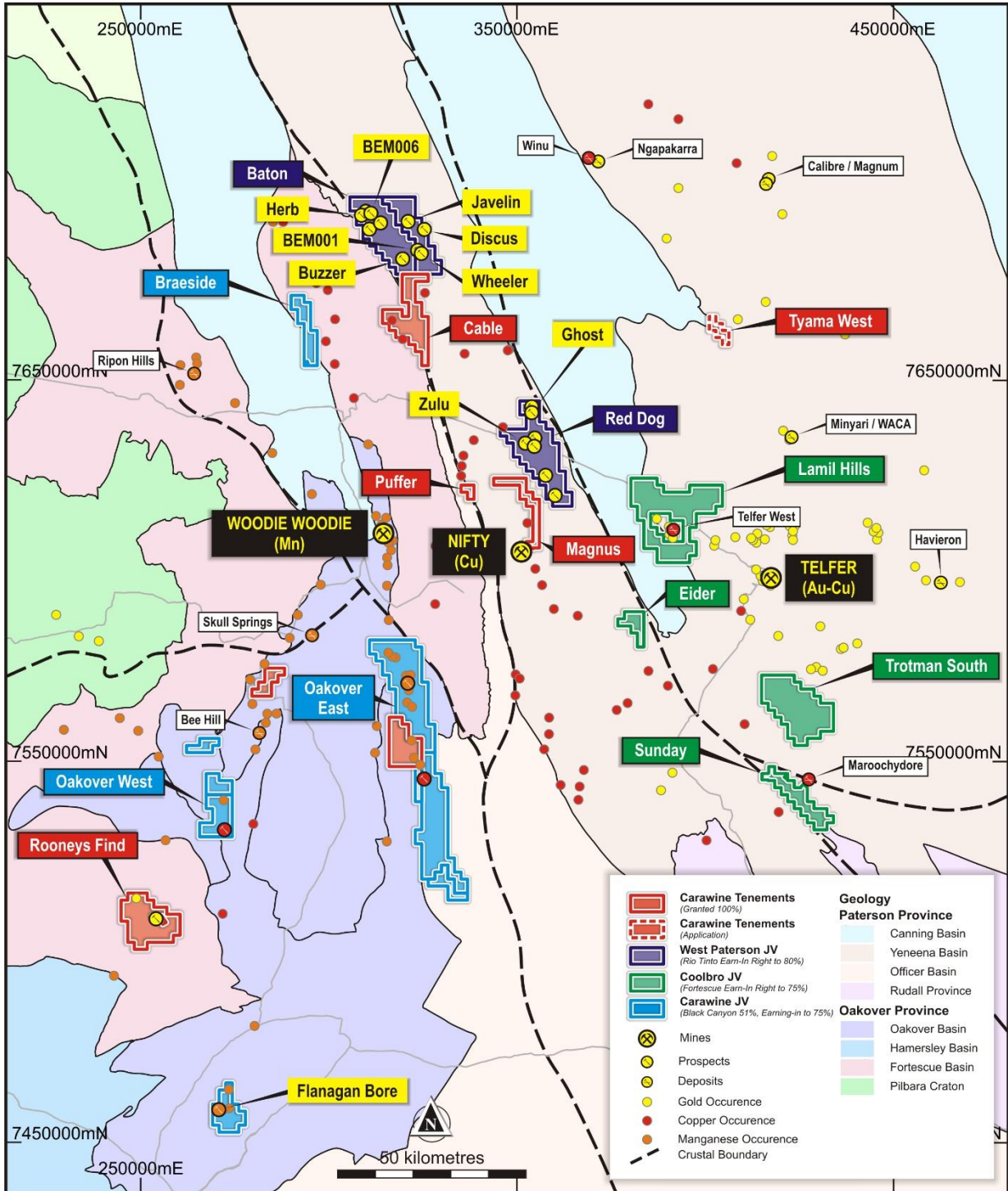


Figure 7: Carawine’s Paterson and Oakover Project tenements.

Oakover Project (Manganese, Iron, Gold)

Neighbouring the Paterson Project in the Eastern Pilbara region of Western Australia, the Oakover Project comprises eleven granted exploration licences covering a total area of about 990km<sup>2</sup>. Three tenements are held 100% by the Group, with the remaining eight tenements subject to the “Carawine JV” in joint venture with Black Canyon Ltd (Figure 7).



The “**Carawine JV**” is a joint venture between the Company and Black Canyon Ltd (“**Black Canyon**”; ASX: BCA), with Black Canyon acting as the manager of the JV. Black Canyon has a 51% interest in the JV tenements and has elected to sole-fund \$2.5 million in exploration expenditure within the three years to May 2025 to earn an additional 24% interest. After Black Canyon’s interest reaches 75% Carawine can elect to contribute to further expenditure to maintain its interest, or not contribute and dilute its interest.

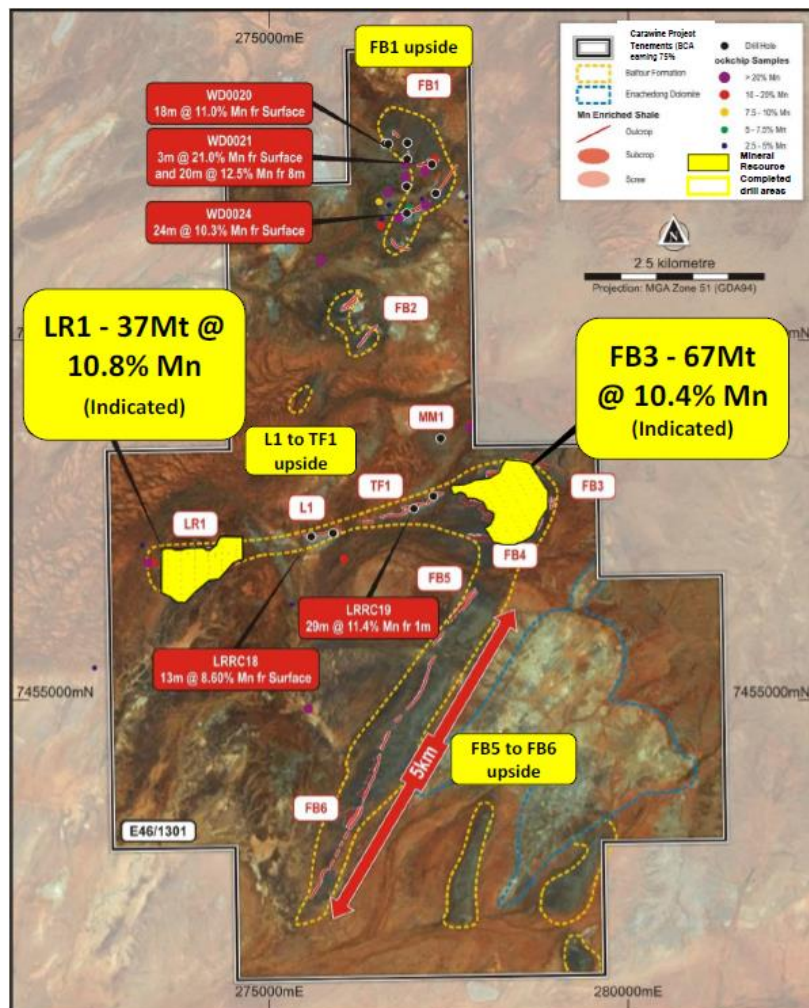
During the period Black Canyon reported an Inferred Mineral Resource estimate of 15 million tonnes (Mt) @ 11.3% manganese (Mn) for the LR1 deposit at the Flanagan Bore tenement, based on historic drill data<sup>1</sup>. Subsequent RC and diamond drilling identified significant thicknesses and grades of near-surface manganese mineralisation at the LR1 and FB3 deposits, and shallow manganese mineralisation at the FB5 and FB1 anomalies<sup>2</sup>. This new data for FB1 and LR3 was incorporated into a new, updated Indicated Mineral Resource announced during the period for the LR1 and FB3 deposits of 104 Mt @ 10.5% Mn (Table 1) (Figure 8)<sup>3</sup>.

Subsequent to the period Black Canyon announced the results of a Scoping Study for the Flanagan Bore Project<sup>4</sup>.

**Table 1:** Global Mineral Resource estimate for the FB3 and LR1 deposits at Flanagan Bore April 2022\*

Deposit	Mineral Resource Category	Material (Mt)	In Situ Mn (Mt)	BD (gcm <sup>3</sup> )	Mn (%)	Fe (%)	Si (%)	Al (%)
FB3	Indicated	67	7	2.4	10.4	10.3	17.6	4.5
LR1	Indicated	39	4	2.4	10.8	8.9	18.3	5.0
<b>Total</b>	<b>Total</b>	<b>104</b>	<b>11</b>	<b>2.4</b>	<b>10.5</b>	<b>9.8</b>	<b>17.9</b>	<b>4.7</b>

\*Note: reported above 7% Mn cut-off, refer Black Canyon’s ASX announcement dated 13 April 2022 for details.



**Figure 8:** Flanagan Bore Project - FB3 & LR1 Mineral Resource outlines and additional discoveries at FB1, L1, TF1, FB5 and FB6 (Carawine JV; Black Canyon 51%, earn in right up to 75%).

Carawine’s 100%-owned tenements within the Oakover Project include two granted exploration licences considered prospective primarily for manganese, and one exploration licence application considered prospective primarily for lode gold deposits (Rooney’s Find). Carawine advanced target generation activities on these tenements during the period.

<sup>1</sup> Refer Black Canyon’s ASX announcement 5 October 2021.

<sup>2</sup> refer Black Canyon’s ASX announcements 8 & 21 February and 2 & 23 March 2022

<sup>3</sup> refer Black Canyon’s ASX announcement 13 April 2022

<sup>4</sup> refer Black Canyon’s ASX announcement 18 August 2022

### *Jamieson Project (Gold, Copper, Zinc, Silver)*

Carawine's Jamieson Project is located near the township of Jamieson in the north-eastern Victorian Goldfields within the Mt Useful Slate Belt geological province. The region was founded on gold in the 1850s, with several gold mines that have operated or are currently in production. Carawine has identified two main prospect areas at the Jamieson Project: Hill 800 and Rhyolite Creek and is regionally searching for porphyry-related gold-copper mineralisation.

No on-ground work was completed at Jamieson during the period, with the Group focussing its resources on its Western Australian projects. The Company will consider its options for advancing the Jamieson project tenements, including progressing exploration programs in its own right, and/or possible opportunities from third parties.

## **CORPORATE ACTIVITIES**

### *Share Placements*

On 15 November 2021, the Company announced a placement to raise a total of \$4.94 million (before costs) through a two-tranche placement of approximately 27.2 million ordinary shares at an issue price of 18 cents per share. The issue price represented an 8.9% discount on the 15-day volume weighted average price of the Company's traded shares prior to the announcement. The first tranche, comprising the issue of 27 million new shares to raise \$4.9 million (before costs), was completed on 15 November 2021.

The second tranche, comprising the issue of 222,224 new shares to raise \$40,000 (before costs), was completed on 23 December 2021, following approval at the Company's Annual General Meeting held on 22 December 2021. For further details refer to the Company's ASX announcements dated 15 November and 23 December 2021.

On 31 January 2022, 1.5 million fully paid ordinary shares were issued to Rio Tinto Exploration Pty Limited (RTX) at an issue price of \$0.20, raising \$300,000 in accordance with the terms of the West Paterson Farm-in and Joint Venture Agreement (as first announced to ASX on 28 October 2019).

### *QGold Takeover Offer*

On 22 February 2022, QGold Pty Ltd ("**QGold**") made an unsolicited, on-market takeover offer to acquire all fully paid ordinary shares on issue in the Company which QGold (and/or QGold's associates) did not already own or control at 21 cents cash per share ("**the Offer**"). The Offer represented a 28.07% premium to the 30 trading day volume weighted average price ("VWAP") of Carawine shares immediately prior to the Offer, capitalising the Company at approximately \$29 million.

On 8 March 2022, the Company issued its Target's Statement in response to the Offer in which the Carawine Directors recommended shareholders reject the Offer.

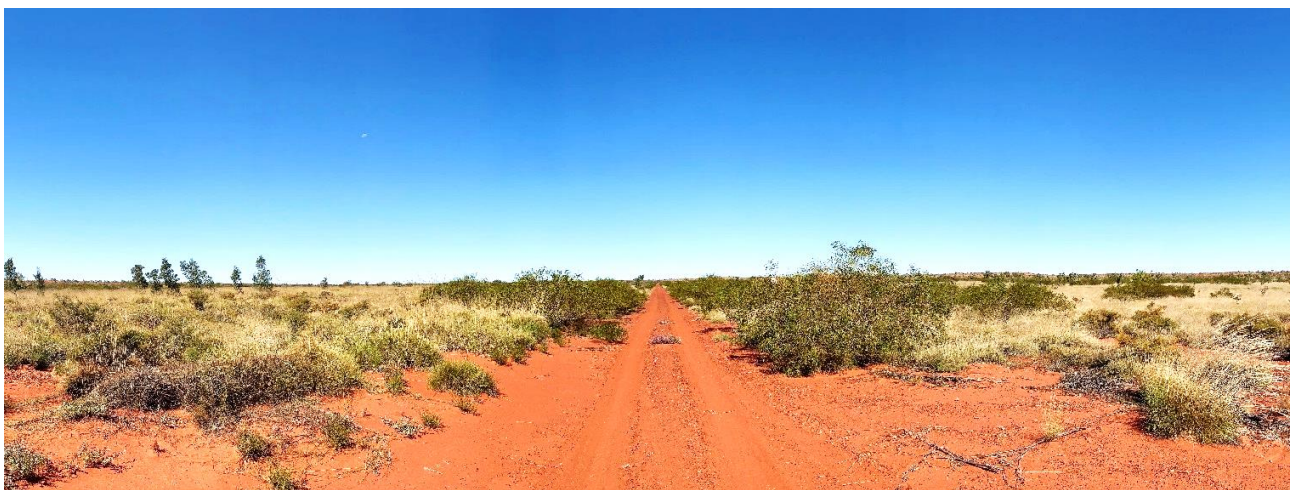
On 26 April 2022, the Company received notice from QGold that its voting power in the Company had increased from below 50% to above 50% on 21 April 2022, being during the last 7 days of the offer period. As a result the offer period was automatically extended by 14 days to close on 5 May 2022 by virtue of section 624(2) of the *Corporations Act 2001* (Cth). The notice received from QGold on 26 April 2022 confirmed that QGold's voting power in the Company had increased to 64.50% as of 26 April 2022.

Subsequently, on 26 April 2022, the Company issued its First Supplementary Target's Statement in which the Carawine Directors recommend that shareholders accept the Offer in the absence of a superior proposal, given that QGold had acquired a majority and controlling stake in the Company. The Offer closed on 5 May 2022 with QGold's voting power at 82.63%.

### *Board Changes*

On 10 May 2022 the Company announced a number of Board changes, as follows. Non-Executive Chairman Mr Will Burbury resigned from the Board and was thanked for his service and contributions during his time with the Company. Mr Hayden Leary and Mr Martin Lackner joined the Board as nominees of QGold, with Mr Leary appointed as Non-Executive Chairman and Mr Lackner appointed as a Non-Executive Director. Mr Leary is an Engineer with extensive experience in mining and project development. Mr Lackner is a Certified Practising Accountant and brings experience in mining project development as well as corporate finance to the Carawine Board.

Following the resignation of Mr Sam Smart as Company Secretary on 30 June, 2022, Mr Lackner was appointed as Company Secretary.





## MINERAL RESOURCES

The Company holds an interest in the Mineral Resource for the LR1 and FB3 manganese deposits within the Flanagan Bore Project, which is part of the Carawine Joint Venture between the Company and Black Canyon Ltd (“**Black Canyon**”; ASX: BCA). As of 30 June 2022 Carawine’s interest in the Joint Venture, and therefore in the Mineral Resource, was 49% and Black Canyon’s interest was 51%. Black Canyon has the right and has elected to earn an additional 24% interest in the Joint Venture, after which Carawine can elect to contribute to further exploration expenditure to maintain its interest, or not contribute and dilute its interest.

Mineral Resources as of 30 June 2022 are as follows:

### Mineral Resources

*Flanagan Bore Project - Global Mineral Resource estimate for the FB3 and LR1 deposits, reported above 7% Mn cut-off*

Deposit	Mineral Resource Category	Cut-off (Mn %)	Material (Mt)		In Situ Mn (Mt)		Bulk Density (gcm <sup>3</sup> )	Mn (%)	Fe (%)	Si (%)	Al (%)
			Total (100%)	Carawine (49%)	Total (100%)	Carawine (49%)					
FB3	Indicated	7	67	33	7	3	2.4	10.4	10.3	17.6	4.5
LR1	Indicated	7	37	18	4	2	2.4	10.8	8.9	18.3	5.0
	<b>Total</b>	<b>7</b>	<b>104</b>	<b>51</b>	<b>11</b>	<b>5</b>	<b>2.4</b>	<b>10.5</b>	<b>9.8</b>	<b>17.9</b>	<b>4.7</b>

*Flanagan Bore Project - High-grade Zone Mineral Resource estimate for the FB3 and LR1 deposits, reported above 11% Mn cut-off*

Deposit	Mineral Resource Category	Cut-off (Mn %)	Material (Mt)		In Situ Mn (Mt)		Bulk Density (gcm <sup>3</sup> )	Mn (%)	Fe (%)	Si (%)	Al (%)
			Total (100%)	Carawine (49%)	Total (100%)	Carawine (49%)					
FB3	Indicated	11	19	9	2	1	2.4	12.7	11.5	18.5	4.6
LR1	Indicated	11	15	7	2	1	2.4	12.9	9.9	18.4	4.9
	<b>Total</b>	<b>11</b>	<b>33</b>	<b>16</b>	<b>4</b>	<b>2</b>	<b>2.4</b>	<b>12.8</b>	<b>10.8</b>	<b>18.5</b>	<b>4.8</b>

#### Notes:

Refer Black Canyon’s ASX announcement dated 13 April 2022 for details.

Carawine JV (Black Canyon 51%, Carawine 49%), Black Canyon earning to 75% interest, Carawine’s share of the Mineral Resource (49%) is shown as a subset of the total (100%) Material and In-Situ Mn.

The High-grade Zone Mineral Resource (reported above 11% Mn) is a subset of the Global Mineral Resource (reported above 7% Mn).

The above data has been rounded to the nearest 1,000,000 tonnes and 0.1 % element grades and errors of summation may occur due to rounding.

No Ore Reserve has been reported from the Mineral Resource.

The Competent Person for the Flanagan Bore Mineral Resource is Mr Greg Jones (FAusIMM), consultant to Black Canyon and Geological Services Manager for IHC Mining. Mr Jones has provided his consent to the Company for the inclusion of the information relating to the estimation and reporting of Mineral Resources for the Flanagan Bore Project in the form and context in which it appears.

## COMPLIANCE STATEMENTS

The information in this report that relates to Exploration Results is based on information compiled by Mr Michael Cawood, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Cawood holds shares and options in, and is a full-time employee of, Carawine Resources Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activities being undertaken 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’ (the “JORC Code (2012)”). Mr Cawood consents to the inclusion in this 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 Exploration Results for the Carawine JV is based on, and fairly represents, information and supporting documentation prepared by Mr Brendan Cummins, a Competent Person who is a Member of the Australian Institute of Geoscientists (AIG). Mr Cummins is a shareholder in, and Executive Director of Black Canyon Ltd, and has sufficient experience of relevance to the style of mineralisation and type of deposit under consideration, and to the activities undertaken 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’ (the “JORC Code (2012)”). Mr Cummins consents to the inclusion in this report of the matters based on the information in the form and context in which they appear.

The information in this report that relates to Mineral Resources for the Flanagan Bore Project is based on, and fairly represents, information and supporting documentation prepared by Mr Greg Jones, (Consultant to Black Canyon and Geological Services Manager for IHC Mining). Mr Jones is a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience of relevance to the style of mineralisation and type of deposit under consideration, and to the activities undertaken 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’ (the “JORC Code (2012)”). Mr Jones consents to the inclusion in this report of the matters based on the information in the form and context in which they appear.

This report includes information that relates to Exploration Results, a Mineral Resource estimate and a Scoping Study prepared and first disclosed under the JORC Code (2012) and extracted from previous ASX announcements (with the Competent Person for the relevant original market announcement indicated in brackets), as follows:

- Fraser Range: “Three Bedrock Conductors Identified at Big Bang” 6 September 2022 (M Cawood)
- Carawine JV: “BCA: Robust Economics, Long Life Mine with Low Development CAPEX confirmed from the Flanagan Bore Scoping Study” 18 August 2022 (B Cummins; G Jones; D Pass)
- Fraser Range: “Quarterly Activities Report for the period ended 30 June 2022” 28 July 2022 (M Cawood)
- Tropicana North: “Latest Assay Results Extended Parallel Gold Zone at Hercules” 26 July 2022 (M Cawood)
- Tropicana North: “Hercules Results Identify Extension Potential” 23 June 2022 (M Cawood)



- West Paterson JV: “Quarterly Activities Report for the period ended 31 March 2022” 27 April 2022 (M Cawood)
- Tropicana North: “New Significant Intersections at Big Freeze and Beanie” 19 April 2022 (M Cawood)
- Tropicana North: “High Grade Gold Discovery at Big Freeze” 14 April 2022 (M Cawood)
- Carawine JV: “BCA: Mineral Resource Estimate - Flanagan Bore Exceeds 100 Mt” 13 April 2022 (B Cummins; G Jones)
- Carawine JV: “BCA: Further manganese drill results from Flanagan Bore” 23 March 2022 (B Cummins)
- Tropicana North: “Highest Gold Grade to Date at Hercules” 10 March 2022 (M Cawood)
- Tropicana North: “New Targets Identified at Tropicana North” 4 March 2022 (M Cawood)
- Fraser Range: “Fraser Range Joint Venture Activities Update” 4 March 2022 (D Boyd)
- Carawine JV: “BCA: Manganese Discovery at FB3 - Flanagan Bore Project” 2 March 2022 (B Cummins)
- Carawine JV: “BCA: Further Thick Manganese Intersections at Flanagan Bore” 21 February 2022 (B Cummins)
- Carawine JV: “BCA: Thick Manganese Intersections from Drilling at Flanagan” 8 February 2022 (B Cummins)
- Tropicana North: “High Gold Grades Continue at Hercules” 21 December 2021 (M Cawood)
- Tropicana North: “Latest Results Extend Big Freeze Gold Zone with Follow-Up Drilling Planned for Early 2022” 20 December 2021 (M Cawood)
- Fraser Range: “Fraser Range JV Exploration Program Update” 22 November 2021 (D Boyd)
- Fraser Range: “Fraser Range JV Exploration Program Update” 8 November 2021 (D Boyd)
- Tropicana North: “Multiple New Gold Targets Identified at Tropicana North” 1 November 2021 (M Cawood)
- West Paterson JV: “Priority Targets Identified from Airborne Electromagnetic Survey at West Paterson JV” 27 October 2021 (M Cawood)
- Carawine JV: “BCA: Maiden Manganese Mineral Resource for the LR1 Prospect at Flanagan Bore” 5 October 2021 (B Cummins; G Jones)
- Tropicana North: “Strong Results from Hercules Extend Multiple Lode System and Deposit Strike” 23 September 2021 (M Cawood)
- Fraser Range: “Two Compelling New Bedrock Conductors Identified at Red Bull, Fraser Range JV” 19 July 2021 (D Boyd)
- Tropicana North: “New Regionally Significant ‘Big Freeze’ Gold Prospect Defined at Tropicana North” 15 April 2021 (M Cawood)
- Tropicana North: “Carawine Acquires New Gold Project in Western Australia” 3 September 2020 (M Cawood)

Copies of these announcements are available from the ASX Announcements page of the Company’s website: [www.carawine.com.au](http://www.carawine.com.au)

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources and the Scoping Study, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

#### **Forward Looking and Cautionary Statements**

Some statements in this report regarding estimates or future events are forward-looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Forward-looking statements include, but are not limited to, statements preceded by words such as “planned”, “expected”, “projected”, “estimated”, “may”, “scheduled”, “intends”, “anticipates”, “believes”, “potential”, “predict”, “foresee”, “proposed”, “aim”, “target”, “opportunity”, “could”, “nominal”, “conceptual” and similar expressions. Forward-looking statements, opinions and estimates included in this report are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward-looking statements may be affected by a range of variables that could cause actual results to differ from estimated results and may cause the Company’s actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward-looking statements. So, there can be no assurance that actual outcomes will not materially differ from these forward-looking statements.

The Directors present their report together with the consolidated financial statements of the Group comprising of Carawine Resources Limited (“**CWX**” or the “**Company**”) and the entities it controlled (the “**Group**” or the “**consolidated entity**”) for the year ended 30 June 2022. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

#### PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the financial year were exploration for gold, copper and base metal deposits within Australia.

#### REVIEW OF OPERATIONS

Refer to pages 5-15 for the Review of Operations.

#### DIRECTORS

The Directors of the Group during or since the end of the financial year and until the date of this report are as follows:

Name	Period of Directorship
<b>Mr Will Burbury</b> Non-Executive Chairman	Resigned on 10 May 2022
<b>Mr Hayden Leary</b> Non-Executive Chairman	Appointed on 10 May 2022
<b>Mr David Boyd</b> Managing Director	Director since 26 October 2017
<b>Mr David Archer</b> Non-Executive Director	Director since 16 March 2016
<b>Mr Martin Lacker</b> Non-Executive Director	Appointed on 10 May 2022

The qualifications, experience and special responsibilities of the Directors of the Group during or since the end of the financial year are:

**Mr Will Burbury** (B.Comm, LLB) - resigned on 10 May 2022  
**Non-Executive Chairman**

Mr Burbury practised as a corporate lawyer with a leading Australian law firm prior to entering the mining and exploration industry in 2003. During his career, he has been actively involved in the identification and financing of many Australian and African resources projects. He has held senior management positions and served on the boards of several private and publicly listed companies.

Mr Burbury was previously Chairman of ASX listed Warwick Resources Limited prior to its merger with Atlas Iron Limited in 2009 and was also formerly a director of Lucapa Diamond Group Limited. He was a founding director and non-executive chairman of Sheffield Resources Limited until 19 March 2020 and was a non-executive director of Sheffield Resources Limited until 12 March 2021.

*Other Current Listed Directorships:* None

*Former Listed Directorships in the Last Three Years:* Sheffield Resources Limited (ceased 12 March 2021)

**Mr Hayden Leary** (B.Eng. (Hons))  
**Non-Executive Chairman**

Mr Leary is an engineer with extensive experience in mining, project development, risk management and risk transfer. Over the last 22 years, he has served in advisor, project development and leadership roles within companies both in Australia and the UK.

Mr Leary currently holds a senior executive role within the QCoal and QGold Group of companies and has been responsible for the project developments of their major projects, notably the development of the Byerwen, Drake and Jax mines. He is director of the Queensland Resources Council, the peak industry body in Queensland, and holds a Bachelor of Engineering (Honours) degree from the University of Canterbury majoring in Natural Resources.

*Other Current Listed Directorships:* None

*Former Listed Directorships in the Last Three Years:* Bounty Mining Limited (ceased 12 November 2020)

## Directors' Report

### **Mr David Boyd** (B.Sc. (Hons), MAIG) **Managing Director**

Mr Boyd is a highly experienced geologist with over 25 years' experience in the mining industry. During his career, he has worked in senior exploration roles with major gold-mining houses including RGC/Goldfields Limited, Placer Dome Asia Pacific and Barrick Gold Corporation. Over this time, he was involved in a number of gold discoveries, including the Raleigh and Homestead Underground gold mines in the Eastern Goldfields of WA.

Most recently, Mr Boyd was Sheffield Resources Limited's Exploration Manager, part of the team responsible for the identification of the Thunderbird Mineral Sands Project. Prior to his role at Sheffield, he was the general manager of Geology with Consolidated Minerals Limited where he was responsible for managing exploration and resource development.

*Other Listed Current Directorships:* None

*Former Listed Directorships in the Last Three Years:* None

### **Mr David Archer** (B.Sc. (Hons)) **Non-Executive Director**

Mr Archer is a geologist with over 30 years' experience in exploration and mining in Australia. He has held senior positions with major Australian mining companies, including Renison Goldfields Consolidated Ltd and ten years as a Director of Archer Geological Consulting specialising in project generation, geological mapping and project evaluation.

Mr Archer was a consultant to ASX listed Atlas Iron Limited and Warwick Resources Limited and was responsible for significant iron ore discoveries for both companies in the Pilbara. Other major West Australian discoveries include the Raleigh and Paradigm gold mines and the Magellan lead mine.

Mr Archer was a founding director, and served as a non-executive director, of Sheffield Resources Limited until 12 March 2021.

*Other Current Listed Directorships:* None

*Former Listed Directorships in the Last Three Years:* Sheffield Resources Limited (ceased 12 March 2021)

### **Mr Martin Lackner** (B.Acc, MBA) **Non-Executive Director** - Appointed on 10 May 2022 **Company Secretary** - Appointed on 30 June 2022

Mr Lackner has extensive financial leadership experience within the mining and resources industry. Over the last 16 years, he has served in senior finance roles within listed companies both in Australia and the UK, bringing a broad portfolio of corporate finance and project development expertise to these positions.

Mr Lackner currently holds a senior finance and commercial role within the QCoal and QGold Group of companies and has previously served in the role of Company Secretary for an ASX-listed mining group. He is a member of the Certified Practising Accountants in Australia and holds an MBA from Deakin University in Melbourne with a Bachelor's degree in Business majoring in Accounting.

*Other Current Listed Directorships:* None

*Former Listed Directorships in the Last Three Years:* None

## **COMPANY SECRETARY**

### **Mr Sam Smart** (LLB, MBA) – Appointed 1 January 2021 and resigned on 30 June 2022

Mr Smart is a corporate lawyer who has considerable experience in advising companies on mergers, acquisitions, joint ventures and capital raisings in variety of sectors including mining, telecommunications and hotels. Mr Smart has advised companies in relation to equity offerings on the London Stock Exchange (both main board and AIM), Euronext and ASX. Mr Smart holds a Bachelor of Laws and a Masters of Business Administration.



**DIRECTORS' MEETINGS**

The following table sets out the number of Directors' meetings held during the financial year and the number of meetings attended by each Director. In addition to these formal meetings, during the year, the Directors considered and passed 9 Circular Resolutions pursuant to clause 15.11 of the Group's Constitution.

Director	Held	Attended
Mr W Burbury	3	2
Mr D Boyd	3	3
Mr D Archer	3	3
Mr H Leary	3	1
Mr M Lackner	3	1

**DIRECTORS' SHAREHOLDINGS**

The relevant interest of each Director in the share capital of the Group as at the date of this report are:

Director	Balance	Granted as remuneration	Purchased	Sold	Balance
	1/07/21				Report date
W Burbury	816,885	-	-	(816,885)	-
D Boyd	320,589	-	111,112	(431,701)	-
D Archer	1,252,134	-	-	(1,252,134)	-
H Leary	-	-	-	-	-
M Lackner	-	-	-	-	-

**DIRECTORS' OPTION HOLDINGS**

The number of options held by each Director in the Group as at the date of this report are:

Director	Balance	Issued	Exercised	Lapsed	Balance	Vested & Exercisable	Unvested
	1/07/21				Report date		
W Burbury	-	-	-	-	-	-	-
D Boyd	750,000	2,500,000	-	-	3,250,000	3,250,000	-
D Archer	-	-	-	-	-	-	-
H Leary	-	-	-	-	-	-	-
M Lackner	-	-	-	-	-	-	-

**DIRECTORS' PERFORMANCE RIGHTS HOLDINGS**

The number of performance rights held by each Director in the Group as at the date of this report are:

Director	Balance	Issued	Exercised	Other changes	Balance	Vested & Exercisable	Unvested
	1/07/21				Report date		
D Boyd	550,000	-	-	(550,000)	-	-	-

During the financial year, 550,000 performance rights lapsed without vesting as the relevant performance conditions were not achieved. Refer to Note 16 for further details.

## SHARE OPTIONS

### Employee options

The following options were issued under the Group's Employee Option Plan ('ESOP') and Performance Rights Plan ('Performance') and are in existence at the date of this report.

Number of ordinary shares under option	Grant date	Exercise price	Expiry date	Type
		\$		
1,000,000	27/08/19	0.18	26/08/23	ESOP
750,000	15/11/19	0.26	15/11/23	ESOP
750,000	14/12/20	0.40	14/12/23	ESOP
3,000,000	23/12/21	0.40	23/12/25	ESOP
2,250,000	23/12/21	0.60	23/12/25	ESOP

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the Group, body corporate or registered scheme. The issuing entity for all options was Carawine Resources Limited.

### Options on issue at the date of this report

Number of ordinary shares under option	Exercise price	Expiry date	Type
	\$		
1,000,000	0.18	26/08/23	ESOP
750,000	0.26	15/11/23	ESOP
750,000	0.40	14/12/23	ESOP
3,000,000	0.40	23/12/25	ESOP
2,250,000	0.60	23/12/25	ESOP

### Performance rights on issue at the date of this report

There are no performance rights on issue at the date of this report.

### Options and performance rights exercised or lapsed during the financial year

No unlisted loyalty options were exercised during the period. 1,000,000 unlisted options lapsed during the financial year ended 30 June 2022. No unlisted options were exercised and converted into shares during the financial year ended 30 June 2022. 775,000 performance rights lapsed without vesting due to not meeting vesting conditions. No performance rights were exercised during the financial year ended 30 June 2022. Further, 5,250,000 unlisted options were issued during the period. Refer to Note 16 for further details.

## DIVIDENDS

No dividends have been paid or declared during the financial year ended 30 June 2022 and the Directors do not recommend the payment of a dividend in respect of the financial year.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During 2022 QGold Pty Ltd progressively acquired a majority holding in Carawine Resources Limited, acquiring more than 50% of the total of Carawine shares on issue on 21 April 2022, and reaching 82.63% of the total of Carawine shares on issue on 5 May 2022.

There have been no other significant changes in the state of affairs of the company to the date of this report.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company. Therefore, this information has not been presented in this report.

## CORPORATE GOVERNANCE STATEMENT

The Group's Corporate Governance Statement may be accessed from the Governance section of the Group's website, [www.carawine.com.au](http://www.carawine.com.au). This document is regularly reviewed to address any changes in governance practices and the law.

## ENVIRONMENTAL REGULATION

The Group's exploration activities are governed by environmental regulation. To the best of the Directors' knowledge, the Group believes it has adequate systems in place to ensure compliance with the requirements of applicable environmental legislation and is not aware of any material breach of those requirements during the financial year and up to the date of the Directors' Report.

## INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Group has agreed to indemnify all the Directors and key management personnel of the Group for any liabilities to another person (other than the Group or related body corporate) that may arise from their designated position of the Group, except where the liability arises out of conduct involving a lack of good faith.

During the financial year, the Group paid a premium in respect of a contract insuring the Directors and Officers of the Group against any liability incurred in the course of their duties to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

## INDEMNITY AND INSURANCE OF AUDITOR

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor. During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

## PROCEEDINGS ON BEHALF OF THE COMPANY

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

## SUBSEQUENT EVENTS AFTER BALANCE DATE

The impact of the Coronavirus (COVID-19) pandemic is ongoing as at 30 June 2022 and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is constantly evolving and is dependent on measures imposed by the Australian Federal and State Governments and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than noted above, there have been no other matters or circumstances that have arisen after balance date that have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

## REMUNERATION REPORT (AUDITED)

The Directors of Carawine Resources Limited present the Remuneration Report prepared in accordance with the requirements of the *Corporations Act 2001* for the Group for the financial year ended 30 June 2022.

For the purposes of this report, key management personnel ("KMP") are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company. This Remuneration Report forms part of the Directors' Report.

## OVERVIEW

Remuneration levels for key management personnel are competitively set to attract the most qualified and experienced candidates. Details of the Group's remuneration strategy for the 2022 financial year are set out in this Remuneration Report.

This Remuneration Report:

- explains the Board's policies relating to remuneration of key management personnel;
- discusses the relationship between these policies and the Group's performance; and
- sets out remuneration details for each of the key management personnel.

### *Remuneration philosophy*

The philosophy of the Group in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable KMP remuneration.



#### Non-Executive Director Remuneration

In accordance with best practice corporate governance, the structure of Non-executive Director and Executive remuneration is separate and distinct. The fees paid to Non-Executive Directors are set at levels that reflect both the responsibilities of, and the time commitments required from, each Non-Executive Director to discharge their duties and are not linked to the performance of the Group.

#### Remuneration of Key Management Personnel

In adopting a remuneration strategy for KMP's, at all times the Group strives to seek a balance between preservation of cash proceeds and an equitable remuneration structure. To align key management personnel interests with that of shareholders, some key management personnel have been awarded share options subject to market disclosure requirements upon appointment and the approval of shareholders on an annual basis.

In addition to the award of share options, the remuneration strategy comprises a fixed cash salary component, statutory superannuation contributions and where appropriate a potential merit-based performance bonus or other share-based incentives in the Group.

Performance milestones are carefully nominated and weighted according to the management role and its connection with the relevant performance milestone. This structure is intended to provide competitive rewards (subject to performance) to attract and retain high calibre executives.

Performance based share options are offered to KMP's at the discretion of the Board. Length of service with the Group, past and potential contribution of the person to the Group are also factors considered when awarding shares options to employees. The award of discretionary performance bonuses are aligned with the ongoing performance assessment of the incumbent management team, following review and assessment by the Board of Directors.

Criteria used to determine potential merit-based performance bonus for the Managing Director and other KMP's, during the exploration phase, is the setting of key objectives for each KMP and measuring performance against these objectives. Key objectives will normally include specific criteria where performance will be measured against progress indicators. These key objectives will largely be determinable by the objective assessment of performance by the Managing Director.

The table below sets out summary information about the movements in shareholder wealth for the following financial periods:

	30 June 2022	30 June 2021	30 June 2020	30 June 2019	30 June 2018
	\$	\$	\$	\$	\$
Revenue	1,922	20,790	120,759	52,178	47,374
Net (loss)/profit before tax	(1,660,965)	(1,304,327)	(1,501,368)	(901,229)	(563,406)
Net (loss)/profit after tax	(1,660,965)	(1,304,327)	(1,282,188)	(604,365)	(1,223,846)
Share price at start of year	0.26	0.18	0.10	0.26	0.20 *
Share price at end of year	0.08	0.26	0.18	0.10	0.26
Dividends	-	-	-	-	-
Basic loss per share (cents)	(0.01)	(0.01)	(0.02)	(0.01)	(0.04)
Diluted loss per share (cents)	(0.01)	(0.01)	(0.02)	(0.01)	(0.04)

\* IPO issue price

#### KEY MANAGEMENT PERSONNEL

The following persons acted as key management personnel of the Group during or since the end of the financial year:

- Mr Will Burbury (Non-Executive Chairman) – resigned on 10 May 2022
- Mr Hayden Leary (Non-Executive Chairman) – appointed on 10 May 2022
- Mr David Boyd (Managing Director)
- Mr David Archer (Non-Executive Director)
- Mr Martin Lackner (Non-Executive Director) – appointed on 10 May 2022

**REMUNERATION OF KEY MANAGEMENT PERSONNEL**

The table below shows the fixed and variable remuneration for key management personnel.

Directors	Short-term benefits			Other long term benefits		Post-employment benefits	Share-based payment	Total	Relative proportion of remuneration linked to performance	
	Salary & fees	Bonus	Other	Bonus	Long service leave	Super-annuation	Options & rights		Fixed	Performance based
	\$	\$	\$	\$		\$	\$	\$	%	%
<b>W Burbury</b>										
2022	50,083	-	-	-	-	5,008	-	55,091	100	-
2021	49,000	-	-	-	-	4,655	-	53,655	100	-
<b>D Boyd</b>										
2022 <sup>(1)(3)</sup>	267,500	25,000	(1,347)	150,000	6,661	26,750	86,796	561,360	53	47
2021 <sup>(1)</sup>	260,000	-	5,589	-	-	24,700	87,146	377,435	77	23
<b>D Archer</b>										
2022 <sup>(2)</sup>	73,400	-	-	-	-	5,250	-	78,650	100	-
2021	45,000	-	-	-	-	4,275	-	49,275	100	-
<b>H Leary</b>										
2022	8,833	-	-	-	-	883	-	9,716	100	-
2021	-	-	-	-	-	-	-	-	-	-
<b>M Lackner</b>										
2022	7,836	-	-	-	-	784	-	8,620	100	-
2021	-	-	-	-	-	-	-	-	-	-
<b>Total</b>										
<b>2022</b>	<b>407,652</b>	<b>25,000</b>	<b>(1,347)</b>	<b>150,000</b>	<b>6,661</b>	<b>38,675</b>	<b>86,796</b>	<b>713,437</b>	<b>88</b>	<b>16</b>
<b>2021</b>	<b>354,000</b>	<b>-</b>	<b>5,589</b>	<b>-</b>	<b>-</b>	<b>33,630</b>	<b>87,146</b>	<b>480,365</b>	<b>82</b>	<b>18</b>

<sup>1</sup>During the year, 550,000 performance rights lapsed without vesting and \$110,000 was reversed at the reporting date in relation to these. The reversal is a credit balance.

<sup>2</sup>During the year, David Archer received \$19,000 for services rendered through Archer Geological Consulting. These services are beyond the scope of his non-executive director role.

<sup>3</sup> During the year, the board approved \$175,000 for D Boyd retention bonus, payable in cash, subject to continuous employment up to 30 November 2022 and 30 November 2023. Refer to "Executive Employment Agreement" section below for more details.

**NON-EXECUTIVE DIRECTOR AGREEMENTS**

The amount of remuneration for all Directors including the full remuneration packages, comprising all monetary and non-monetary components of the Executive Directors and executives, are detailed in this Directors' Report. Non-Executive Directors may receive annual fees within an aggregate Directors' fee pool limited to an amount which is approved by shareholders.

Non-Executive Directors currently are paid an aggregate of \$190,060 per annum. The maximum aggregate Directors' fee pool is set at \$250,000 and was included in the Group's IPO Prospectus document.

**EXECUTIVE EMPLOYMENT AGREEMENTS**

Remuneration and other terms of employment for the following key management personnel are formalised in employment agreements. All contracts with executives may be terminated early by either party with notice, per individual agreement, and subject to the termination payments as detailed below:

Name	Position	Commencement Start Date	Base Salary (excluding superannuation)	Termination Benefit
D Boyd	Managing Director	12/12/2017	270,000	3 months' notice

The managing director is also entitled to the following bonus:

Calendar year	Retention condition	Quantum of retention bonus
2022	Continuous employment with the Company until 30 November 2022	\$ 25,000
2023	Continuous employment with the Company until 30 November 2023	\$ 150,000

#### KEY MANAGEMENT PERSONNEL SHAREHOLDINGS

The relevant interests of each Director in the share capital (held directly or indirectly) of the Group at 30 June 2022 were:

Director	Balance	Granted as remuneration	Purchased	Sold	Balance
	1/07/21				Report date
W Burbury	816,885	-	-	(816,885)	-
D Boyd	320,589	-	111,112	(431,701)	-
D Archer	1,252,134	-	-	(1,252,134)	-
H Leary	-	-	-	-	-
M Lackner	-	-	-	-	-

There were no shares issued to key management personnel as part of remuneration during the financial year ended 30 June 2022.

#### KEY MANAGEMENT PERSONNEL OPTION HOLDINGS

The number of options held by each Director in the Group at 30 June 2022 were:

Director	Balance	Issued	Exercised	Lapsed	Balance	Vested & Exercisable	Unvested
	1/07/21				Report date		
W Burbury	-	-	-	-	-	-	-
D Boyd	750,000	2,500,000	-	-	3,250,000	3,250,000	-
D Archer	-	-	-	-	-	-	-
H Leary	-	-	-	-	-	-	-
M Lackner	-	-	-	-	-	-	-

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

Serie	Number	Grant date	Expiry date	Exercise price	Total fair value at grant date	Vesting date
Series 7	1,250,000	23/12/21	23/12/25	0.40	106,637	23/12/21
Series 8	1,250,000	23/12/21	23/12/25	0.60	90,159	23/12/21

The fair value of the equity-settled share options granted during the year under the Group's ESOP is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted, and the following inputs:

	Series 7	Series 8
Dividend yield (%)	-	-
Expected volatility (%)	94	94
Risk-free interest rate (%)	0.94	0.94
Expected life of option (years)	4	4
Exercise price (cents)	40	60
Grant date share price (cents)	10	10



**KEY MANAGEMENT PERSONNEL PERFORMANCE RIGHTS HOLDINGS**

The number of performance rights held by each Director in the Group at 30 June 2022 were:

Director	Balance	Issued	Exercised	Other	Balance	Vested & Exercisable	Unvested
	1/07/21			changes	Report date		
D Boyd	550,000	-	-	(550,000)	-	-	-

Performance Rights are offered to key management personnel having regard, among other things, to the past and potential contribution of the person to the Group. Performance Rights are issued subject to specific performance criteria specific being met by the KMP.

There were no performance rights issued during the financial year to key management personnel. No rights previously issued had vested as at balance date.

**TRANSACTIONS WITH OTHER RELATED PARTIES**

During the period, Archer Geological Consulting, an entity associated with Director David Archer, invoiced the Group \$20,900 for geological services outside the scope of Mr Archer's role as a Non-Executive Director.

There were no other transactions entered into with related parties for the June 2022 financial year.

**USE OF REMUNERATION CONSULTANTS**

Due to the size of the Group's operations, the Group has not engaged remuneration consultants to review and measure its remuneration policy and strategy. The Board reviews remuneration strategy periodically and may engage remuneration consultants in future to assist with this process.

**END OF AUDITED REMUNERATION REPORT**
**NON-AUDIT SERVICES**

There were no non-audit services performed during the year by the auditors (or by another person or firm on the auditor's behalf).

**AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES**

Section 307C of the *Corporations Act 2001* requires our auditors, HLB Mann Judd, to provide the Directors of the Group with an Independence Declaration in relation to the audit of the annual report.

This Independence Declaration is set out on page 25 and forms part of this Directors' report for the year ended 30 June 2022.

Signed in accordance with a resolution of the Directors.



**Mr David Boyd**  
**Managing Director**

Perth, 21 September 2022

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the consolidated financial report of Carawine Resources 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:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.



**Perth, Western Australia**  
**21 September 2022**

**B G McVeigh**  
**Partner**

**hlb.com.au**

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

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

	Notes	2022 \$	2021 \$
Revenue and other income	2	1,922	20,790
Employee benefits expense	2	(541,765)	(225,202)
Depreciation expense		(50,835)	(23,758)
Other expenses	2	(648,397)	(535,085)
Share-based payments		(343,161)	(6,188)
Write-off of deferred exploration and evaluation expenditure	8	(78,729)	(534,884)
<b>(Loss) before income tax benefit</b>		<b>(1,660,965)</b>	<b>(1,304,327)</b>
Income tax benefit	3	-	-
(Loss) /profit for the year		<b>(1,660,965)</b>	<b>(1,304,327)</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive (loss)/profit for the year</b>		<b>(1,660,965)</b>	<b>(1,304,327)</b>
Basic loss per share	4	(0.01)	(0.01)
Dilutive loss per share	4	(0.01)	(0.01)

The Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes



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

	Notes	2022 \$	2021 \$
<b>Current Assets</b>			
Cash and cash equivalents	5	2,957,471	3,943,539
Other assets	6	169,665	128,272
<b>Total Current Assets</b>		<b>3,127,136</b>	<b>4,071,811</b>
<b>Non-Current Assets</b>			
Plant and equipment	7	77,297	98,881
Deferred exploration expenditure	8	15,527,079	10,599,215
Right-of-use asset	9	16,989	39,640
<b>Total Non-Current Assets</b>		<b>15,621,365</b>	<b>10,737,736</b>
<b>Total Assets</b>		<b>18,748,501</b>	<b>14,809,547</b>
<b>Current Liabilities</b>			
Trade and other payables	10	184,359	266,271
Employee benefits	11	196,110	170,738
Provision	12	50,000	-
Lease Liability	13	18,571	25,250
<b>Total Current Liabilities</b>		<b>449,040</b>	<b>462,259</b>
<b>Non-Current Liabilities</b>			
Provision	12	260,000	-
Lease Liability	13	-	16,522
<b>Total Non-Current Liabilities</b>		<b>260,000</b>	<b>16,522</b>
<b>Total Liabilities</b>		<b>709,040</b>	<b>478,781</b>
<b>Net Assets</b>		<b>18,039,461</b>	<b>14,330,766</b>
<b>Equity</b>			
Issued capital	14	23,276,753	18,250,256
Reserves	15	725,966	498,563
Accumulated losses	15	(5,963,258)	(4,418,053)
<b>Total Equity</b>		<b>18,039,461</b>	<b>14,330,766</b>

The 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**

	Issued capital \$	Accumulated losses \$	Reserves \$	Total \$
<b>Balance as at 1 July 2020</b>	12,212,272	(3,113,726)	492,375	9,590,921
Loss for the year	-	(1,304,327)	-	(1,304,327)
<b>Total comprehensive loss for the year</b>	-	(1,304,327)	-	(1,304,327)
Shares issued during the year	6,420,309	-	-	6,420,309
Share issue costs	(382,325)	-	-	(382,325)
Recognition of share-based payments	-	-	6,188	6,188
<b>Balance at 30 June 2021</b>	<b>18,250,256</b>	<b>(4,418,053)</b>	<b>498,563</b>	<b>14,330,766</b>
<b>Balance as at 1 July 2021</b>	18,250,256	(4,418,053)	498,563	14,330,766
Loss for the year	-	(1,660,965)	-	(1,660,965)
<b>Total comprehensive loss for the year</b>	-	(1,660,965)	-	(1,660,965)
Shares issued during the year	5,240,000	-	-	5,240,000
Share issue costs	(213,503)	-	-	(213,503)
Recognition of share-based payments	-	-	343,163	343,163
Recognition of lapsed options / performance rights	-	115,760	(115,760)	-
<b>Balance at 30 June 2022</b>	<b>23,276,753</b>	<b>(5,963,258)</b>	<b>725,966</b>	<b>18,039,461</b>

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

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

	Notes	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(801,716)	(784,908)
Refund / (payment) of security deposits/bonds		6,667	(9,673)
Interest received		2,521	14,667
Interest & other finance costs		(2,048)	(1,033)
Government grants		-	50,000
Net cash (used in) operating activities	5	<u>(794,576)</u>	<u>(730,947)</u>
<b>Cash flows from investing / interest in activities</b>			
Payments for exploration and evaluation expenditure		(5,213,801)	(2,717,713)
Refund of tenement application		27,703	10,038
Acquisition of subsidiary, net of cash	20	-	(19,377)
Proceeds from JV agreements		-	100,000
Purchase of plant and equipment		(8,690)	(87,887)
Net cash (used in) investing activities		<u>(5,194,788)</u>	<u>(2,714,939)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		5,240,000	6,000,000
Proceeds from exercise of options		-	6,309
Payments for share issue costs		(213,503)	(382,325)
Payment of lease liabilities		(23,201)	(5,419)
Net cash provided by financing activities		<u>5,003,296</u>	<u>5,618,565</u>
Net (decrease)/increase in cash and cash equivalents		(986,068)	2,172,679
Cash and cash equivalents at beginning of year		<u>3,943,539</u>	<u>1,770,860</u>
<b>Cash and cash equivalents at end of year</b>	5	<u><b>2,957,471</b></u>	<u><b>3,943,539</b></u>

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



**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****(A) CORPORATE INFORMATION**

The consolidated financial statements are for Carawine Resources Limited (“**Carawine**” or the “**Group**”). Carawine is a listed for-profit public company, incorporated and domiciled in Australia and listed on the Australian Securities Exchange (“**ASX**”). During the year ended 30 June 2022, the Group conducted operations in Australia. The Group’s principal activity is exploration for gold, copper and base metals within Western Australia and Victoria.

These financial statements were authorised for issue in accordance with a resolution of the Directors’ on 21 September 2022.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

The principal accounting policies adopted in the preparation of these financial statements are set out below.

**(B) BASIS OF PREPARATION**

The results of the Group are expressed in Australian dollars, which are the functional and presentation currency for the financial report.

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and Interpretations and complies with other requirements of the law. The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

*Historical Cost Convention*

The financial report has also been prepared on a historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets.

**(C) ADOPTION OF NEW AND REVISED STANDARDS***Standards and Interpretations applicable to 30 June 2022*

In the year ended 30 June 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting periods beginning on or after 1 July 2021. As a result of this review, the Directors have determined that there is no material impact of new Standards and Interpretations issued and, therefore, no change is necessary to the Group’s accounting policies.

*Standards and Interpretations in issue not yet effective*

The Directors have also reviewed all Standards and Interpretations in issue not yet effective for the year ended 30 June 2022. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to the Group’s accounting policies.

**(D) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of the Group’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events, which are believed to be reasonable under the circumstances. However, actual outcomes would differ from these estimates if different assumptions were used and different conditions existed.

The Group has identified the following areas where significant judgements, estimates and assumptions are required, and where actual results were to differ, may materially affect the financial position or financial results reported in future periods.

*Share-based payment transactions:*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model, using the assumptions detailed in Note 16. As a performance incentive, senior employees were granted options during the financial year ended 30 June 2022, which contain assumptions of a real risk of forfeiture where performance targets are not achieved.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(D) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)***Exploration and evaluation expenditure*

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely either from exploitation or sale or where activities have now reached a stage which permits a reasonable assessment of the existence of reserves. If, after having capitalised expenditure under this policy, it is concluded that the consolidated entity is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to profit and loss.

*Income tax and tax losses*

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax and the availability of tax losses carried forward from prior years. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

*Bonus provision*

In determining the level of provision required for employee bonuses the Group has made judgements in respect of the probability of the beneficiaries meeting the continues employment conditions. The provision is based on estimates made by management based on available historical data and discussion with the employees.

**(E) GOING CONCERN**

The financial report has been prepared on a going concern basis.

**(F) SEGMENT REPORTING**

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker, which has been identified by the Group as the Managing Director and other members of the Board of Directors.

**(G) REVENUE RECOGNITION**

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Revenue is recognised to the extent that control has passed on the goods and services provided and it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) *Interest income* - Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(ii) *Grant revenue* - grant revenue is recognised when it is received or when the right to receive payment is established. Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate

**(H) INCOME TAX**

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

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

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(H) INCOME TAX (CONTINUED)**

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

**(I) GOODS AND SERVICES TAX (GST)**

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

**(J) BUSINESS COMBINATION**

The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of:

- a) fair value of consideration transferred;
- b) the recognised amount of any non-controlling interest in the acquiree; and
- c) acquisition-date fair value of any existing equity interest in the acquirer over the acquisition-date fair values of identifiable net assets.

If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

**(K) IMPAIRMENT OF ASSETS**

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets and the asset's value in use cannot be estimated to be close to its fair value.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(K) IMPAIRMENT OF ASSETS (CONTINUED)**

In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

If that is the case, the carrying amount of the asset is increased to its recoverable amount unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

**(L) CASH AND CASH EQUIVALENTS**

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**(M) TRADE AND OTHER RECEIVABLES**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 15 days to 30 days.

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

**(N) PAYABLES**

Trade and other payables represent liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms. They are recognised initially at fair value and subsequently at amortised cost.

**(O) LEAVE BENEFITS***Wages, salaries, annual leave and sick leave*

Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave expected to be settled within 12 months of the balance date are recognised as current liabilities in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave not expected to be settled within 12 months of the balance date are recognised in non-current liabilities in respect of employees' services up to the balance date. They are measured as the present value of the estimated future outflows to be made by the Group.

*Long service leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance date. Consideration is given to expect future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the balance date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

**(P) EXPLORATION AND EVALUATION EXPENDITURE**

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- a) the rights to tenure of the area of interest are current; and
- b) at least one of the following conditions is also met:
  - the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or



**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(P) EXPLORATION AND EVALUATION EXPENDITURE (CONTINUED)**

- exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount

The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

**(Q) ISSUED CAPITAL**

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

**(R) LEASES***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.

*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.

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.

**(S) PROVISIONS**

Provisions for legal claims are recognised when the Group has a legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(T) SHARE-BASED PAYMENTS**

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or options over shares ("equity-settled transactions").

The fair value of options is recognised as an expense with a corresponding increase in equity (share-based payments reserve). The fair value is measured at grant date and recognised over the period during which the holder becomes unconditionally entitled to the options. The fair value is determined by using a Black-Scholes model, further details of which are given in Note 16. In determining fair value, no account is taken of any performance conditions other than those related to the share price of the Group ("market conditions").

The cumulative expense recognised between grant date and vesting date is adjusted to reflect the director's best estimate of the number of options that will ultimately vest because of internal conditions of the options, such as the employees having to remain with the company until vesting date, or such that employees are required to meet internal sales targets. No expense is recognised for options that do not ultimately vest because a non-market condition was not met.

Where the terms of options are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, at the date of the modification, a further expense is recognised for any increase in fair value of the transaction as a result of the change. Where options are cancelled, they are treated as if vesting occurred on cancellation and any unrecognised expenses are taken immediately to the statement of comprehensive income. However, if new options are substituted for the cancelled options and designated as a replacement on grant date, the combined impact of the cancellation and replacement options are treated as if they were a modification.

**(U) PLANT AND EQUIPMENT**

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

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

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

Motor vehicles	4 years
Plant and equipment	2-10 years

*Impairment*

The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income in the cost of sales line item.

*Derecognition and disposal*

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

**(V) EARNINGS PER SHARE**

Basic earnings per share is determined by dividing the operating loss after income tax by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of partly paid shares or options outstanding during the financial year.

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**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(W) COMPARATIVES**

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

**NOTE 2: REVENUE AND EXPENSES**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Revenue</b>		
Interest received	1,922	10,752
Refund of tenement application	-	10,038
	<u>1,922</u>	<u>20,790</u>
<b>(b) Employee benefits expense</b>		
Wages and salaries	137,393	112,582
Entitlements	13,132	44,600
Bonus provision	310,000	-
Superannuation	81,240	68,020
	<u>541,765</u>	<u>225,202</u>
<b>(c) Expenses</b>		
Investor and public relations expense	59,776	13,880
Interest expense	2,048	1,519
Legal fees	118,567	102,356
Insurance expense	40,465	22,839
Stock exchange expenses	60,716	71,445
Office occupancy expense	11,803	14,850
Accounting fees	69,884	64,649
Auditing fees	27,946	28,230
Other expenses	257,192	215,317
	<u>648,397</u>	<u>535,085</u>

**NOTE 3: INCOME TAX**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:		
Accounting profit/(loss) before income tax	<u>(1,660,965)</u>	<u>(1,304,327)</u>
Income tax benefit calculated at 30% (2021: 30%)	(498,290)	(391,298)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	-	1,856
Other non-deductible expenses	103,578	530
Adjustments recognised in the current year in relation to the current tax of previous years	45,372	583,701
Effect of temporary differences that would be recognised directly in equity	(64,051)	(114,698)
Temporary differences not recognised	<u>413,391</u>	<u>(80,091)</u>
Income tax (benefit)/expense reported in the statement of comprehensive income	<u>-</u>	<u>-</u>

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. The tax rate used in the previous reporting period was 30%.

**NOTE 3: INCOME TAX (CONTINUED)****Deferred tax assets and liabilities**

At 30 June 2022, net deferred tax assets of \$553,382 (2021: \$139,352) have not been recognised in terms of AASB112 Income Taxes. The Group does not currently have foreseeable future taxable profits against which the deductible temporary differences and unused tax losses comprising this net deferred tax amount may be utilised.

A breakdown of the components of deferred tax assets and (liabilities) is provided below:

<b>30 June 2022</b>	<b>Deferred Tax Assets</b>	<b>Deferred Tax Liabilities</b>	<b>Net</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade & other receivables	-	(10)	(10)
Prepayments	-	(18,764)	(18,764)
Intangible assets	-	(4,591,682)	(4,591,682)
Right of use assets	-	(5,663)	(5,663)
Lease Liabilities	5,571	-	5,571
Trade & other payables	6,000	-	6,000
Employee benefits	61,213	-	61,213
Unused available tax losses	4,954,388	-	4,954,388
Other future deductions	142,329	-	142,329
Deferred tax assets / (liabilities) before set-off	<u>5,169,501</u>	<u>(4,616,119)</u>	<u>5,169,501</u>
Set-off of deferred tax liabilities	<u>(4,616,119)</u>	<u>4,616,119</u>	<u>-</u>
Net deferred tax asset – not recognised	<u>553,382</u>	<u>-</u>	<u>553,382</u>

<b>30 June 2021</b>	<b>Deferred Tax Assets</b>	<b>Deferred Tax Liabilities</b>	<b>Net</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade & other receivables	-	(190)	(190)
Prepayments	1,640	-	1,640
Intangible assets	-	(3,106,964)	(3,106,964)
Trade & other payables	12,087	-	12,087
Employee benefits	54,893	-	54,893
Unused available tax losses	3,009,877	-	3,009,877
Other future deductions	168,009	-	168,009
Deferred tax assets / (liabilities) before set-off	<u>3,246,506</u>	<u>(3,107,154)</u>	<u>139,352</u>
Set-off of deferred tax liabilities	<u>(3,107,154)</u>	<u>3,107,154</u>	<u>-</u>
Net deferred tax asset - not recognised	<u>139,352</u>	<u>-</u>	<u>139,352</u>

**NOTE 4: EARNINGS/LOSS PER SHARE**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Basic loss per share:	(0.01)	(0.01)
Dilutive loss per share:	(0.01)	(0.01)

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

Total loss from continuing operations	<u>(1,660,965)</u>	<u>(1,304,327)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares for the purposes of basic earnings per share	126,599,914	98,793,234

As the Group is in a loss position the conversion of options to shares is not considered dilutive because conversion would cause the loss per share to decrease.



**NOTE 5: CASH AND CASH EQUIVALENTS**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	2,957,471	1,943,539
Short-term deposits	-	2,000,000
	<b>2,957,471</b>	<b>3,943,539</b>

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

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

<b>Reconciliation of loss after tax for the year to net cash flows from operating activities</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Loss after tax for the year	(1,660,965)	(1,304,327)
Share-based payment expense	343,161	6,188
Depreciation	50,835	23,758
Write off of exploration expenditure	78,729	534,884
Other income	-	(10,038)
Exploration and evaluation expenditure	78,306	-
(Increase)/decrease in assets:		
Current receivables	(29,154)	28,828
Increase/(decrease) in liabilities:		
Current trade and other payables	21,380	(68,494)
Provisions	310,000	-
Provision for employee benefits	13,132	58,254
Net cash (used in) /from operating activities	<b>(794,576)</b>	<b>(730,947)</b>

**NOTE 6: OTHER ASSETS**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
GST recoverable	24,034	23,443
Prepaid expenses	62,547	14,455
term deposit <sup>(i)</sup>	70,000	70,000
Accrued interest	35	634
Other receivables	13,049	19,740
	<b>169,665</b>	<b>128,272</b>

<sup>1</sup> \$70,000 is held as a security for the credit card facility and bears 0.07% interest.

In determining the recoverability of a trade receivable, the Group considers any changes in the credit quality of the trade receivable from the date credit was initially granted up to the balance date. The Directors believe that there is no expected credit loss provision required. There are no past due receivables.

**NOTE 7: PLANT AND EQUIPMENT**

	2022	2021
	\$	\$
<b>Plant and equipment</b>		
Opening balance, net of accumulated depreciation	98,881	27,201
Additions	6,600	87,887
Depreciation charge for the year	(28,184)	(16,207)
<b>Closing balance, net of accumulated depreciation</b>	<b>77,297</b>	<b>98,881</b>
<b>Plant and equipment</b>		
Cost	165,447	158,847
Accumulated depreciation	(88,150)	(59,966)
<b>Net carrying amount</b>	<b>77,297</b>	<b>98,881</b>

**NOTE 8: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE**

	2022	2021
	\$	\$
Costs carried forward in respect of:		
<b>Exploration and evaluation phase - at cost</b>		
Balance at beginning of year	10,599,215	7,895,409
Expenditure incurred	5,006,593	3,338,690
JV payments for Paterson tenements <sup>1</sup>	-	(50,000)
JV payments for Oakover tenements <sup>2</sup>	-	(50,000)
Exploration expenditure written off <sup>3</sup>	(78,729)	(534,884)
<b>Total exploration and evaluation expenditure</b>	<b>15,527,079</b>	<b>10,599,215</b>

<sup>1</sup>The Group entered into farm-in and joint venture agreements (Agreements) with FMG Resources Pty Ltd (FMG) and Rio Tinto Exploration Pty Ltd (Rio) for its Paterson tenements. During the year ended 30 June 2021, FMG and Rio each paid a cash payment to the Group upon execution of the Agreements.

<sup>2</sup>The Group entered into farm-in and joint venture agreement (Agreement) with Black Canyon Limited (Black Canyon) for its Oakover tenements. During the year ended 30 June 2021, Black Canyon paid a cash payment to the Group upon execution of the Agreement.

<sup>3</sup>Capitalised exploration expenditure relating to the surrender of exploration licences or where rights to tenure is not current, have been written off in full during the year.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

**NOTE 9: RIGHT-OF-USE ASSET**

	2022	2021
	\$	\$
Land and building right-of-use	47,191	47,191
Amortisation -right-of-use	(30,202)	(7,551)
	<b>16,989</b>	<b>39,640</b>

The Company leases a property at Unit 3, 38 Industry Street, Malaga. The lease of the property commenced on 29 March 2021 and is due to expire on 28 March 2023.

**NOTE 9: RIGHT-OF-USE ASSET (CONTINUED)***Reconciliation:*

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Balance as at 1 July	39,640	-
Recognition of new leased asset	-	47,191
Depreciation	(22,651)	(7,551)
Closing balance	<b>16,989</b>	<b>39,640</b>

**NOTE 10: TRADE AND OTHER PAYABLES**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Trade creditors	134,444	206,882
Accruals	20,000	40,291
Other creditors	29,915	19,098
	<b>184,359</b>	<b>266,271</b>

Trade payables are non-interest bearing and are normally settled on 30-day terms. Information regarding the interest rate and liquidity risk exposure is set out in Note 17.

**NOTE 11: EMPLOYEE BENEFITS**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Annual leave	105,429	102,201
Long service leave	90,681	80,776
Provision for FBT	-	(12,239)
	<b>196,110</b>	<b>170,738</b>

The employee benefits liabilities represent annual leave and long service leave payable.

**NOTE 12: PROVISIONS**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Provision for bonus - current	50,000	-
Provision for bonus - non-current	260,000	-
	<b>310,000</b>	-

*Reconciliation of provisions:*

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Carrying amount at the start of the year	-	-
Additional provisions recognised	310,000	-
Amounts used	-	-
Unused amounts reversed	-	-
Carrying amount at the end of the year	<b>310,000</b>	-

*Terms of bonus*

Payment of bonus is subject to continuous employment with the Company until 30 November 2022 (current balance) and 30 November 2023 (non-current balance).

**NOTE 13: LEASE LIABILITIES**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Lease Liability - current	18,571	25,250
Lease Liability - non-current	-	16,522
	<b>18,571</b>	<b>41,772</b>

Refer to Note 9 for details of the leased asset.

**NOTE 14: ISSUED CAPITAL**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Ordinary shares issued and fully paid	24,602,581	19,362,581
Share issue costs	(1,325,828)	(1,112,325)
	<b>23,276,753</b>	<b>18,250,256</b>

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

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

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

*Movement in ordinary shares on issue:*

	<b>2022</b>		<b>2021</b>	
	<b>No.</b>	<b>\$</b>	<b>No.</b>	<b>\$</b>
Balance at beginning of financial year	108,889,902	18,250,256	77,268,871	12,212,272
Exercise of unlisted options at \$0.30 each	-	-	21,031	6,309
Issue of fully paid ordinary shares at \$0.20 each	-	-	30,000,000	6,000,000
Issue of fully paid ordinary shares at \$0.24 each	-	-	1,000,000	240,000
Issue of fully paid ordinary shares at \$0.29 each	-	-	600,000	174,000
Issue of fully paid ordinary shares at \$0.18 each	27,222,221	4,900,000	-	-
Issue of fully paid ordinary shares at \$0.18 each	222,224	40,000	-	-
Issue of fully paid ordinary shares at \$0.20 each	1,500,000	300,000	-	-
Share issue costs	-	(213,503)	-	(382,325)
Balance at end of financial year	<b>137,834,347</b>	<b>23,276,753</b>	<b>108,889,902</b>	<b>18,250,256</b>

*Movement in options and rights over ordinary shares on issue*

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Number at beginning of financial year	4,275,000	14,550,876
Issue of unlisted options exercisable at \$0.40 each expiring on 14/12/2023	-	750,000
Exercise of unlisted loyalty options at \$0.30 each	-	(21,031)
Lapsing of loyalty options	-	(10,229,845)
Issue of unlisted options exercisable at \$0.40 each expiring on 23/12/2025	3,000,000	-
Issue of unlisted options exercisable at \$0.60 each expiring on 23/12/2025	2,250,000	-
Lapsing of unlisted options	(1,000,000)	-
Lapsing of performance rights	(775,000)	(775,000)
Number at end of financial year	<b>7,750,000</b>	<b>4,275,000</b>

*Employee Share options*

The company has an Employee Share Option Plan under which options to subscribe for the Group's shares have been granted to certain employees (refer to Note 16).



**NOTE 15: ACCUMULATED LOSSES AND RESERVES**

	2022	2021
	\$	\$
<i>Accumulated losses</i>		
Balance at beginning of financial year	(4,418,053)	(3,113,726)
Profit/(loss) for the year	(1,660,965)	(1,304,327)
Transfer of lapsed performance rights	115,760	-
Balance at end of financial year	<u>(5,963,258)</u>	<u>(4,418,053)</u>
<i>Share-based payments reserve</i>		
Balance at beginning of financial year	498,563	492,375
Share based payments	504,912	6,188
Transfer of lapsed performance rights	(115,760)	-
Reversal of lapsed performance rights to profit or loss	(161,749)	-
Balance at end of financial year	<u>725,966</u>	<u>498,563</u>

Nature and purpose of reserves*Share-based payments reserve*

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration

**NOTE 16: SHARE-BASED PAYMENT PLANS****Options**

Employees (including Directors) may be issued with options over ordinary shares of the Group. Options are issued for nil consideration and are subject to vesting criteria established by the Directors of the Group. Options may be exercised at any time from the date of vesting to the date of expiry. The exercise price for employee options granted under the Group's ESOP will be fixed by the Directors prior to the grant of the option. Each employee share option converts to one fully paid ordinary share of Carawine. The options do not provide any dividend or voting rights and are not quoted on the ASX.

The following share-based arrangements were issued in accordance with the Employee Share Option Plan (ESOP) of the Group and they were in place during the year:

Series	Number	Grant date	Expiry date	Exercise price \$	Fair value at grant date \$	Vesting date
Series 1	500,000	12/12/17	12/12/21	0.30	56,747	12/12/18
Series 2	500,000	12/02/18	12/02/22	0.40	59,012	12/02/19
Series 3	1,000,000	26/08/19	26/08/23	0.18	77,667	27/08/20
Series 4	750,000	14/11/19	15/11/23	0.26	115,156	14/11/20
Series 5	375,000	14/12/20	14/12/23	0.40	57,464	14/12/21
Series 6	375,000	14/12/20	14/12/23	0.40	57,464	26/04/22
Series 7	3,000,000	23/12/21	23/12/25	0.40	255,930	23/12/21
Series 8	2,250,000	23/12/21	23/12/25	0.60	162,286	23/12/21

Options series 1 and 2 expired during the year.

Options series 7 and 8 were issued during the year.

The fair value of the equity-settled share options granted during the year under the Group's ESOP is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted; and the following inputs:

	Series 7	Series 8
Dividend yield (%)	-	-
Expected volatility (%)	94	94
Risk-free interest rate (%)	0.94	0.94
Expected life of option (years)	4	4
Exercise price (cents)	40	60
Grant date share price (cents)	10	10

**NOTE 16: SHARE-BASED PAYMENT PLANS (CONTINUED)**

Option Series 7 and 8 are not subject to vesting conditions and have been recognised as an accounting expense immediately.

The vesting conditions applicable to Series 6 were deemed to have automatically waived under the terms of the Group's ESOP on 26 April 2022 as a result of the change of control of the Group arising during the takeover offer by QGold Pty Ltd. These options previously had a vesting date of 14 December 2022.

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value. There were no share options exercised during the year.

*Movement on options:*

The following table illustrates the number (No.), weighted average exercise prices (WAEP) of, and movements in options in existence during the year:

	2022		2021	
	\$	WAEP	No.	\$
Outstanding at the beginning of the year	3,500,000	0.29	2,750,000	0.26
Granted during the year	5,250,000	0.49	750,000	0.40
Exercised during the year	-	-	-	-
Lapsed during period	(1,000,000)	0.35	-	-
Outstanding at the end of the year	7,750,000	0.42	3,500,000	0.29
Exercisable at the end of the year	7,750,000	0.42	2,750,000	0.26

The 7,750,000 options over ordinary shares with a weighted average exercise price of \$0.42 each are exercisable until the relevant expiry dates.

The weighted average remaining contractual life for the share options outstanding as at 30 June 2022 is 2.8 years (2021: 1.81 years).

The range of exercise prices for options outstanding at the end of the year is \$0.18 - \$0.60 (2021: \$0.18 - \$0.40).

**Performance Rights**

The following performance rights were in place in the current period and were subject to the Group's Performance Rights plan:

	Number	Number lapsed during the year	Grant date	Expiry date	Fair value at grant date	Share price at grant date
Series 1	550,000	550,000	12/12/17	12/12/21	288,450	0.20
Series 2	225,000	225,000	12/02/18	12/12/21	103,500	0.23

During the period ended 30 June 2022, performance rights series 1 and 2 lapsed without vesting due to not meeting vesting conditions.

**NOTE 17: FINANCIAL INSTRUMENTS****(a) Capital risk management**

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2021.

The capital structure of the Group consists of cash and cash equivalents, debt, and equity attributable to equity holders of the Group, comprising issued capital, reserves and retained earnings. None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings.

**NOTE 17: FINANCIAL INSTRUMENTS (CONTINUED)****(b) Categories of financial instruments**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>		
Cash and cash equivalents	2,957,471	3,943,539
Trade and other receivables	169,665	128,272
<b>Financial liabilities</b>		
Trade and other payables	184,359	266,271
Lease liabilities	18,571	41,772

**(c) Financial risk management objectives**

The main risks arising from the Group's financial instruments are interest risk, credit risk and liquidity risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

**(d) Interest rate risk management**

The Group's exposure to risks of changes in market interest rates relates primarily to the Group cash balances. The Group constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates. As the Group has no interest bearing borrowings, its exposure to interest rate movements is limited to the amount of interest income it can potentially earn on surplus cash deposits.

<b>2022</b>	Weighted Average Interest Rate	≤6 months	6-12 months	1-5 Years	Total
	%	\$	\$	\$	\$
<b>Financial assets</b>					
Variable interest rate instruments					
Fixed Interest bearing	0.1	-	-	-	-
Non-interest bearing	-	2,957,471	169,665	-	3,127,136
<b>Total Financial Assets</b>		<b>2,957,471</b>	<b>169,665</b>	<b>-</b>	<b>3,127,136</b>
<b>Financial liabilities</b>					
Non-interest bearing	-	184,359	-	-	184,359
Fixed Interest bearing	3	18,571	-	-	18,571
<b>Total Financial Liabilities</b>		<b>202,930</b>	<b>-</b>	<b>-</b>	<b>202,930</b>
<b>2021</b>	Weighted Average Interest Rate	≤6 months	6-12 months	1-5 Years	Total
	%	\$	\$	\$	\$
<b>Financial assets</b>					
Variable interest rate instruments					
Fixed Interest bearing	0.1	2,000,000	-	-	2,000,000
Non-interest bearing	-	1,943,539	128,272	-	2,071,811
<b>Total Financial Assets</b>		<b>3,943,539</b>	<b>128,272</b>	<b>-</b>	<b>4,071,811</b>
<b>Financial liabilities</b>					
Non-interest bearing	-	266,271	-	-	266,271
Fixed Interest bearing	3	41,772	-	-	41,772
<b>Total Financial Liabilities</b>		<b>308,043</b>	<b>-</b>	<b>-</b>	<b>308,043</b>

**Interest rate risk sensitivity analysis**

Exposure arises predominantly from assets and liabilities bearing variable interest rates as the Group intends to hold fixed rate assets and liabilities to maturity. Interest rate risk is considered immaterial.

**NOTE 17: FINANCIAL INSTRUMENTS (CONTINUED)****(e) Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses publicly available financial information and its own trading record to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Board of Directors periodically.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

**(f) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

2022	Carrying amount	Total Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	184,359	184,359	184,359	-	-	-	-
Lease liabilities	18,571	19,313	12,875	6,438	-	-	-
	<b>202,930</b>	<b>203,672</b>	<b>197,234</b>	<b>6,438</b>	-	-	-

2021	Carrying amount	Total Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	266,271	266,271	266,271	-	-	-	-
Lease liabilities	41,772	44,563	12,500	12,750	19,313	-	-
	<b>308,043</b>	<b>310,834</b>	<b>278,771</b>	<b>12,750</b>	<b>19,313</b>	-	-

**(g) Fair Value**

The fair value of financial assets and financial liabilities for investment not measured at fair value on a recurring basis, approximates their carrying value at balance date.

**NOTE 18: COMMITMENTS****Exploration commitments**

The Group has certain obligations to perform minimum exploration work and to spend minimum amounts on exploration tenements. The obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Group.

Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature and amount of future expenditure beyond the next year. Expenditure may be reduced by seeking exemption from individual commitments, by relinquishing of tenure or any new joint venture agreements. Expenditure may be increased when new tenements are granted.



**NOTE 18: COMMITMENTS (CONTINUED)**

Commitment contracted for at balance date but not recognised as liabilities are as follows:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Within one year	1,625,500	387,500

**Other commitments**

Carawine Resources Limited has a bank guarantee of \$70,000 (see details per Note 6) at 30 June 2022 (2021: \$70,000).

**NOTE 19: RELATED PARTY DISCLOSURE****Subsidiary Entity**

The consolidated financial statements include the financial statements of Carawine Resources Limited and its wholly owned subsidiary Phantom Resources Pty Ltd.

Carawine Resources Limited is the ultimate Australian parent entity and ultimate parent of the Group. Loans made by Carawine Resources Limited to its wholly-owned subsidiary are contributed to meet required expenditure payable on demand and are not interest bearing.

**Transactions with other Related Parties**

During the period, Archer Geological Consulting, an entity associated with Director David Archer, invoiced the Group \$20,900 (incl. GST) for geological services outside the scope of Mr Archer's role as a Non-Executive Director.

There were no other transactions entered into with related parties for the June 2022 financial year.

**a) Details of Key Management Personnel**

The following persons acted as Directors of the Group during the financial year:

The following persons acted as key management personnel of the Group during or since the end of the financial year:

- Mr Will Burbury (Non-Executive Chairman) – resigned on 10 May 2022
- Mr Hayden Leary (Non-Executive Chairman) – appointed on 10 May 2022
- Mr David Boyd (Managing Director)
- Mr David Archer (Non-Executive Director)
- Mr Martin Lackner (Non-Executive Director) – appointed on 10 May 2022

**b) Key Management Personnel Compensation**

The aggregate compensation made to Directors and other Key Management Personnel of the Group is set out below:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	431,305	359,589
Other long-term employee benefits	156,661	-
Post-employment benefits	38,675	33,630
Options & rights	86,796	87,146
<b>Total</b>	<b>713,437</b>	<b>480,365</b>

Detailed remuneration disclosures are provided in the Remuneration Report.

**c) Equity Holdings**

Number of shares and options held by Directors and Key Management Personnel are set out in the Remuneration Report.

**NOTE 19: AUDITOR'S REMUNERATION**

The auditor of Carawine Resources Limited is HLB Mann Judd.

	2022	2021
	\$	\$
Amounts received or due and receivable by HLB Mann Judd for:		
An audit or review of the financial report of the entity	27,946	28,730
Other assurance services	-	-
	<u>27,946</u>	<u>28,730</u>

**NOTE 20: ASSET ACQUISITION**

On 19 November 2020, Carawine Resources Ltd acquired Phantom Resources Pty Ltd ("**Phantom**"). Phantom is the holder of 100% of four exploration license applications being tenements E39/2150, E69/3756, E69/3757 and E69/3769. These tenements are located within the Tropicana Belt or the Biranup Zone. The acquisition involved Carawine purchasing all shares in Phantom from the shareholders of Phantom in consideration for the issue of 600,000 Carawine shares to the Phantom shareholders, and repayment of a \$20,000 loan to one Phantom shareholder who is not a related party of Carawine. This transaction was approved by Carawine shareholders on 17 November 2020 at the Group's Annual General Meeting. The acquisition of Phantom by Carawine has been treated as an asset acquisition, therefore, no goodwill has been recognised. The excess consideration over net assets acquired at balance date were recognised in profit or loss as the applications cannot be capitalised under AASB 6 *Exploration for and Evaluation of Mineral Resources*.

<b>Purchase consideration</b>	<b>\$</b>
Shares in Carawine Resources Ltd (600,000 shares at \$0.29 per share)	174,000
Cash paid	20,000
	<u>194,000</u>

The identifiable assets and liabilities recognised as a result of the acquisition are as follows:

<b>Fair value of identifiable assets and liabilities at acquisition</b>	<b>\$</b>
Cash and cash equivalents	623
Net asset	<u>623</u>

<b>Purchase consideration - outflow of cash to acquire subsidiary, net of cash</b>	<b>\$</b>
Cash consideration	20,000
Less: Cash acquired	(623)
Net outflow of cash - investing activities	<u>19,377</u>

**NOTE 21: SEGMENT REPORTING**

The Group's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision maker to make decisions regarding the Group's operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Decision Maker.

During the period, the Group operated predominantly in one segment being the minerals exploration sector in Australia. Accordingly, under the "management approach" outlined, only one operating segment has been identified and no further disclosure is required in the notes to the financial statements

**NOTE 22: EVENTS AFTER THE REPORTING PERIOD**

The impact of the Coronavirus (COVID-19) pandemic is ongoing as at 30 June 2022 and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is continually evolving and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than noted above, there have been no other matters or circumstances that have arisen after balance date that have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

**NOTE 23: PARENT ENTITY INFORMATION**

<b>Financial Position</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
Current assets	3,090,252	4,059,732
Non-current assets	15,610,401	10,737,736
<b>Total assets</b>	<b>18,700,653</b>	<b>14,797,468</b>
<b>Liabilities</b>		
Current liabilities	445,980	462,259
Non-current liabilities	260,000	16,522
<b>Total liabilities</b>	<b>705,980</b>	<b>478,781</b>
<b>Net Assets</b>	<b>17,994,673</b>	<b>14,318,687</b>
<b>Equity</b>		
Issued capital	23,276,753	18,250,256
Reserves	725,966	498,563
Accumulated losses	(6,008,046)	(4,430,132)
<b>Total equity</b>	<b>17,994,673</b>	<b>14,318,687</b>
<b>Financial Performance</b>		
Net loss for the year	(1,657,527)	(1,316,406)
Other comprehensive income	-	-
<b>Total comprehensive loss</b>	<b>(1,657,527)</b>	<b>(1,316,406)</b>

*Directors' Declaration*

1. In the opinion of the Directors of Carawine Resources Limited (the 'Group'):
  - a. the accompanying consolidated financial statements and notes 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 of its performance for the year then ended; and
    - ii. complying with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.
  - b. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
  - c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2022.

This declaration is signed in accordance with a resolution of the Board of Directors.



Mr David Boyd  
Managing Director

21 September 2022

## INDEPENDENT AUDITOR'S REPORT

To the members of Carawine Resources Limited

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the financial report of Carawine Resources Limited ("the Company") and its controlled entities ("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:

- (a) 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
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("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.

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*Key Audit Matters*

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

Key Audit Matter	How our audit addressed the key audit matter
<p><b>Carrying amount of exploration and evaluation expenditure</b> Refer to Note 8</p>	
<p>The carrying amount of exploration and evaluation expenditure as at 30 June 2022 is \$15,527,079.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Company capitalises all exploration and evaluation expenditure, including acquisition costs and subsequently applies the cost model after recognition.</p> <p>Our audit focussed on the Company's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Company.</p> <p>We planned our work to address the audit risk that the capitalised expenditure may no longer meet the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of the exploration and evaluation asset may exceed its recoverable amount.</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest;</li> <li>• We considered the Directors' assessment of potential indicators of impairment;</li> <li>• We obtained evidence that the Company has current rights to tenure of its areas of interest;</li> <li>• We discussed with management the nature of planned ongoing activities;</li> <li>• We substantiated a sample of expenditure by agreeing to supporting documentation; and</li> <li>• We examined the disclosures made in the financial report.</li> </ul>

*Information Other than the Financial Report and Auditor's Report Thereon*

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 conclusion thereon.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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.
- 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 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.

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 the 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 the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Carawine Resources 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.



**HLB Mann Judd**  
Chartered Accountants

**Perth, Western Australia**  
**21 September 2022**



**B G McVeigh**  
Partner

The Group was admitted to the official list of ASX on 14 December 2017. Since Listing, the Group has used its cash (and assets in a form readily convertible to cash) in a manner consistent with its business objectives. In accordance with the ASX Listing Rules, the Group is required to disclose the following information, which was prepared, based on share registry information processed up to 09 September 2022.

### Ordinary Share Capital

- At 09 September 2022, 137,834,347 fully paid ordinary shares are held by 1,382 individual shareholders.

Spread of Holdings			Total Holders	Ordinary Shares
1	-	1,000	384	147,457
1,001	-	5,000	491	1,335,454
5,001	-	10,000	181	1,407,533
10,001	-	100,000	292	9,949,960
100,001	-	and over	34	124,993,943
Number of Holders/Shares			1,382	137,834,347

The number of shareholders holding less than a marketable parcel at 09 September 2022 was 841 with 1,312,911 shares.

### Substantial Shareholders

Ordinary Shareholders	Fully Paid Ordinary Shares	
	Number	Percentage
QGold Pty Ltd	113,896,929	82.63

### Voting rights

All ordinary shares carry one vote per share without restriction. Options for ordinary shares do not carry any voting rights.

### Statement of Quotation and Restrictions

- Listed on the ASX are 137,834,347 fully paid shares; all of which are free of escrow conditions.
- All 7,750,000 options are not quoted on the ASX.

### Twenty Largest Shareholders

Details of the 21 largest shareholders by registered shareholding as 09 September 2022 are:

Ordinary Shareholders	Fully Paid Ordinary Shares	
	Number	Percentage
QGOLD PTY LTD	113,896,929	82.63
RIO TINTO EXPLORATION PTY LIMITED	1,500,000	1.09
BNP PARIBAS NOMS PTY LTD	1,280,322	0.93
MORRIS EQUITY INVESTMENTS PTY LTD	1,107,113	0.80
THUNDERSTRUCK INVESTMENTS PTY LTD	1,000,000	0.73
CITICORP NOMINEES PTY LIMITED	805,627	0.58
BNP PARIBAS NOMINEES PTY LTD	419,070	0.30
BNP PARIBAS NOMINEES PTY LTD BARCLAYS	400,776	0.29
NEWECONOMY COM AU NOMINEES PTY LIMITED	307,913	0.22
MR ANDREW STEPHEN ROOKE	263,750	0.19
MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED	263,583	0.19
MR JOHN PAPADOPOULOS	262,413	0.19
INVIA CUSTODIAN PTY LIMITED	250,000	0.18
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	239,621	0.17
MUNROSE INVESTMENTS PTY LTD	227,885	0.17
MR ALAN HENRY LEIVERS	200,000	0.15
MR DARRYL LLOYD PILGRIM	200,000	0.15
MRS MARILYN SMYTH & MR GARRY ARTHUR SMYTH	190,000	0.14
BRACKEN BAY PTY LTD	185,000	0.13
MR JEREMY GREY ALLAN	168,635	0.12
MACED PTY LTD	165,000	0.12
<b>TOTAL</b>	<b>123,333,637</b>	<b>89.47</b>

### Options

Outstanding as at 09 September 2022 were 7,750,000 unquoted options. Details are set out below:

- 1,000,000 options over ordinary shares with exercise price \$0.18 each, expiring on 27 August 2023.
- 750,000 options over ordinary shares with exercise price \$0.26 each, expiring on 15 November 2023.
- 750,000 options over ordinary shares with exercise price of \$0.40 each, expiring on 14 December 2023
- 3,000,000 options over ordinary shares with exercise price of \$0.40 each, expiring on 23 December 2025
- 2,250,000 options over ordinary shares with exercise price of \$0.60 each, expiring on 23 December 2025

No unquoted performance rights remained outstanding as at 09 September 2022

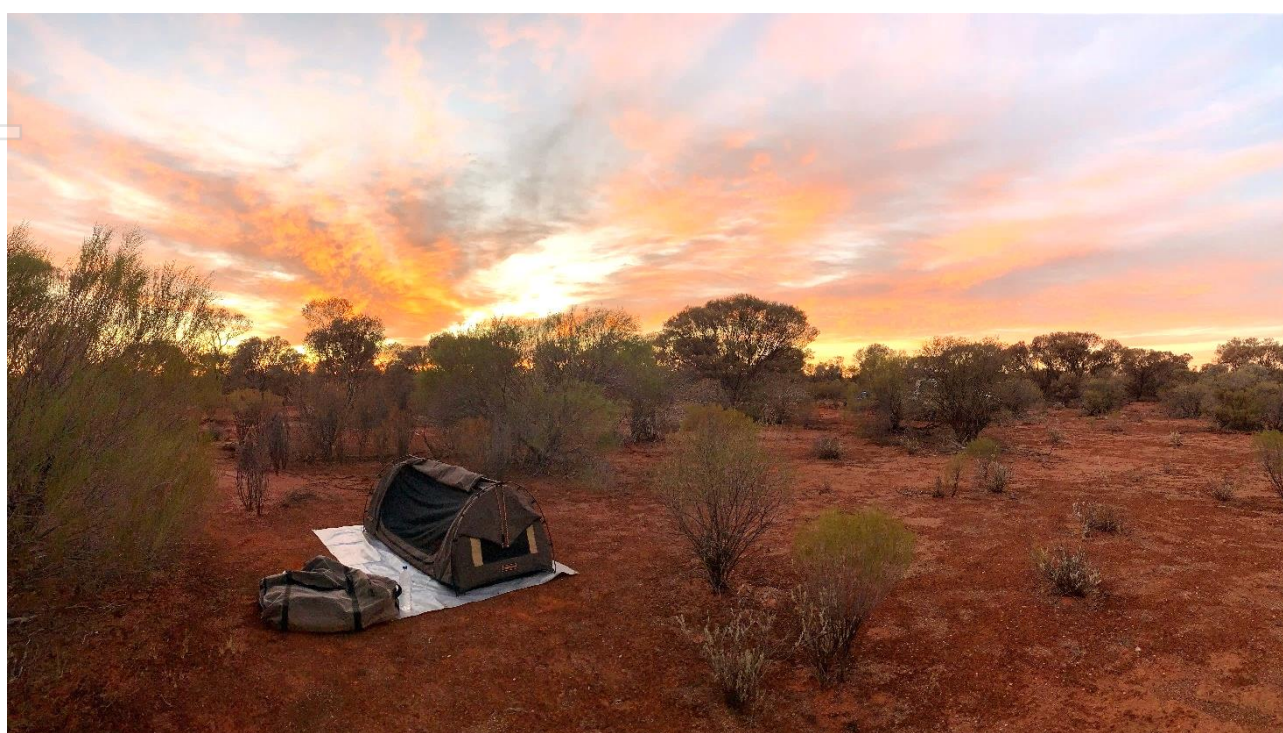


**Interests in Mining Tenements  
(as of 30 June 2022)**

Project	Tenement	Holder(s)	Group Interest	Location	Status
Fraser Range	E28/2759	Carawine Resources Ltd	100%	Western Australia	LIVE
Fraser Range	E28/3043	Carawine Resources Ltd	100%	Western Australia	LIVE
Fraser Range	E28/3160	Carawine Resources Ltd	100%	Western Australia	LIVE
Fraser Range (Fraser Range JV)	E28/2374-I	IGO Newsearch Pty Ltd & Carawine Resources Ltd	30% <sup>5</sup>	Western Australia	LIVE
Fraser Range (Fraser Range JV)	E28/2563	IGO Newsearch Pty Ltd & Carawine Resources Ltd	30% <sup>5</sup>	Western Australia	LIVE
Fraser Range (Fraser Range JV)	E39/1733	IGO Newsearch Pty Ltd & Carawine Resources Ltd	30% <sup>5</sup>	Western Australia	LIVE
Fraser Range (Fraser Range JV)	E69/3033	IGO Newsearch Pty Ltd & Carawine Resources Ltd	30% <sup>5</sup>	Western Australia	LIVE
Fraser Range (Fraser Range JV)	E69/3052	IGO Newsearch Pty Ltd & Carawine Resources Ltd	30% <sup>5</sup>	Western Australia	LIVE
Jamieson	EL 5523	Carawine Resources Ltd	100%	Victoria	LIVE
Jamieson	EL 6622	Carawine Resources Ltd	100%	Victoria	LIVE
Oakover (Mn)	E46/1375	Carawine Resources Ltd	100%	Western Australia	LIVE
Oakover (Mn)	E46/1376	Carawine Resources Ltd	100%	Western Australia	LIVE
Oakover (Carawine JV)	E45/4958	Black Canyon Ltd & Carawine Resources Ltd	49%	Western Australia	LIVE
Oakover (Carawine JV)	E45/5145	Black Canyon Ltd & Carawine Resources Ltd	49%	Western Australia	LIVE
Oakover (Carawine JV)	E46/1069-I	Black Canyon Ltd & Carawine Resources Ltd	49%	Western Australia	LIVE
Oakover (Carawine JV)	E46/1099-I	Black Canyon Ltd & Carawine Resources Ltd	49%	Western Australia	LIVE
Oakover (Carawine JV)	E46/1116-I	Black Canyon Ltd & Carawine Resources Ltd	49%	Western Australia	LIVE
Oakover (Carawine JV)	E46/1119-I	Black Canyon Ltd & Carawine Resources Ltd	49%	Western Australia	LIVE
Oakover (Carawine JV)	E46/1245	Black Canyon Ltd & Carawine Resources Ltd	49%	Western Australia	LIVE
Oakover (Carawine JV)	E46/1301	Black Canyon Ltd & Carawine Resources Ltd	49%	Western Australia	LIVE
Paterson	E45/5510	Carawine Resources Ltd	100%	Western Australia	LIVE
Paterson	E45/5520	Carawine Resources Ltd	100%	Western Australia	LIVE
Paterson	E45/5526	Carawine Resources Ltd	100%	Western Australia	LIVE
Paterson (Coolbro JV)	E45/4847	Carawine Resources Ltd	100%	Western Australia	LIVE
Paterson (Coolbro JV)	E45/5229	Carawine Resources Ltd	100%	Western Australia	LIVE
Paterson (Coolbro JV)	E45/5326	Carawine Resources Ltd	100%	Western Australia	LIVE
Paterson (Coolbro JV)	E45/5528	Carawine Resources Ltd	100%	Western Australia	LIVE
Paterson (West Paterson JV)	E45/4871	Carawine Resources Ltd	100%	Western Australia	LIVE
Paterson (West Paterson JV)	E45/4881	Carawine Resources Ltd	100%	Western Australia	LIVE
Paterson (West Paterson JV)	E45/4955	Carawine Resources Ltd	100%	Western Australia	LIVE
Tropicana North	E38/3521	Carawine Resources Ltd	100%	Western Australia	LIVE
Tropicana North	E38/3535	Carawine Resources Ltd	100%	Western Australia	LIVE
Tropicana North	E38/3653	Carawine Resources Ltd	100%	Western Australia	LIVE
Tropicana North	E39/2150	Phantom Resources Pty Ltd	100%	Western Australia	LIVE
Tropicana North	E39/2180	Carawine Resources Ltd	100%	Western Australia	LIVE
Tropicana North	E69/3756	Phantom Resources Pty Ltd	100%	Western Australia	LIVE
Tropicana North	E69/3807	Carawine Resources Ltd	100%	Western Australia	LIVE
Tropicana North	E69/3933	Carawine Resources Ltd	100%	Western Australia	LIVE
Tropicana North	E69/3934	Carawine Resources Ltd	100%	Western Australia	LIVE
Tropicana North (Thunderstruck JV)	E38/3244	Carawine Resources Ltd & Thunderstruck Investments Pty Ltd	90%	Western Australia	LIVE

Project	Tenement	Holder(s)	Group Interest	Location	Status
Tropicana North (Thunderstruck JV)	E39/1845	Carawine Resources Ltd & Thunderstruck Investments Pty Ltd	90%	Western Australia	LIVE
Fraser Range	E28/2964 <sup>3</sup>	Carawine Resources Ltd	100%	Western Australia	PENDING
Fraser Range	E28/3112 <sup>2,4</sup>	Carawine Resources Ltd	100%	Western Australia	PENDING
Fraser Range	E28/3116 <sup>2,4</sup>	Carawine Resources Ltd	100%	Western Australia	PENDING
Fraser Range	E28/3119	Carawine Resources Ltd	100%	Western Australia	PENDING
Fraser Range	E28/3144	Carawine Resources Ltd	100%	Western Australia	PENDING
Fraser Range	E28/3146 <sup>2</sup>	Carawine Resources Ltd	100%	Western Australia	PENDING
Fraser Range	E28/3147 <sup>2</sup>	Carawine Resources Ltd	100%	Western Australia	PENDING
Fraser Range	E28/3163 <sup>2</sup>	Carawine Resources Ltd	100%	Western Australia	PENDING
Fraser Range	E28/3184 <sup>2</sup>	Carawine Resources Ltd	100%	Western Australia	PENDING
Fraser Range	E69/3788	Carawine Resources Ltd	100%	Western Australia	PENDING
Oakover (Au)	E46/1408 <sup>3</sup>	Carawine Resources Ltd	100%	Western Australia	PENDING
Paterson	E45/5629 <sup>2</sup>	Carawine Resources Ltd	100%	Western Australia	PENDING
Paterson	E45/5639	Carawine Resources Ltd	100%	Western Australia	PENDING
Tropicana North	E38/3712 <sup>3</sup>	Carawine Resources Ltd	100%	Western Australia	PENDING
Tropicana North	E38/3747 <sup>1</sup>	Carawine Resources Ltd	100%	Western Australia	PENDING
Tropicana North	E39/2200	Carawine Resources Ltd	100%	Western Australia	PENDING

Notes: 1) tenement application subject to ballot; 2) tenement application, ballot held, tenement not first priority; 3) tenement granted subsequent to the period; 4) tenement application withdrawn subsequent to the period; 5) subsequent to the period IGO's interest in the Fraser Range JV tenements increased by 6%, resulting in the Group's interest for these tenements being 24% as of the date of this Report.



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