

# ANNUAL REPORT 2022

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## Corporate Directory

<b>Directors</b>	Mr Craig Williams – Non-Executive Chairman Mr Alastair Morrison – Executive Director Mr Matthew Yates – Non-Executive Director Mr Michael Klessens - Non-Executive Director Mr Robert Rigo - Non-Executive Director
<b>Company Secretary</b>	Ms Jessica O'Hara
<b>Registered and Principal Office</b>	Suite 22, Level 1, 513 Hay Street Subiaco WA 6008  PO Box 2152 Subiaco WA 6904
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<b>Share Registry</b>	Automic Pty Ltd Level 5, 191 St Georges Terrace Perth WA 6000 Telephone: 1300 288 664 International: +61 8 9698 5414
<b>Stock Exchange Listing</b>	Australian Securities Exchange ('ASX') Level 40, Central Park 152-158 St Georges Terrace Perth WA 6000  ASX Code:   SLS – Fully Paid Ordinary Shares SLSO – Listed Options
<b>Solicitors</b>	Allen & Overy LLP Level 12, Exchange Plaza 2 The Esplanade Perth WA 6000
<b>Auditor</b>	Deloitte Touche Tohmatsu Level 9, Tower 2, Brookfield Place 123 St Georges Terrace Perth WA 6000
<b>Bankers</b>	Commonwealth Bank of Australia Level 14C, 300 Murray Street Perth WA 6000

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***Solstice's Exploration Geologists, Yarri Project, Eastern Goldfields***

## Letter from the Executive Director

Dear Shareholder,

On behalf of the Board, it gives me great pleasure to welcome you to the first Annual Report of Solstice Minerals Limited (the **Company** or **Solstice**). The Company was demerged from OreCorp Limited (**OreCorp**) by way of a pro rata in-specie distribution of fully paid ordinary shares in the capital of the Company, approved by OreCorp shareholders on 7 April 2022 and after completing an Initial Public Offering (**IPO**) was admitted to the official list of the Australian Securities Exchange (**ASX**) on 28 April 2022.

The Company has a highly credentialed Board and management with extensive industry experience, particularly in the development and operation of large-scale copper and gold mines in both Africa and Australia. Solstice has a dedicated and skilled technical team in place who over the past two years have assembled an enviable ground position with some outstanding targets. The technical team have hit the ground running since Solstice listed with extensive work programs completed and currently underway.

The Company is a Western Australia focussed gold and base metal explorer and holds tenements in four project areas: Yarri, Kalgoorlie, Yundamindra and Ponton (the **Projects**) located within 250km of Kalgoorlie (see Figure 1). The Projects comprise approximately 2,754km<sup>2</sup> and are prospective for orogenic-style gold mineralisation, with the Kalgoorlie Project also prospective for komatiite hosted nickel sulphide mineralisation.

Solstice's flagship project is the Yarri Project, containing the advanced Hobbes Prospect located in close proximity to Northern Star's Porphyry gold mine. At Hobbes, historical drilling has outlined an extensive blanket of supergene gold mineralisation, with underlying primary mineralisation that has been sparsely tested. Solstice has recently completed an infill and extensional drilling program at Hobbes with the purpose of defining a maiden Mineral Resource Estimate (**MRE**).

Elsewhere in the Yarri Project, the Company has defined a number of drill-ready targets through the comprehensive compilation of previous work, as well as undertaking extensive geochemical sampling over the past two years. These targets are being further refined for drilling in the near-term.

The Kalgoorlie Project contains the Ringlock Dam Licence, with an extensive strike length of Black Swan Komatiite Complex (**BSKC**) and contains two prospects where historical drilling has intersected nickel sulphide mineralisation over economic widths and grades. The area has not been the focus of exploration activity for some years and Solstice considers that it represents an exciting, overlooked opportunity at a time when nickel and battery metals are in strong demand.

The Yundamindra and Ponton Projects are at an earlier stage, but already preliminary work has identified prospects that can be quickly advanced with further work and will provide a pipeline of opportunities for the Company going forward.

Regrettably, our Chairman Mr Craig Williams has decided to retire at the Annual General Meeting (**AGM**) in November and step away from his board commitments to spend more time with his family. Craig has been a pre-eminent figure in the Australian mining industry with a distinguished career across a number of highly successful companies including Hunter Resources Limited, Equinox Minerals Limited, OreCorp and Lontown Resources Limited. Over many years, Craig has provided outstanding guidance and oversight at OreCorp, and more recently helped lay the early foundations for success at Solstice. On behalf of all shareholders, we thank Craig and wish him a long and happy retirement.

The Company is in an enviable cash position of \$15.9m at 30 June 2022 and is poised for growth. On behalf of the Board, we welcome you as a shareholder and look forward to sharing an exciting journey ahead.

Yours sincerely,

**Alastair Morrison**  
**Executive Director**  
**Solstice Minerals Limited**



## Corporate Overview

### Company Profile

Solstice is a new gold and base metal explorer listed on the ASX under the code SLS. The Company demerged from OreCorp in April 2022.

Solstice's Board and management has been responsible for the exploration and development of several large and diverse mining and exploration projects, covering every facet of exploration and mining from grass roots to development and operation.

Solstice has assembled to the north and northeast of Kalgoorlie an extensive tenement holding (licences and applications) covering approximately 2,754km<sup>2</sup> over four project areas: Yarri, Kalgoorlie, Yundamindra and Ponton. The tenement holding has been largely under-explored, with modern exploration previously restricted by disjointed tenement ownership and limited funding. Solstice's ownership consolidation provides an opportunity to apply cutting-edge targeting methodologies using a belt-scale approach.

### Solstice's Vision

The Company's ultimate vision is to be a Western Australian mid-tier mining company, generating superior returns for our shareholders, while providing positive benefits for our stakeholders, through exploration, acquisition, development and mining with a focus on gold and base metals.

### Solstice's Values

- ☐ Teamwork – collaborating and working safely and responsibly in partnership with all stakeholders
- ☐ Integrity – acting lawfully, ethically and responsibly with fairness and transparency
- ☐ Respect – valuing diversity and inclusiveness, treating others with care and dignity
- ☐ Innovation – encouraging innovation and entrepreneurship
- ☐ Commitment – giving our all to all that we do
- ☐ Delivery – doing what we say we will do

### Solstice's Mission

The Company will achieve this vision through a purposeful focus on the following themes in its business:

- ☐ Identifying and/or acquiring projects within prospective mineral provinces;
- ☐ Exploring in a scientifically rigorous, innovative, environmentally and socially responsible manner;
- ☐ Developing and mining in a cost-effective, sustainable, efficient and responsible manner to realise stakeholder value;
- ☐ Respecting the rights and interests of native title holders and Traditional Custodian groups to protect and promote Indigenous history and culture;
- ☐ Upholding the Company's strong principles of governance and adherence to Company policies;
- ☐ Safeguarding the health and safety of all stakeholders;
- ☐ Continuously improving its systems and processes;
- ☐ Developing its people and recognising superior performance; and
- ☐ Fostering mutually beneficial relationships with its stakeholders.

### Solstice and COVID-19

Solstice continues to mitigate and protect against the COVID-19 pandemic by monitoring and assessing information relating to the pandemic, specifically in the geographic locations in which it operates. The Company acts on the advice from government and regulatory authorities.

Solstice is committed to maintaining the health, safety and security of the Company's employees and all measures around health and quarantine requirements remain under continuous review.

## Corporate Overview (Continued)

### Sustainable Development

Solstice believes the success of its business is underpinned by a strong commitment to all aspects of sustainable development with an integrated approach to economic, social and environmental management and effective corporate governance.

### Health and Safety

The Company believes that sound occupational health and safety management practices are in the best interests of its employees, its business, its shareholders, and the communities in which it operates. Solstice is committed to achieving the highest performance in occupational health and safety to create and maintain a safe and healthy environment at the workplace.

The Company seeks to eliminate work-related incidents, illnesses and injuries by identifying, assessing and where reasonably practical, eliminating or otherwise controlling hazards. Solstice is pleased to report that there were no Lost Time Injuries sustained during the year ended 30 June 2022.

### Environment

Solstice regards caring for the environment as an integral part of its business and is committed to operating in a responsible manner which minimises its impact on the environment.

The Company seeks to ensure that throughout all phases of activity personnel and contractors give proper consideration to the care of the community, flora, fauna, land, air and water. To fulfil this commitment Solstice will:

- ☐ Comply with applicable environmental laws and regulations;
- ☐ Implement and maintain effective environmental management systems;
- ☐ Integrate environmental factors into decision-making throughout the mining lifecycle;
- ☐ Assess the potential environmental effects of its activities and manage environmental risk;
- ☐ Regularly monitor and strive to continually improve its environmental performance;
- ☐ Rehabilitate the environment affected by Company activities;
- ☐ Promote environmental awareness among personnel and contractors to increase understanding of their roles and responsibilities in relation to environmental management; and
- ☐ Consult and communicate openly with host communities, governments and other stakeholders.

During the year, there were no reportable environmental incidents.

### Stakeholder Relations

Solstice seeks to develop and maintain positive, enduring relationships with its host communities by striving for mutual understanding of each other's needs and aspirations.

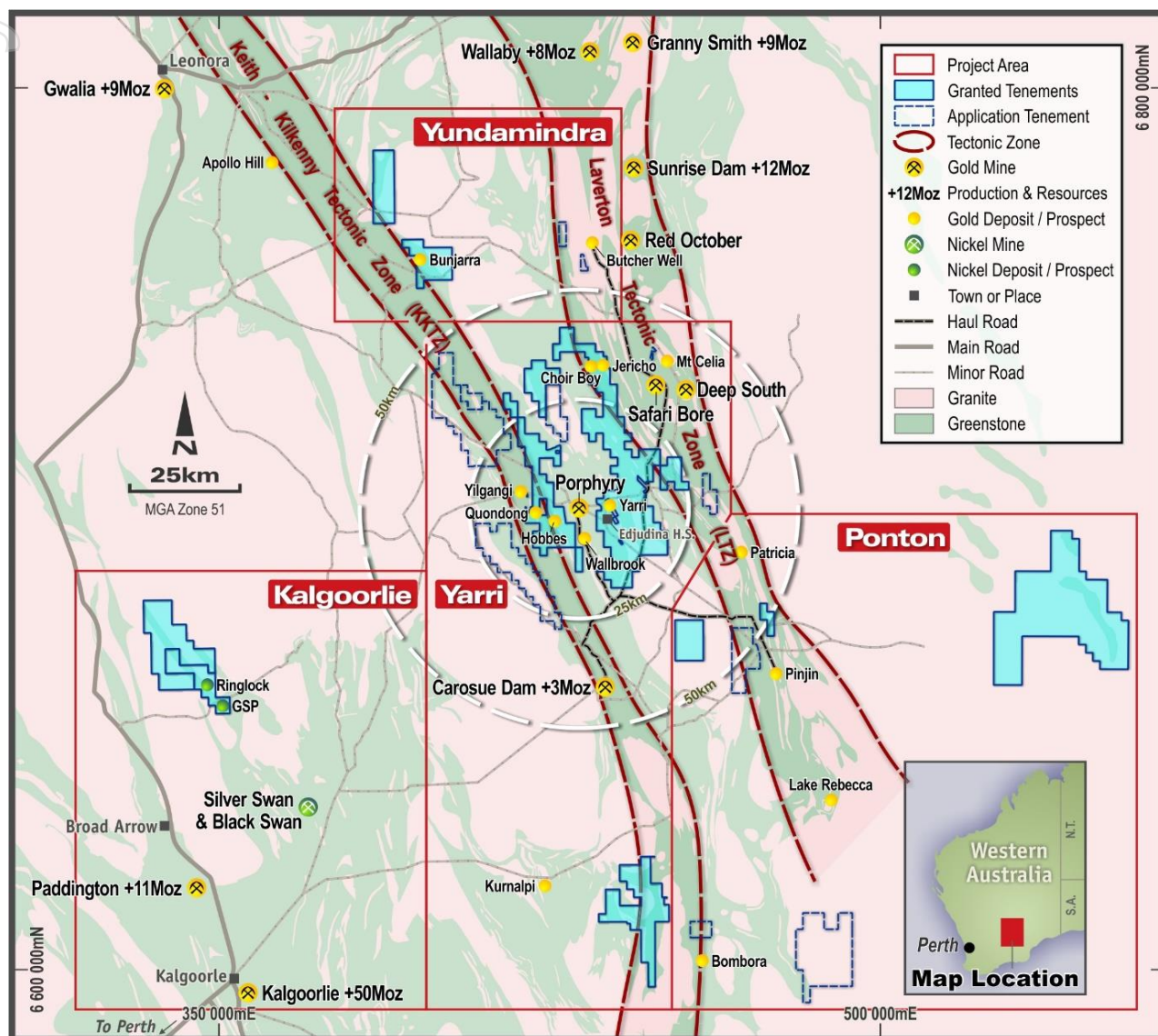
Commensurate with the level of its activities Solstice commits to support:

- ☐ Ongoing consultation with local communities and public authorities;
- ☐ Open and transparent communication about activities that might affect the host community;
- ☐ Mitigation, management and monitoring plans that meet applicable standards;
- ☐ Local sourcing of supplies, services and labour as much as possible;
- ☐ Technology transfer and training to both individuals and related institutions; and
- ☐ Community development programs that can be self-sustaining.

## Review of Operations

### Introduction

Solstice is actively exploring gold and base metal targets in the Eastern Goldfields of Western Australia, and the Company currently has granted licences and licence applications covering approximately 2,754km<sup>2</sup> (**Figure 1**).



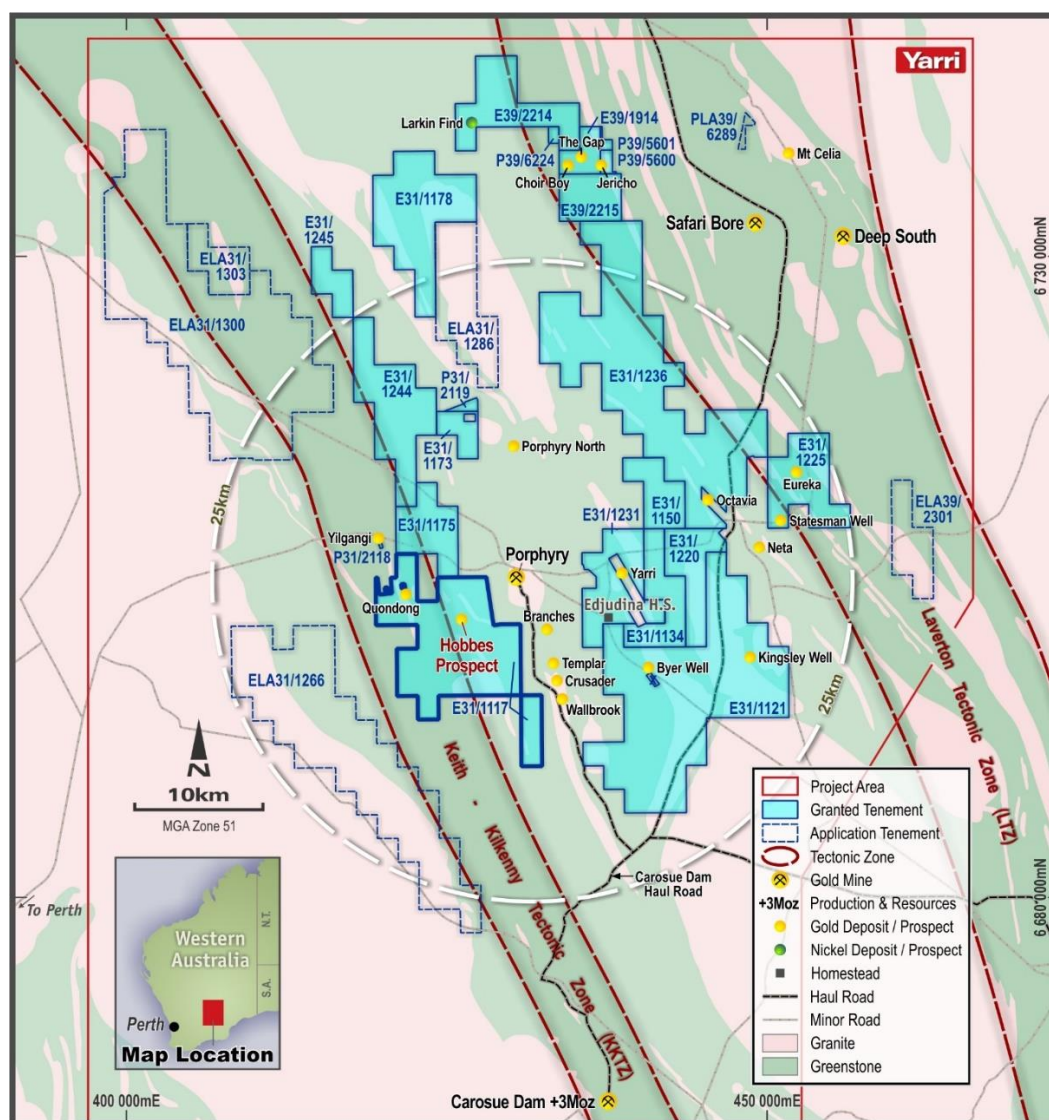
**Figure 1: Location of Solstice's WA Projects with Regional Geology (applications in ballot are not shown)**

### Yarri Project (Gold)

The Yarri Project is located approximately 150km northeast of Kalgoorlie between the Keith-Kilkenny Tectonic Zone (KKTZ) and the Laverton Tectonic Zone (LTZ), both of which are major craton-scale structural features known to control significant gold endowment in the Kurnalpi Terrane of the Eastern Goldfields (**Figure 2**). The Carosue Dam, Porphyry and Deep South Projects that form part of Northern Star Resources' Carosue Dam Operations, hosting 4.275Moz gold at 2.0g/t, are located within the Yarri Project area.

The Yarri Project now comprises 24 granted licences and ten applications (including three awaiting ballot) covering an area of approximately 1,400km<sup>2</sup> and 60km of continuous strike of the Edjudina greenstone belt. The Project includes the advanced Hobbies Gold Prospect, where extensive primary and supergene gold mineralisation has been identified.





**Figure 2: Yarri Project (Northern Portion) with Regional Geology Showing the Core Tenements Within a 30km Radius of the Edjudina Hub and Highlighting the Hobbes Prospect**

#### Hobbes Prospect (E31/1117– Solstice 80%)

The Hobbes Licence (E31/1117), located within the Company's Yarri Project, covers an area of 95km<sup>2</sup> and is situated approximately 150km northeast of Kalgoorlie in Western Australia and approximately 5km west of Northern Star Resources' Porphyry Mining Centre. Nexus Minerals' emerging Crusader-Templar gold deposit is located approximately 10km to the southeast.

The Hobbes Prospect is located in an area of transported cover, including a palaeochannel draining into Lake Rebecca to the southwest. There is no outcrop in the immediate prospect area, with geological interpretation based on drill hole logging and lithogeochemical data collected from historical drilling.

The stratigraphic sequence dips steeply to the west and is offset by a series of broadly northeast trending, apparently strike-slip faults. Two bounding faults, the North Boundary Fault (**NBF**) and subparallel South Boundary Fault (**SBF**) enclose a package of non-magnetic rocks, relative to the strongly magnetic units north and south (**Figure 3**). The lithogeochemical data suggests that the magnetic sequences extend through the non-magnetic package and therefore it is interpreted that the geological sequence between the NBF and SBF has been strongly altered and demagnetised.

Hobbes is interpreted to be located within a north-northwest trending package of intermediate volcanic rocks sandwiched between a high magnesian basalt hanging wall and rhyodacitic volcanic to volcanoclastic footwall package. Intrusive units include syenite sills and dykes, and thin mafic sills to the north of the NBF.



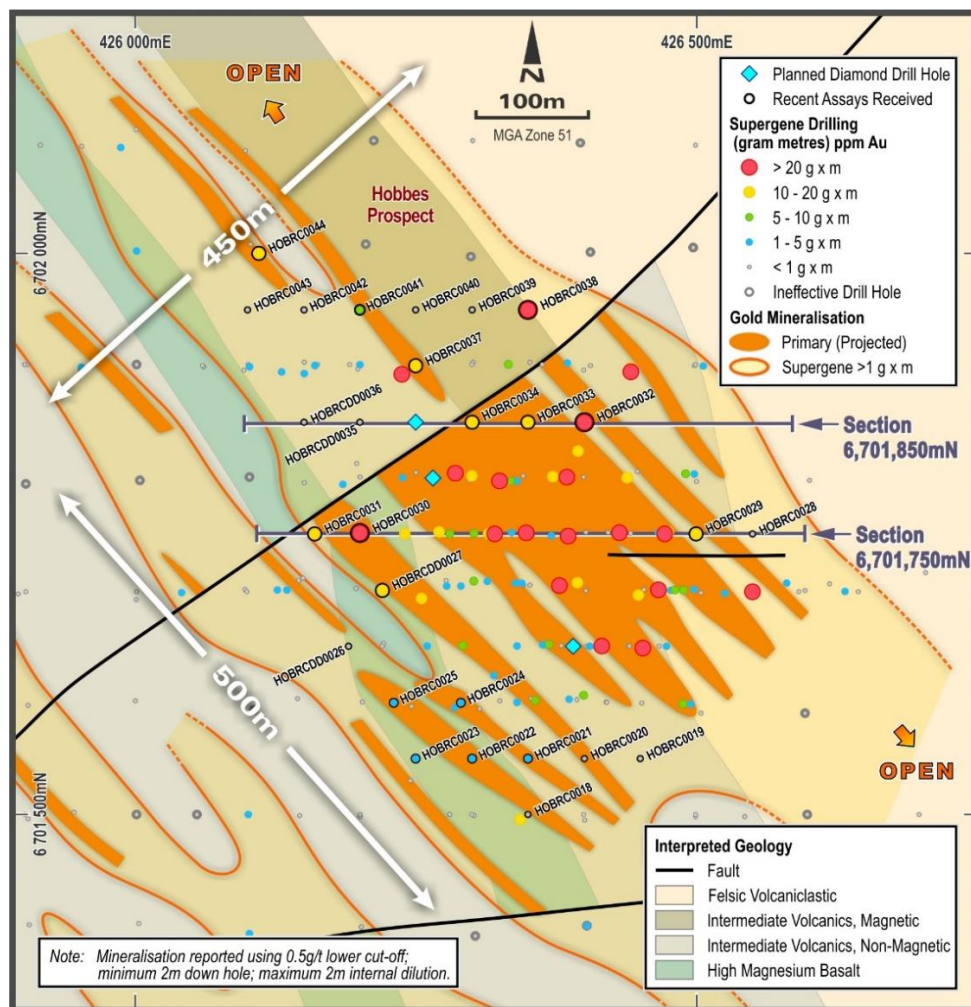
## Review of Operations (Continued)

The NBF appears to be an important control on higher grade primary gold mineralisation and to a lesser extent the northern edge of the overlying gold mineralised supergene blanket. Primary mineralisation is located on broadly layer parallel structures south of the NBF, either on the hanging wall and footwall contacts, or within the intermediate volcanics. To date, only isolated gold mineralisation has been identified to the north of the NBF. Minor faults between the NBF and SBF appear to offset the stratigraphy and potentially mineralised structures.

Historical drilling intersected primary mineralisation beneath supergene zones which remained open in all directions. Solstice completed a maiden 17 Reverse Circulation (RC) hole drill program in early 2021 designed to confirm and test the strike length, depth potential and lateral continuity of both the supergene and primary gold mineralisation. The 2021 drill program confirmed and outlined broad zones of supergene mineralisation at least 1km along strike and >400m across strike and open in all directions. Encouraging results were received with 82% of the holes from the program returning significant intercepts using a 0.5g/t gold lower cut. Better intercepts included:

- HOBRC0002: 22m @ 3.22g/t gold from 45m
- HOBRC0004: 13m @ 1.18g/t gold from 52m and 10m @ 1.18g/t gold from 99m
- HOBRC0009: 9m @ 2.85g/t gold from 176m (Incl. 3m @ 5.13g/t gold from 182m (end-of-hole))
- HOBRC0014: 30m @ 1.08g/t gold from 47m (Incl. 14m @ 1.25g/t gold from 47m and 8m @ 1.27g/t gold from 68m)

Solstice completed a follow up drill program in mid-2022 comprising 27 RC holes (HOBRC0018–0044) for 5,884m (**Figure 3**). The objective was to infill previous drilling to 50m spacing over 500m strike length of the known mineralisation, to support a maiden MRE. Drilling was designed to test both eastern and western boundaries of the known gold mineralisation, as well as potential for immediate northern and southern extensions.



**Figure 3: Hobbes Prospect with RC Drill Hole Collar Locations, Interpreted Solid Geology overlain with Supergene and Primary Mineralisation**

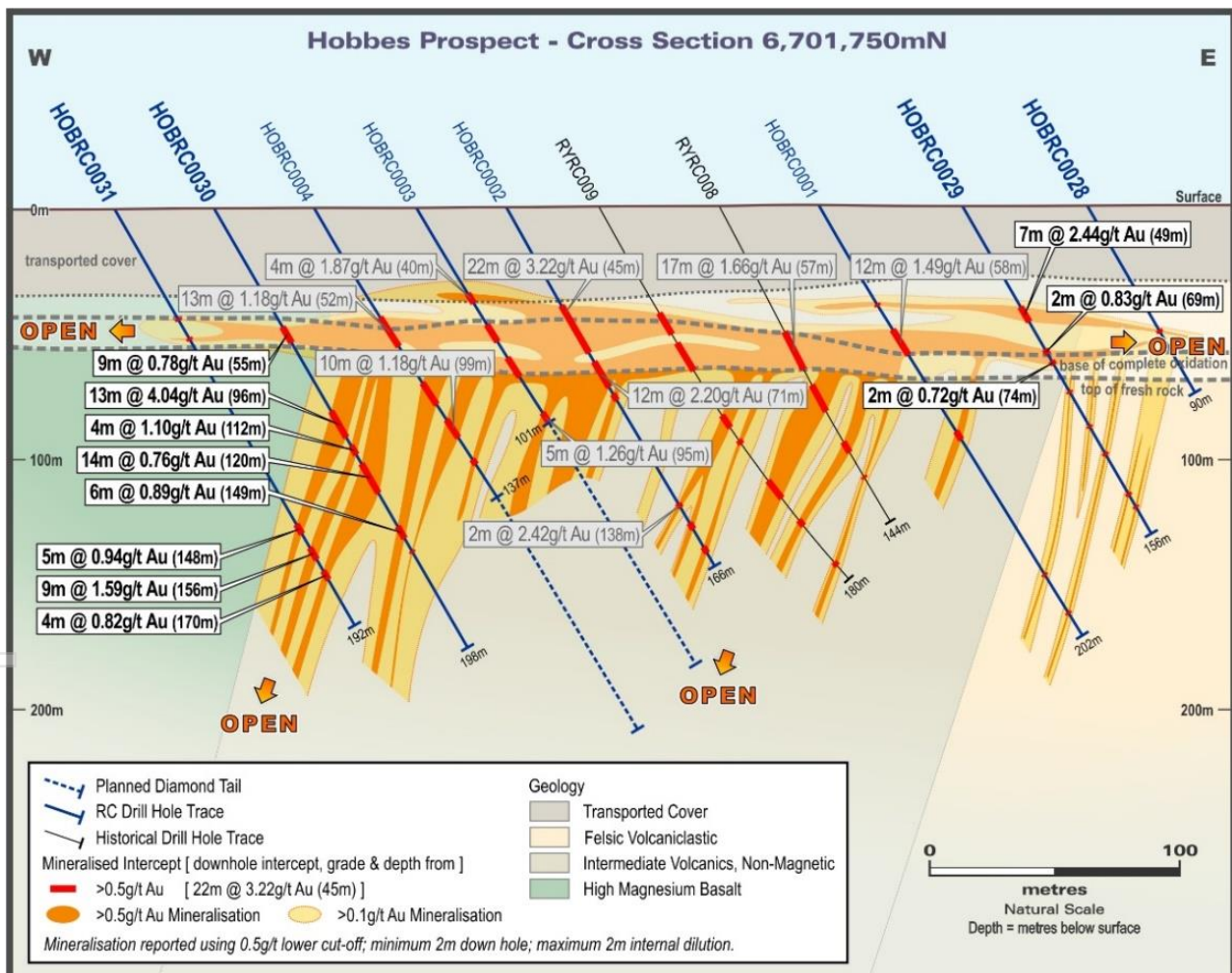
## Review of Operations (Continued)

The RC assay results have confirmed continuity of the shallow supergene zone, as well as extending supergene mineralisation to the northeast. Better intersections (at a 0.5g/t Au cut-off) returned from current drilling in the supergene zone include:

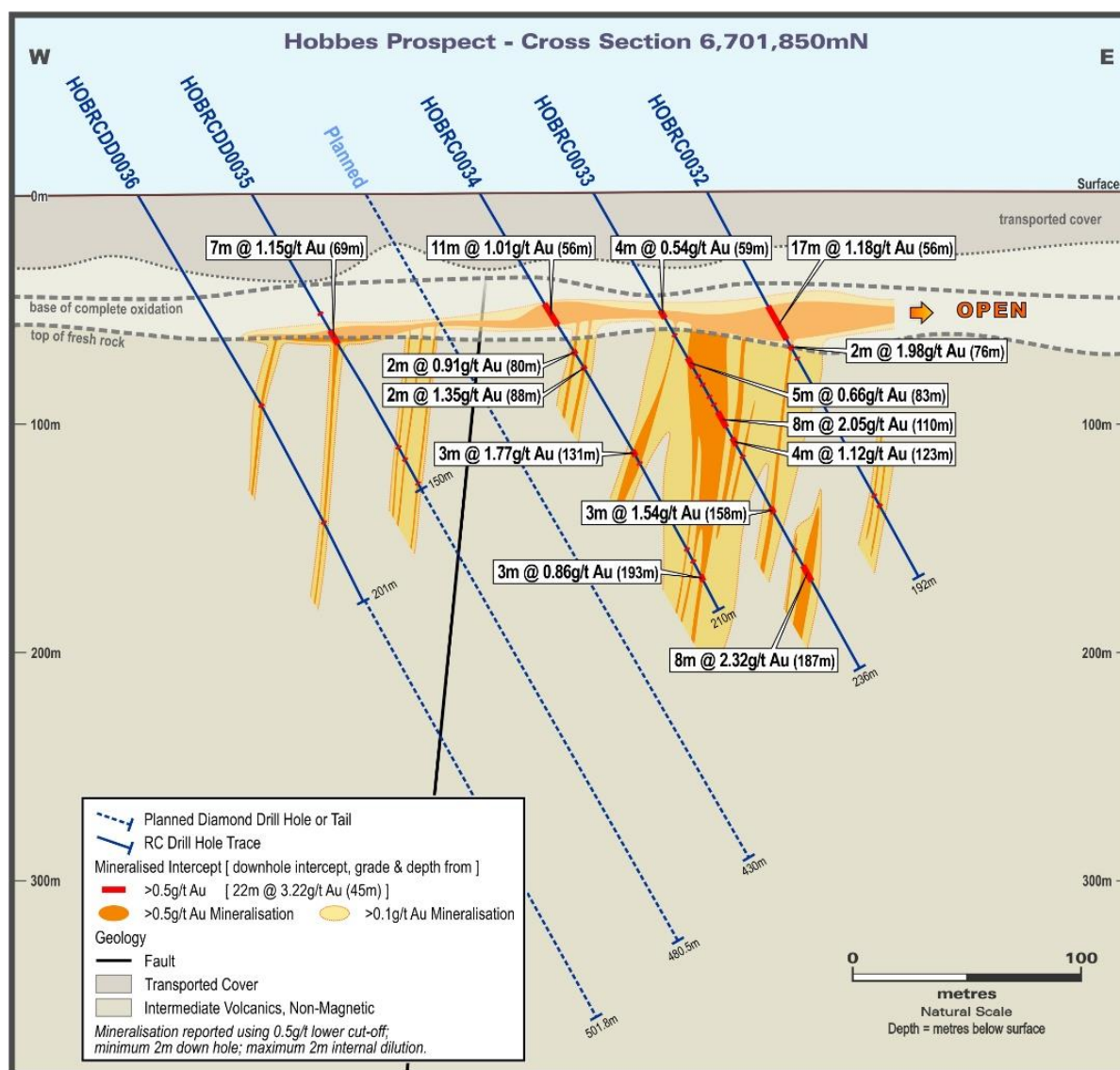
- HOBRCDD0027: 12m @ 1.21g/t gold from 57m
- HOBRC0029: 7m @ 2.44g/t gold from 49m
- HOBRC0032: 17m @ 1.18g/t gold from 56m
- HOBRC0034: 11m @ 1.01g/t gold from 56m
- HOBRCDD0035: 7m @ 1.15g/t gold from 69m
- HOBRC0037: 13m @ 1.34g/t gold from 58m
- HOBRC0038: 20m @ 1.55g/t gold from 53m

Drilling also intersected further primary mineralisation both at depth and along strike to the northwest (**Figure 4** and **Figure 5**). Better intersections (at a 0.5g/t Au cut-off) returned from current drilling in the primary zone include:

- HOBRC0030: 13m @ 4.04g/t gold from 96m
- HOBRC0031: 9m @ 1.59g/t gold from 156m
- HOBRC0033: 8m @ 2.05g/t gold from 110m  
8m @ 2.32g/t gold from 187m
- HOBRC0044: 8m @ 2.10g/t gold from 88m



**Figure 4: Hobbes Prospect Drill Section 6,701,750mN with Significant Intercepts**



**Figure 5: Hobbes Prospect Drill Section 6,701,850mN with Significant Intercepts**

A diamond drilling program comprising nine holes commenced following the recent RC program and will provide structural and geological information that will assist with determining controls on mineralisation and further inform the upcoming MRE planned for completion in Q4 2022.

Cosmo Licence Group (E31/1173, E31/1175, E31/1244 and P31/2119 – Solstice 100%)

The Cosmo Licence Group is located approximately 15km immediately north of the Hobbes Licence (Figure 2).

Encouraging initial reconnaissance UltraFine fraction (UFF) surface sampling in 2021 generated a significant gold-in-soil anomaly (Moonshine Bob) in the northwest of Cosmo (E31/1175). Follow up UFF sampling completed in 2022 extended the initial survey over the other licences within the Cosmo Licence Group.

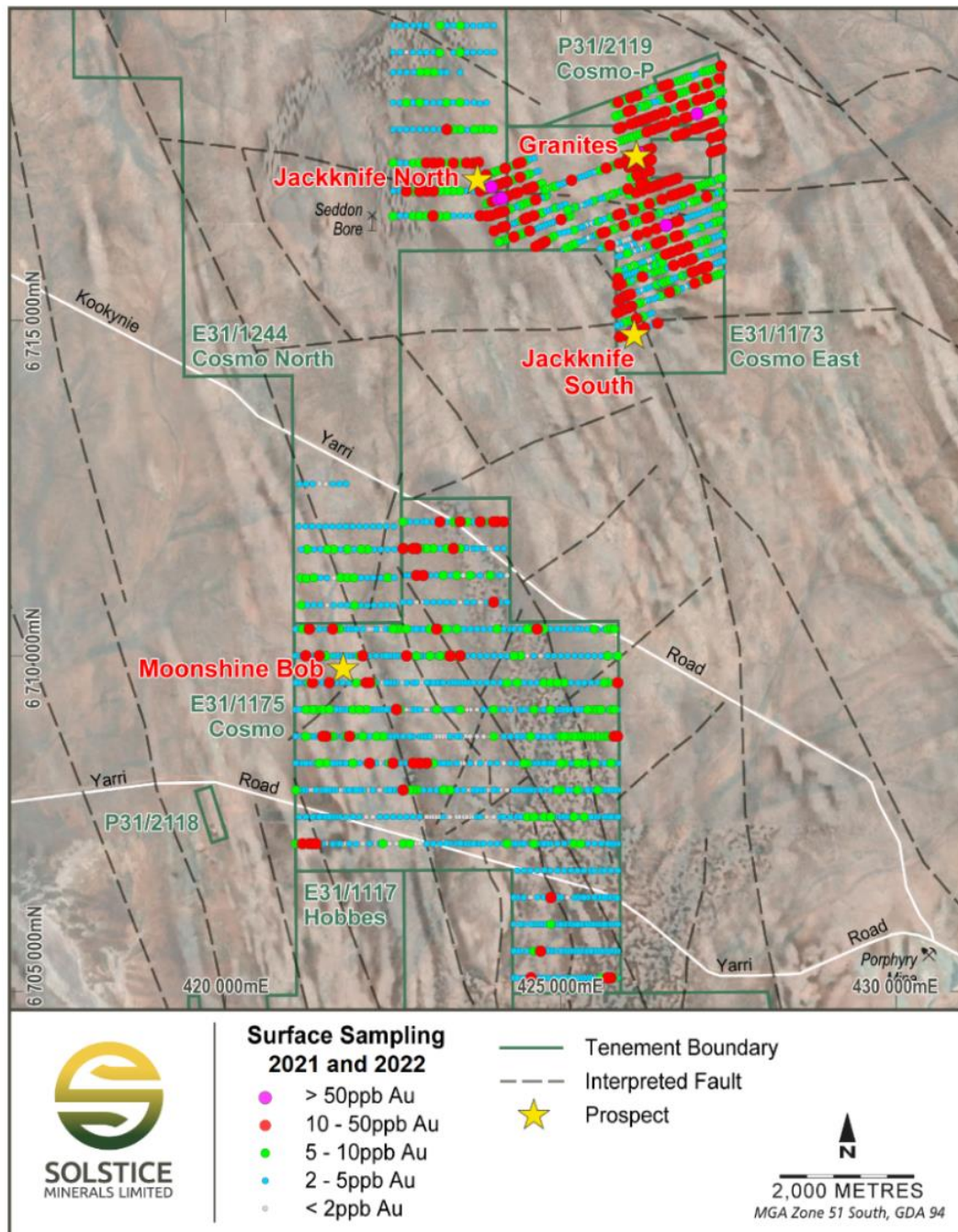
Interpretation of the recent results has defined three new significant and coherent >10ppb gold-in-soil anomalies (Figure 6):

- 1) The Granites Prospect is defined by an extensive 3km x 0.9km zone of significant gold anomalism up to 65.2ppb and correlates with nearby historical RAB drilling from the mid-1990s which returned 5m @ 1.94g/t gold from 9m. The bulk of the anomaly is not tested by any drilling.
- 2) The Jackknife North Prospect is defined as a zone of gold anomalism >10ppb up to 2km in strike and 0.5km in width with a peak assay of 100ppb gold. Localised historical RAB drilling completed in the mid-1990s in the area returned 4m @ 0.29g/t gold from 36m.



## Review of Operations (Continued)

- 3) The Jackknife South Prospect is defined as a zone of gold anomalism >10ppb up to 0.9km in strike and 0.6km in width with a peak assay of 81ppb gold. Localised historical RAB drilling by BHP in the mid-1980s approximately 400m to the southwest of Jackknife South Prospect returned 2m @ 0.40g/t gold from 20m.



**Figure 6: Map of UFF soil sample assay data for gold (ppb) for the Cosmo Licence Group overlain on RTP1VD aeromagnetic data plus satellite imagery.**

The Jackknife North and Jackknife South Prospects may represent a continuous anomalous zone. Less than 10% of the Jackknife North and Jackknife South Prospect areas have been tested by historical drilling.

The extent and tenor of the UFF gold-in-soil anomalism over the Cosmo Licence Group and the intersection of prospective structures within greenstone geology, combined with the historical drill results are extremely encouraging. The recent results, using modern analytical techniques, correlate with the anomalous historical results and support the defined gold targets.

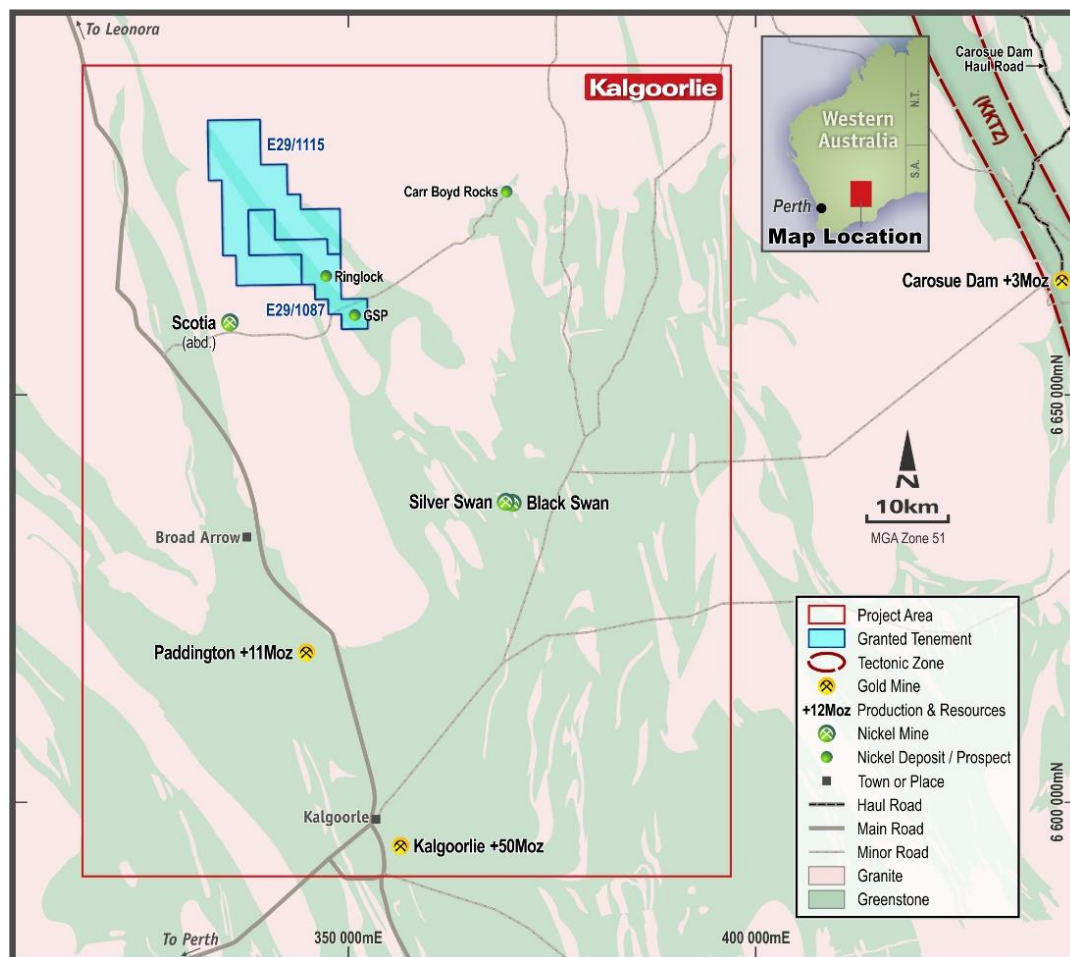
The Company will continue to evaluate the results and integrate with the historical exploration data and geology to rank the Prospects within the Company's portfolio for drill testing.



## Review of Operations (Continued)

### Kalgoorlie Project (Nickel and Gold)

The Kalgoorlie Project currently covers 234km<sup>2</sup> and comprises the granted Ringlock Dam Licence (RDL) E29/1087 and Goongarrie Licence E29/1115, approximately 80km north-northwest of Kalgoorlie (**Figure 7**). The RDL hosts the northerly extension of the Black Swan Komatiite Complex (BSKC) which contains the historical Silver and Black Swan nickel mines 30km to the southeast.



**Figure 7: Kalgoorlie Project over regional geology**

The RDL has significant historical drill intercepted sulphide nickel mineralisation, specifically at the GSP and Ringlock Prospects. The GSP Prospect has been explored with over 100 historical RAB, RC and diamond drill holes over approximately 1km strike of the interpreted basal portion of the BSKC. Zones of high-grade primary nickel mineralisation >20m thick have been identified by the historical drilling at GSP, with example significant intercepts (at 1.0% Ni cut-off) of:

- GS033: 26.01m @ 1.04% Ni from 95m; including 2.75m @ 2.32% Ni from 117.65m
- GS013: 6.71m @ 1.61% Ni from 162.15m; including 2.74m @ 2.93% Ni from 166.12m
- RPD002: 6m @ 2.3% Ni from 85m; including 5m @ 2.72% Ni from 86m
- GS022: 4m @ 1.0% Ni from 193m
- MURC047: 7m @ 1.4% Ni from 104m; including 3m @ 2.85% Ni from 104m

A review of the available open-file data for GSP Prospect indicates there is up to 750m of strike within the GSP Prospect that has not been adequately tested with drill coverage. Beyond the GSP Prospect, there are gaps in the surface geochemistry and drill coverage along the BSKC geological unit that remain important nickel exploration targets. In 2006 Magma Metals Limited identified 18 drill targets over the greater RDL area that were never followed up.

Solstice has acquired historical drill core from RDL, which is extremely important as it will allow validation of the previously applied geological models and provide a basis for new models to be generated providing sample material

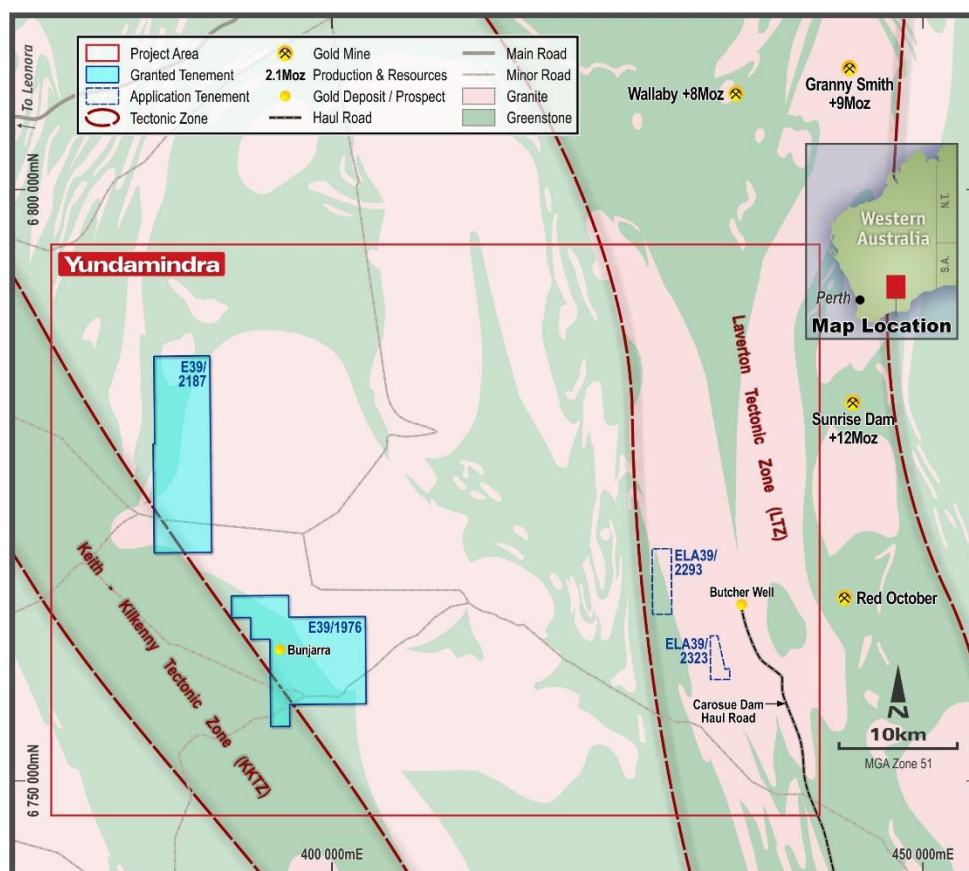
## Review of Operations (Continued)

for new assays and analysis. In the March 2022 quarter, drill core from 13 historical holes at RDL were rehabilitated with new markings, photographed, and dispatched to the laboratory for multi-element analysis. The results are currently being integrated with the geological re-logging and undergoing litho-geochemical interpretation. In the June 2022 quarter, reconnaissance sampling and logging of historical drill spoil at the RDL was completed, which will assist with refining geological mapping and interpretation.

Drilling is planned to be undertaken at RDL later in 2022 to test various targets at the key prospects.

### Yundamindra Project (Gold)

The Yundamindra Project comprises two granted exploration licences and two exploration licence applications covering approximately 170km<sup>2</sup>, located approximately 60km southeast of Leonora (**Figure 1**). The granted Bunjarra Well and Bunjarra Northwest Licences are located along the eastern margin of the KKTZ and are extensively covered by recent colluvium and alluvium (**Figure 8**). The bedrock geology comprises deformed mafic to intermediate igneous rocks, epiclastic sediments, with localised ultramafic and granitoid rocks of the Kurnalpi Terrain.



**Figure 8: Yundamindra Project Area, Eastern Goldfields, WA**

Reconnaissance geological mapping has been undertaken over an area of outcrop northwest of Bunjarra Well, which defined a number of narrow (up to 1m wide) quartz veins hosted by a dolerite-gabbro complex. The quartz veins extend for up to 100m along strike, north-northwest, and are associated with strong foliation defining discrete shear zones. Rock chip sampling of selective parts of the veins returned a peak gold assay value of 6.67 g/t Au.

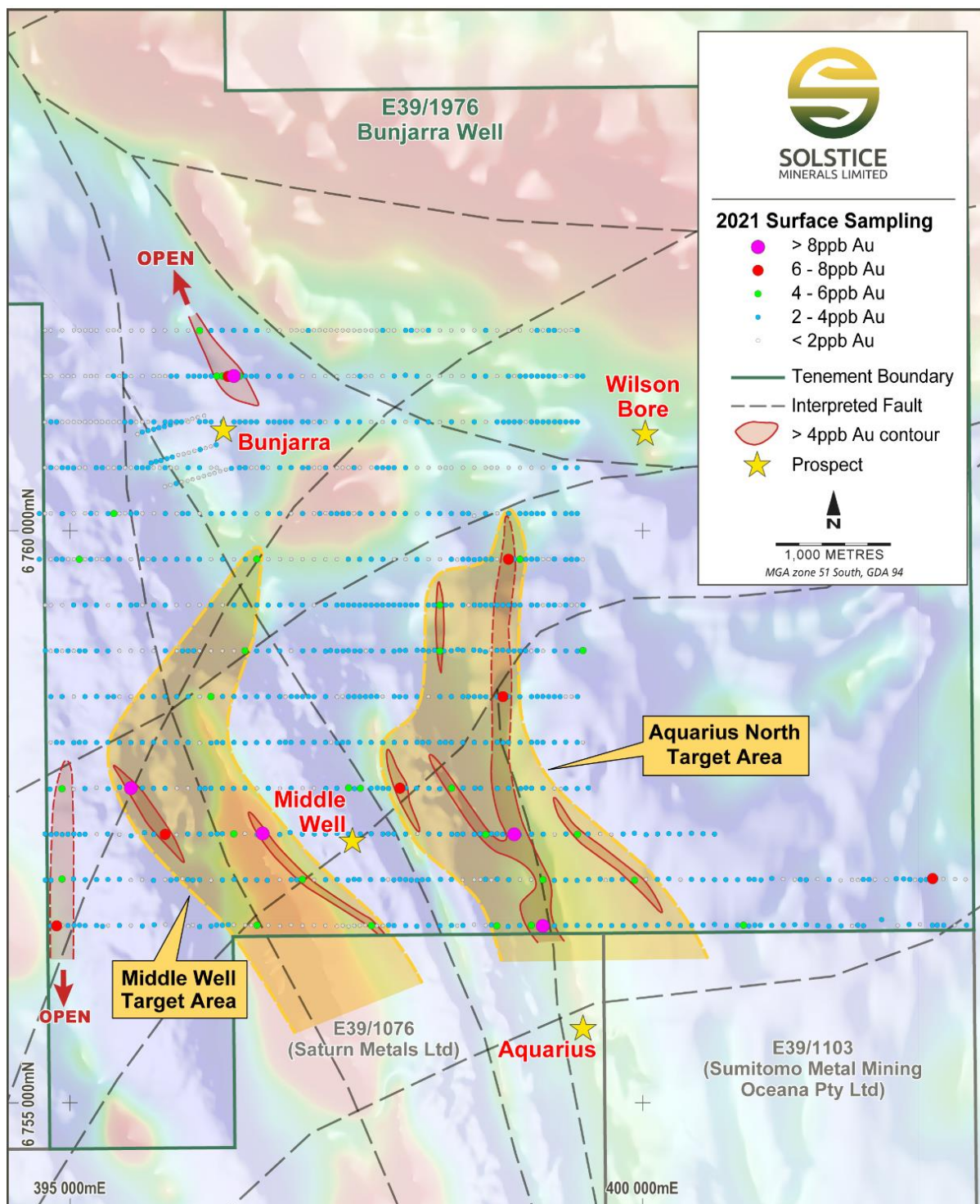
Solstice completed a systematic UFF surface sampling program in the second half of 2021. The sampling defined several extensive gold-in-soil anomalies >4 ppb, up to 1.6km long with north to northwest strike (**Figure 9**). The most promising gold anomaly occurs in the south at the Middle Well Prospect over three consecutive sample lines spaced 400m apart, with peak anomalism of 11.6 ppb gold, and correlates with historical drilling. The Middle Well Prospect and gold-in-soil anomalism is coincident with a northwest trending aeromagnetic anomaly and the regional KKTZ. Further east of Middle Well Prospect, an encouraging zone of anomalous gold with a peak of 10 ppb gold is emerging at the Aquarius North target (**Figure 8**). The gold-in-soil anomaly is discontinuous but occurs for up to 3.5km along strike north-northwest, beginning at the southern boundary of the Bunjarra Well Licence. The Company's Aquarius North target correlates with a linear aeromagnetic high structure which is also associated with Saturn Metals' Aquarius Prospect only 1km south of the licence boundary.



## Review of Operations (Continued)

An isolated gold-in-soil anomaly in the north of the sample area (**Figure 9**) returned a high of 14.2 ppb gold and is interpreted to be related to an adjacent hill where narrow, gold-bearing quartz veins are hosted by a dolerite-gabbro complex, described above.

Solstice will continue to refine the gold-in-soil anomalies with infill sampling and combine this new data with historical drilling data to identify and prioritise the best targets for testing with aircore drilling.

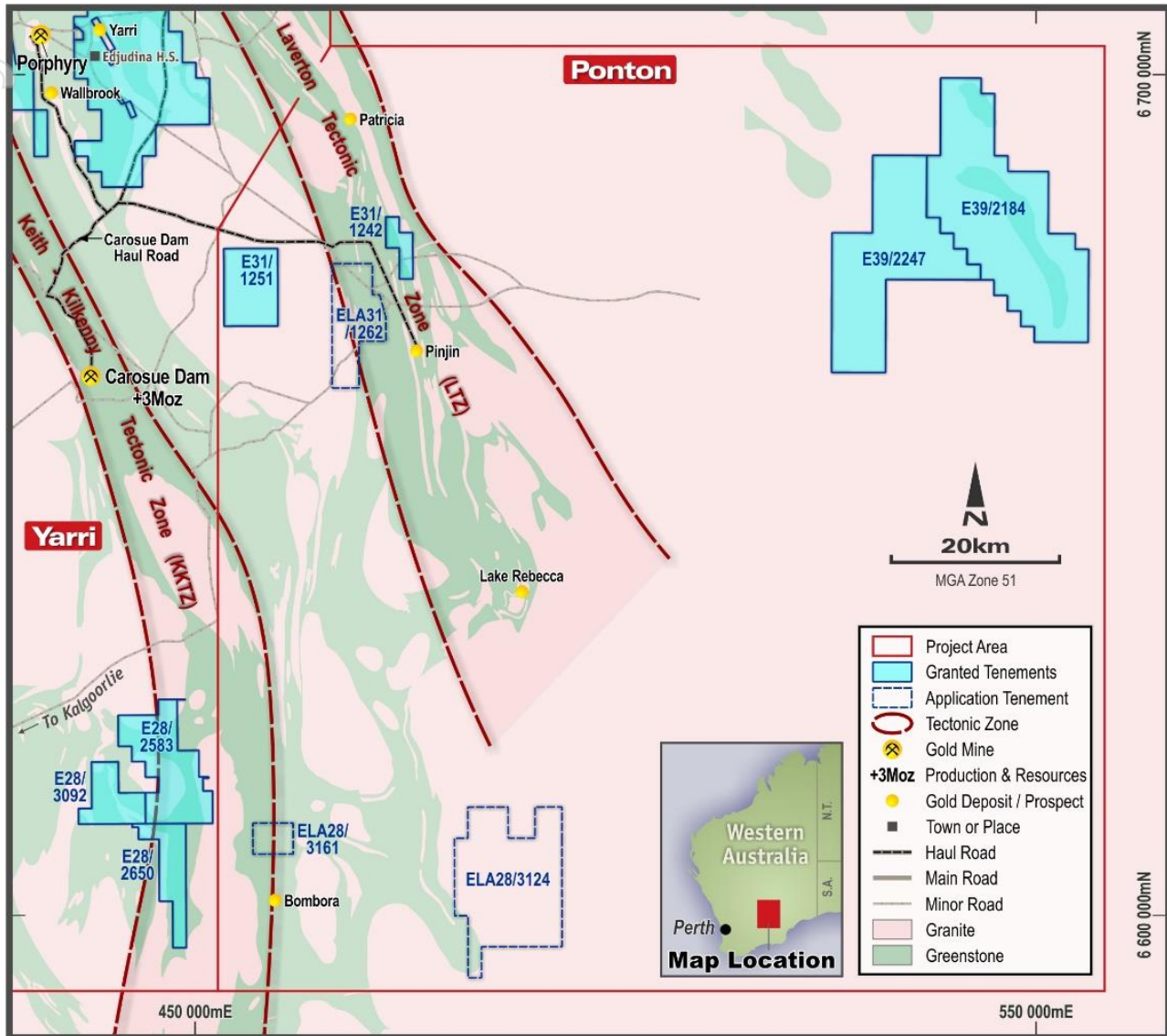


**Figure 9: Bunjarra Well (E39/1976) UFF surface sampling over magnetics (1VD RTP300)**

## Review of Operations (Continued)

### Ponton Project (Nickel and Gold)

The Ponton Project comprises four granted licences and three licence applications, covering a total area of approximately 908km<sup>2</sup> (Figure 10).



**Figure 10: Ponton Project Area with Regional Geology**

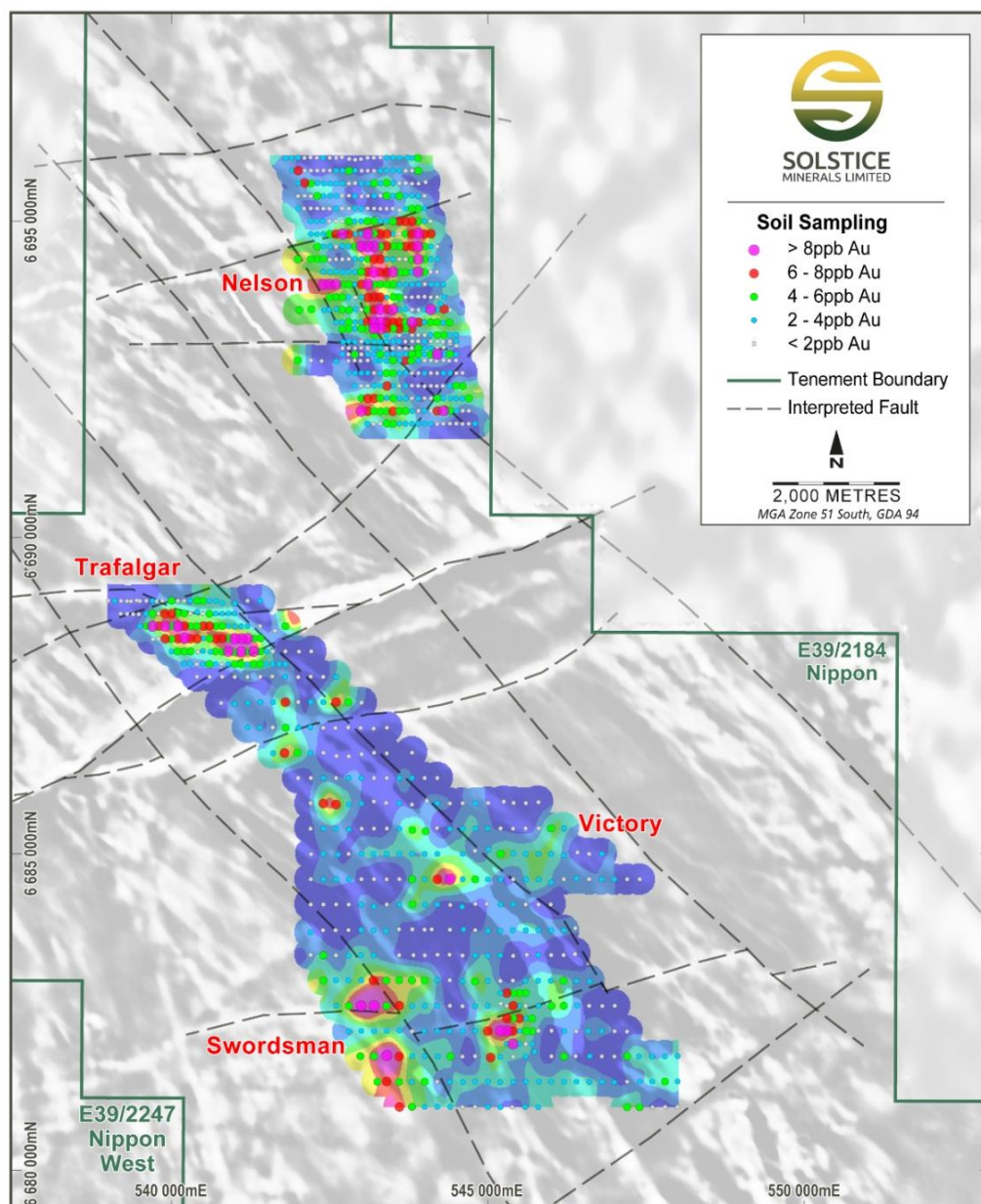
The Nippon Licence (E39/2184) is located approximately 200km northeast of Kalgoorlie, within the Duketon Domain of the Burtville Terrane at the southeast margin of the Yilgarn Craton.

Initial reconnaissance UFF surface sampling was conducted over the licence in 2021. The initial sampling targeted discrete northern and central aeromagnetic anomalies that have been ineffectively tested or untested by historical drilling. The sampling was conducted at 200m x 400m grid spacing with interpretation of the results defining several subtle, but coherent gold-in-soil anomalies which warranted infill sampling.

Further UFF sampling was conducted in Q2 2022, with infill sampling reducing the grid spacing to 100m x 200m in areas of interest and extension of the sample grid where gold anomalism remained open.

The results of this work have identified several significant gold-in-soil anomalies supported by coincident multi-element and magnetic anomalism (Figure 11).





**Figure 11: Nippon Licence - Map of soil sample assay data gridded for Au (ppb) and overlain on RTP1VD greyscale aeromagnetic image**

A significant gold-in-soil anomaly up to 1.7km in strike and 0.5km in width, with a peak gold assay of 19.3ppb has been defined at the Nelson Prospect. Several other important gold-in-soil anomalies >5ppb have also been further defined, including the Trafalgar (1.8km long and up to 0.8km wide, maximum 14.8ppb Au) and Swordsman (1.1km long and up to 0.5km wide, maximum 12.8ppb Au) Prospects.

All gold anomalies are supported by coincident multi-element and magnetic anomalism and none of the anomalies have any previous drilling with the closest drill hole approximately 300m to the east of Swordsman. The coarse aeolian sand sample medium is expected to typically generate only very subtle gold-in-soil anomalies, with gold assay values >4x the background value considered highly anomalous and extremely encouraging.

The Nippon Licence is located within a considerably under-explored granite-greenstone terrane, at the margin of the Archaean Yilgarn Craton, a geological setting known to host large nickel and gold deposits.

Follow-up work for Nippon Licence will include detailed geological and structural interpretation of airborne magnetic and radiometric data, landform mapping and planning for an aircore drill program to determine thickness of the post-Archaean cover and test for gold anomalism in the basement rock.

## Directors' Report

The Directors of Solstice Minerals Limited (the **Company** or **Solstice**) present their report on the consolidated entity consisting of the Company and the entities it controlled at the end of, or during, the year ended 30 June 2022 (**Consolidated Entity** or **Group**).

### Directors

The names of the directors in office at any time during the year and until the date of this report are:

Mr Craig Williams	Non-Executive Chairman (appointed 24 September 2021)
Mr Alastair Morrison	Executive Director (appointed 24 September 2021)
Mr Matthew Yates	Non-Executive Director
Mr Michael Klessens	Non-Executive Director (appointed 28 January 2022)
Mr Robert Rigo	Non-Executive Director (appointed 28 January 2022)

Unless otherwise noted, all Directors held their office from 1 July 2021 until the date of this report.

### Board of Directors

#### **Mr Craig Williams (Independent Non-Executive Director)**

*Non-Executive Chairman; Member of Audit and Risk Committee*

*Qualifications – B.Sc. (Hons)*

Mr Williams is a geologist with over 40 years' experience in mineral exploration and mine development.

He was the President and CEO of Equinox Minerals Limited (Equinox), a dual listed TSX – ASX resources company which he co-founded in 1993 with the late Dr Bruce Nisbet. Mr Williams was instrumental in the financing and development of the major Lumwana Copper mine in Zambia which resulted in Equinox being one of the world's top 20 copper producers. Following the ramp up of Lumwana, Equinox embarked on an acquisition program that resulted in the takeover of the Citadel Resource Group for \$1.2 billion, targeting development of the Jabal Sayid Mine in Saudi Arabia. Equinox was taken over in mid-2011 by Barrick Gold Corporation (Barrick) for \$7 billion, ending a challenging and exciting 18-year history at Equinox.

Mr Williams was appointed as a Director on 24 September 2021. Mr Williams holds a non-executive directorship in OreCorp (February 2013 – current), Lontown Resources Limited (November 2006 – current) and Minerals 260 Limited (August 2021 – current).

#### **Mr Alastair Morrison (Executive Director)**

*Executive Director; Member of Remuneration and Nomination Committee (until 21 July 2022)*

*Qualifications – MSc (Hons), Grad Dip App Fin & Inv, MAIG, GAICD*

Mr Morrison is a geologist with more than 30 years' experience in mineral exploration and investment.

He initially worked for more than six years in Australia as an exploration geologist in Western Australia, then for North Flinders Mines in the Northern Territory during the development of the +5 million-ounce Callie gold deposit.

From 1996 to 2003 he worked in Tanzania for East African Gold Mines Limited at the North Mara Gold Project. He was responsible for the management of exploration, overseeing the delineation of more than 5 million ounces of resources, including the discovery of the high-grade Gokona gold deposit. In later years, he had additional responsibilities for all in-country development activities, through feasibility and permitting until the commencement of construction. East African Gold Mines was acquired by Placer Dome Inc. in mid-2003 for US\$252 million.

Since 2004, he has worked as a portfolio manager for a family office investment fund.

Mr Morrison was appointed as a Director on 24 September 2021, and took on the role of Executive Director from 28 April 2022. During the three-year period to the end of the financial year, Mr Morrison held a non-executive directorship in OreCorp (February 2013 – current) and E2 Metals Limited (February 2019 – May 2021).

#### **Mr Matthew Yates (Non-Executive Director)**

*Non-Executive Director; Member of Remuneration and Nomination Committee*

*Qualifications – B.Sc. (Hons.), MAIG*

Mr Yates is a geologist with over 30 years' industry experience, covering most facets of exploration from generative work to project development. Prior to founding OreCorp, he was the Joint Managing Director of Mantra Resources Limited and was instrumental in the acquisition of a number of uranium projects, including Mkuju River (Tanzania),

Kariba (Zambia) and Mavuzi (Mozambique). He has worked in Australia and southern, east and west Africa, Central Asia and the Gulf Region. He managed exploration teams in Western Australia and Tanzania respectively and has an applied technical background, having held senior positions, including resident Exploration Manager in Tanzania for Tanganyika Gold Limited.

Mr Yates was appointed as a Director of the Company on 27 February 2013. During the three-year period to the end of the financial year, Mr Yates was also a director of OreCorp.

**Mr Michael Klessens (Independent Non-Executive Director)**

*Non-Executive Director; Chair of the Audit and Risk Committee; Member of Remuneration and Nomination Committee*  
*Qualifications – B.Bus, CPA, MAICD*

Mr Klessens is a CPA with over 30 years' practical financial and management experience, particularly within the resources industry. This experience has involved all areas of corporate and treasury management, project financing, capital raisings, mergers and acquisitions, dual listings, feasibility studies and establishment of systems and procedures for new mining operations.

From 2002 – 2011, Mr Klessens was Vice President – Finance and Chief Financial Officer of Equinox Minerals Limited where he was responsible for finance, debt and equity financings, treasury and all financial functions of the company and its operations.

Prior to Equinox, Mr Klessens held senior positions in mid-tier Australian resource companies primarily focused on gold.

Mr Klessens was appointed as a Director on 28 January 2022. During the three-year period to the end of the financial year, Mr Klessens was also a non-executive director of OreCorp.

**Mr Robert Rigo (Independent Non-Executive Director)**

*Non-Executive Director; Chair of the Remuneration and Nomination Committee; Member of Audit and Risk Committee*  
*Qualifications – B.App Sc, FAusIMM, MIEAust, GAICD*

Mr Rigo is an engineer with over 40 years' experience. He has previously held a number of executive and senior management positions with publicly listed mining companies. He was Vice President – Project Development at Equinox from 2002 – 2011, where he managed the feasibility study, related technical studies and engineering design and construction contracts for the Lumwana Copper Mine in Zambia, which commenced production in 2008. He also established Lumwana's copper concentrate off-take and logistics contracts. Following Lumwana, Mr Rigo managed the construction of the Jabal Sayid (underground) Copper Mine in Saudi Arabia initially for Equinox and then Barrick.

Amongst Mr Rigo's roles prior to Equinox, he was the Mill Manager at the Boddington Gold Mine, at the time Australia's largest gold mine. He then became General Manager – Technical Services for Newcrest Mining Ltd, Australia's major gold producer. His particular expertise lies in the management of mining operations, feasibility studies and construction of mining and mineral processing projects.

Mr Rigo was appointed as a Director on 28 January 2022. During the three-year period to the end of the financial year, Mr Rigo was also a non-executive director of OreCorp.

**Company Secretary**

**Ms Jessica O'Hara**

*Qualifications – LLB, BCom*

Ms O'Hara is a corporate lawyer with extensive experience advising clients on general corporate law and regulatory/compliance issues. She has previously held senior positions at both Clayton Utz and Allen & Overy and more recently, had experience acting as in-house legal counsel. Ms O'Hara has advised a significant number of ASX-listed clients with operations in Australia and overseas, with specific experience within the mining and resources sectors.

Ms O'Hara joined OreCorp as legal counsel in August 2021 and was appointed joint company secretary on 6 December 2021 (and subsequently became sole company secretary as from 31 January 2022).

Ms O'Hara provides services to Solstice by way of the Transitional Services Agreement (TSA) between the Company and OreCorp.

**Principal Activities**

The principal activities of the Company during the year consisted of mineral exploration for gold and base metals. Solstice's key projects are the Yarri (including the Hobbes Prospect), Yundamindra, Ponton and Kalgoorlie Projects in the Eastern Goldfields of Western Australia (WA).

### Dividends

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2022.

### Review of Operations and Activities

A review of the Group's operations during the year ended 30 June 2022 is provided in the section of this report headed 'Review of Operations', which immediately precedes the Director's Report.

### Operating Results and Financial Position

The net loss of the Consolidated Entity for the year ended 30 June 2022 was \$3,742,945 (2021: \$890,088). This loss is largely attributable to the 'accounting policy of expensing exploration and evaluation expenditure incurred by the Consolidated Entity subsequent to the initial acquisition of the rights to explore and up to the successful completion of the final investment decision as set out in Note 1(g).

The increase in exploration expenditure was due to increased exploration activities at the Company's prospects in the current period as well as recognition of the Company's own corporate and administration costs in the current financial year, with all costs previously borne the Company's former parent company OreCorp.

Corporate and administration expenditure of \$1,122,261 includes \$237,859 relating to the IPO and listing of the Company on the ASX, and includes \$561,726 share-based payments expense.

At 30 June 2022, the Consolidated Entity had net assets of \$21,544,096 (30 June 2021: net liabilities \$1,124,947) and cash of \$15,917,248 (30 June 2021: \$1). The Company's funding was previously provided by loans from the then ultimate parent company.

### Significant Changes in the State of Affairs

On 9 September 2021, OreCorp issued 2,000,000 fully paid ordinary shares to silaTEC Pty Ltd as consideration for the acquisition by Solstice's wholly owned subsidiary, GreenCorp Metals Pty Ltd (**GreenCorp**), of an initial 80% interest in an exploration tenement located at Ringlock Dam, Western Australia.

Effective from 24 September 2021, Messrs Craig Williams and Alastair Morrison were appointed directors of the Company.

Effective from 24 September 2021, Mr Dion Loney resigned as company secretary of the Company and Ms Jessica O'Hara was appointed to the role.

On 28 September 2021, the directors resolved to change the company type from a proprietary company to a public company, change the company name from OreCorp Holdings Pty Ltd to Solstice and to adopt a new constitution. These changes took effect from the date that ASIC altered the Company's registration to reflect the Company's new type, which was 12 November 2021.

On 4 October 2021, Solstice's wholly owned subsidiary, OreCorp Base Metals Pty Ltd changed name to GreenCorp Metals Pty Ltd.

On 17 January 2022, OreCorp announced its intention to demerge Solstice from the OreCorp Group, subject to shareholder and other requisite approvals.

On 28 January 2022, Messrs Michael Klessens and Robert Rigo were appointed as directors of the Company.

On 17 February 2022, Solstice and OreCorp entered into an amendment to the existing earn-in agreement with Crosspick Resources Pty Ltd (**Crosspick**), providing for OreCorp to issue 1,200,000 fully paid ordinary shares to Crosspick (or its nominee) (**New Shares**). This issue of shares is being made as consideration for removal from the earn-in agreement of the contractual obligation to issue 2,000,000 OreCorp fully paid ordinary shares to Crosspick upon OreCorp announcing a JORC 2012 Code compliant mineral resource at the Hobbes Project of at least 500,000oz Au with a lower cut-off of at least 0.5 g/t Au. The New Shares were issued on 26 April 2022. As part of the amendment, Solstice also agreed for Crosspick to transfer its 20% interest in the Hobbes Project, and its rights and obligations under the earn-in agreement to Garry Warren Pty Ltd.

On 18 February 2022, OreCorp issued 1,000,000 fully paid ordinary shares to silaTEC Pty Ltd, in consideration for the acquisition by Solstice's wholly owned subsidiary, GreenCorp, of the remaining 20% interest in an exploration tenement located at Ringlock Dam, Western Australia.



On 8 March 2022, OreCorp lodged the notice of meeting and explanatory memorandum seeking shareholder approval for the demerger to occur by way of a capital reduction and in-specie distribution with ASX and despatched it to shareholders.

On 14 March 2022, the Company's prospectus was lodged with the following terms:

- ☐ An offer of a minimum of 25,000,000 Solstice shares and a maximum of 60,000,000 Solstice shares via a pro rata priority offer to eligible OreCorp shareholders at an issue price of \$0.20 per Solstice share, to raise a minimum of \$5,000,000 and a maximum of \$12,000,000 (before costs) (**Pro Rata Priority Offer**).
- ☐ Any entitlements not taken up in the Pro Rata Priority Offer were to form the Shortfall Offer, available to eligible OreCorp shareholders and new investors.
- ☐ Participants in the Pro Rata Priority Offer and Shortfall Offer received one free attaching listed Solstice option for every four Solstice shares subscribed for under the IPO, with an exercise price of \$0.20 and an expiry date four years from the date of issue (**Listed Options**). Solstice applied to the ASX for quotation of the Listed Options.

On 7 April 2022, OreCorp shareholders approved the demerger by way of capital reduction and in-specie distribution, and this was effected on 22 April 2022.

On 19 April 2022, OreCorp announced that the Pro Rata Priority Offer and Shortfall Offer had closed oversubscribed, raising \$12 million (before costs).

On 22 April 2022, the Company was demerged from its former ultimate parent company, OreCorp, by way of a capital reduction and in-specie distribution. In connection with the demerger:

- ☐ Solstice issued 39,999,999 shares to OreCorp. The consideration for the issue of the shares totalled \$14,635,029 and comprised the following:
  - ☐ \$5,000,000 in cash;
  - ☐ Transfer of plant and equipment relating to OreCorp's WA exploration assets in consideration for the issue of shares to OreCorp; and
  - ☐ The related party loan between OreCorp and Solstice was converted to equity.

Refer to Note 16(b);

- ☐ These shares, along with the 1 share already held by OreCorp (a total of 40,000,000 shares), were distributed to OreCorp's shareholders as an in-specie distribution;
- ☐ Solstice is no longer a subsidiary of OreCorp;
- ☐ Employees of OreCorp engaged in the WA activities were transferred to Solstice. Employee entitlements for these staff were transferred from OreCorp to Solstice and included in the related party loan balance prior to conversion to equity;
- ☐ A TSA between OreCorp and Solstice for the provision of corporate and administrative services including services by the Chief Financial Officer and Company Secretary, was effective from this date;
- ☐ Solstice ceased to be a member of OreCorp's tax consolidated group and therefore ceased to be party to the tax funding arrangement and tax sharing agreements. Accordingly, all tax losses incurred by Solstice up to the date of demerger remain with OreCorp, and all tax gains or losses incurred by Solstice from the date of demerger will remain with Solstice;
- ☐ A total of 10,250,000 \$0.29 unlisted options (expiring 22 April 2026) were granted to directors and employees of the Company; and
- ☐ 60,000,000 fully paid ordinary shares were issued in addition to 15,000,000 Listed Options as a result of the Pro Rata Priority Offer and Shortfall Offer.

On 2 May 2022, the Company's shares and listed options commenced trading on ASX.

Mr Alastair Morrison commenced his role as Executive Director from 28 April 2022.

### Business Development

During the year, a number of business and corporate development opportunities were identified and reviewed. Those which may enhance shareholder value will continue to be pursued.

### Business Strategy and Prospects

The Company currently has the following business strategies and prospects over the medium-to-long-term:

- ☐ continue to undertake regional generative exploration programs at the Yarri, Kalgoorlie, Yundamindra, and Ponton Projects in the Eastern Goldfields of Western Australia;
- ☐ continue to refine its WA targeting initiative; and
- ☐ continue to review other resource opportunities which may enhance shareholder value.

The successful completion of these activities will assist the Company to achieve its strategic objective of making the transition from explorer to producer.

The Company is an exploration company and operates in Australia.

These exploration activities are inherently risky, and the Board is unable to provide certainty that any or all of these objectives will be able to be achieved. In the opinion of the Directors, any further disclosure of information regarding likely developments in the operations of the Company and the expected results of these operations in subsequent financial years may prejudice the interests of the Company and accordingly, further information has not been disclosed.

### Environmental Regulation and Performance

The Group's operations are subject to various environmental laws and regulations in Western Australia. The Group aims for full compliance with these laws and regulations and regards them as a minimum standard for all operations to achieve.

No instances of environmental non-compliance by an operation were identified during the year.

### Significant Post-Balance Date Events

Since the end of the financial year and to the date of this financial report, the following significant events have occurred:

On 2 September 2022, the Company announced that its Non-Executive Chairman, Mr Craig Williams, will be retiring at the Company's AGM to be held in November 2022.

On 9 September 2022, the Company issued 615,000 performance rights and 500,000 \$0.29 unlisted options to employees.

### Share Options and Rights

At the date of this report, the Company has on issue 25,463,191 options with the following exercise prices and expiry dates:

Security Class	Exercise Price	Expiry Date	# of Securities
SLSO	\$0.20	22 April 2026	14,713,191
SLSAB and SLSAA	\$0.29	22 April 2026	10,750,000

A total of 286,809 shares were issued during or post the financial year as a result of the exercise of an option over unissued shares.

The Company also has a total of 615,000 performance rights on issue with the following terms:

Security Class	Exercise Price	Expiry Date	# of Securities
SLSAC	Nil	9 September 2027	615,000

### Meetings of Directors

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2022, and the number of meetings attended by each Director.

Directors	Board Meetings <sup>(i)</sup>		Audit & Risk Committee Meetings		Remuneration & Nomination Committee Meetings	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Matthew Yates	4	4	-	-	-	-
Craig Williams	4	4	1	1	-	-
Alastair Morrison	4	4	-	-	-	-
Michael Klessens	4	4	1	1	-	-
Robert Rigo	4	4	1	1	-	-

**Notes**

- (i) In addition to the Board Meetings held during the year, there were a number of matters resolved by way of Circular Resolution that are not reflected in the table above.

**Remuneration Report (Audited)**

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of Key Management Personnel (**KMP**) of the Group for the financial year ended 30 June 2022. The information in the Remuneration Report has been prepared in accordance with Section 300A of the Corporations Act 2001 and has been audited as required by Section 308(3C) of the Corporation Act 2001.

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

- (A) Details of Key Management Personnel
- (B) External Advice on Remuneration
- (C) Remuneration Policy
- (D) Principles Used to Determine the Nature and Amount of Remuneration
- (E) Remuneration Framework and Link to Performance
- (F) Group Performance
- (G) Details of Remuneration
- (H) Additional Statutory information
- (I) Shareholdings of Key Management Personnel
- (J) Options Issued and Holdings of Key Management Personnel
- (K) Performance Rights Issued and Holdings of Key Management Personnel
- (L) Employment Contracts with Key Management Personnel
- (M) Other Transactions with Key Management Personnel

**(A) Details of Key Management Personnel**

The Remuneration Report details the remuneration arrangements for KMP who 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 Group. For the purpose of this report, the term 'executive' encompasses the Executive Director and other executives.

Details of the KMP during or since the end of the financial year are set out below:

Mr Craig Williams	Non-Executive Chairman (appointed 24 September 2021)
Mr Alastair Morrison <sup>1</sup>	Executive Director (appointed 28 April 2022)
Mr Matthew Yates	Non-Executive Director (appointed 27 February 2013)
Mr Michael Klessens	Non-Executive Director (appointed 28 January 2022)
Mr Robert Rigo	Non-Executive Director (appointed 28 January 2022)
Mrs Tania Cheng <sup>2</sup>	Chief Financial Officer (appointed on 22 July 2021)

<sup>1</sup> Mr Alastair Morrison was appointed a Non-Executive Director of Solstice on 24 September 2021. He was appointed Executive Director on 28 April 2022.

<sup>2</sup> Mrs Tania Cheng was appointed as Chief Financial Officer of OreCorp on 22 July 2021 and is providing her services by way of the Transitional Services Agreement between the Company and OreCorp.

All KMPs held their position from the dates noted above until the date of this report.

Other than the Directors and Executives above, there were no other KMP of the Company or Group during the year.

### **(B) External Advice on Remuneration**

Under the Corporations Act 2001, remuneration consultants (if appointed) must be engaged by the Non-Executive Directors and reporting of remuneration recommendations (if any) must be made directly to the Remuneration and Nomination Committee. There were no remuneration consultants engaged in the 2022 financial year.

The Remuneration and Nomination Committee considered the remuneration framework established by OreCorp prior to the demerger, together with benchmarking data provided by AON Solutions Australia Ltd's Mining Infrastructure & Engineering Remuneration Report, along with other factors, in making its remuneration decisions.

### **(C) Remuneration Policy**

The Company's remuneration policy is designed to ensure that the level and form of compensation meets best practice in corporate governance principles and achieves certain objectives including:

- ☐ Attracting and retaining talented, qualified and effective personnel;
- ☐ Being transparent and easily understood;
- ☐ Comprising an appropriate balance of fixed remuneration and performance-based remuneration;
- ☐ Providing fair and reasonable fixed remuneration relative to the scale of the Group's business;
- ☐ Motivating short-term and long-term performance by linking clearly specified performance targets with the Group's short and long term objectives; and
- ☐ Aligning employee interests with those of the Group's shareholders.

### **(D) Principles Used to Determine the Nature and Amount of Remuneration**

The Remuneration and Nomination Committee and ultimately the Board are responsible for determining and reviewing remuneration arrangements for the Directors and senior management. Generally, compensation is provided by the Company to its executive directors and senior management by way of base salary, superannuation, short term incentives (STI) and long-term incentives (LTI). The overall objective is to ensure maximum stakeholder benefit from the retention of a high quality and high performing executive team.

The STI and LTI are dependent upon the achievement of a weighting of corporate and/or individual KPIs and are "at risk" depending on successful achievement of the KPIs. The Remuneration and Nomination Committee sets corporate and individual KPIs for the Executive Director, approves the KPIs for senior management at the start of the financial year and assesses achievement of the KPIs at the completion of the financial year.

The Group's remuneration policy for its KMP has been developed by the Board taking into account the size of the Group, the size of the management team for the Group, the nature and stage of development of the Group's current operations, and the competitive market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for KMP:

- ☐ the Group is currently concentrating on exploration activities at its WA projects, and reviewing other mineral resource opportunities. The Board considers that the experience of its KMP in the resources industry will greatly assist the Group in achieving its strategic objectives and progressing its exploration properties over the next 12 – 24 months;
- ☐ risks associated with resource companies whilst exploring and developing projects, particularly at the 'grass roots' stage; and
- ☐ other than profit which may be generated from asset sales, the Group does not expect to be undertaking profitable operations until after the commencement of commercial production on any of its projects.

### **(E) Remuneration Framework and Link to Performance**

#### **Non-Executive Director Remuneration**

In line with corporate governance principles, Non-Executive Directors are remunerated by way of fees and superannuation. Non-Executive Directors may, from time to time and subject to obtaining all requisite shareholder



approvals, be issued with securities as part of their remuneration where it is considered appropriate to do so as a means of aligning their interests with shareholders. Non-executive directors do not receive retirement benefits (other than in the form of superannuation) or bonuses, nor do they participate in any incentive programs.

An aggregate cash remuneration of \$500,000 may be applied to pay the Non-Executive Directors of the Company. During the year ended 30 June 2022, the base fee paid to the Non-Executive Directors was \$6,667 plus mandated superannuation guarantee contributions and fees paid to the Chairman of the Board were \$8,334 plus mandated superannuation contributions. Annual fees set for the Chairman of the Board are \$50,000 plus mandated superannuation guarantee contributions and for Non-Executive Directors are \$40,000 plus mandated superannuation guarantee contributions. This fee structure is comparable to and has been benchmarked against peer entities with a similar market capitalisation.

### **Executive Remuneration**

The Board aims to reward its executives and senior management with a level and mix of remuneration commensurate with their position and responsibilities to ensure consistency with the remuneration objectives identified above. The Group has entered into standard contracts of employment with its senior management. Remuneration under these contracts consists of fixed and variable remuneration.

### **Fixed Remuneration**

Fixed remuneration is reviewed annually by the Remuneration and Nomination Committee with recommendations made to the Board. This process consists of a review of both the Company's and individual's performance, a comparison of current and proposed remuneration with data attained from industry relevant peers or industry associations and where appropriate, advice or input from external parties.

### **Variable Remuneration – Short Term Incentive (STI) arrangements**

The objective of the STI is to link the achievement of the Group's short-term performance objectives with the remuneration received by senior management and employees charged with achieving those measures. STI payments are dependent on the extent to which performance measures are achieved and are "at risk" set by the Board. The measures represent the key drivers for the short-term success of the business and provide a framework for delivering longer term value.

Key features of the STI Plan (STIP) are provided below:

Plan Feature	Details
<b>STIP Objective</b>	The STIP motivates and rewards employees for their contribution to the Company's performance. The STIP is also designed to retain staff over the vesting period of the award.
<b>Alignment with Shareholder Interests</b>	The STIP sets safety, exploration and financial targets to enhance shareholder value.
<b>STIP Nature</b>	The award will be settled in cash.
<b>STIP Vesting</b>	The award is to be determined on an annual basis after the financial year has closed and once the Board has assessed the performance of the Company and the individual against the defined KPIs.
<b>STIP Performance Measures</b>	The Board has set a scorecard to measure the Company's and individual's performance which is broken into the core components that the Board believes are key to delivering the Company's strategy over the year.
<b>Current Year Award</b>	No award was implemented for KMP in respect of the financial year ended 30 June 2022.
<b>STIP Award Opportunity FY 2023</b>	The award opportunity for the financial year ending 30 June 2023 is up to 40% of fixed remuneration for the Executive Director and 10%-40% of fixed remuneration for other personnel. The STIP opportunity for KMPs is comprised of 60% Corporate KPIs and 40% Individual KPIs reflecting stretch targets for the current financial year which were selected as they are linked to the Company's future aims, objectives and value generators.

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

The objective of the LTI program is to reward employees in a manner that aligns remuneration with the creation of shareholder wealth. These LTIs are granted under the Company's Employee Incentive Plan (**LTIP or Plan**). No securities were issued under the Plan during the financial year ended 30 June 2022.

The Company's Security Trading policy prohibits speculative trading in the Company's securities or hedging of options granted under the Incentive Plan. Prohibited hedging practices include put/call arrangements over "in-the-money" options to hedge against a future drop in share price. The Board considers such hedging to be against the spirit of the Plan and inconsistent with shareholder objectives.

Key features of the LTIP are provided below:

Plan Feature	Details
<b>LTIP Objective</b>	The LTIP is intended to incentivise employees for achievement of the Company's long-term objectives and increases in the Company's long-term value.
<b>LTIP Nature</b>	The Plan allows the Board to grant either options or performance rights, which will vest dependent on the achievement of the LTIP performance measures.
<b>LTIP Vesting</b>	The award will vest and become exercisable upon satisfaction of any vesting conditions set out by the respective award.
<b>Current Year Award</b>	No award has been issued under the Plan in respect of the financial year ended 30 June 2022.
<b>LTIP Award Opportunity FY 2023</b>	<p>All permanent employees are eligible to participate in the LTIP. In the 2023 financial year, a banded approach to LTIP awards has been adopted with the maximum award opportunity being for the Executive Director of up to 250,000 performance rights (subject to approval by Shareholders at the Company's AGM). For the FY2023 award, the performance rights will vest upon the later of:</p> <ul style="list-style-type: none"> <li>□ a Final Investment Decision being made with respect to any of the Group's mining projects; and</li> <li>□ the date that is three years after the date on which the Performance Rights are granted.</li> </ul>

### (F) Group Performance

The remuneration framework detailed above aims to align future executive remuneration to the creation of shareholder wealth. The Group's earnings and movements in shareholder wealth for the last five financial years have not had any impact upon executive remuneration.

	Year Ended 30 June 2022 \$	Year Ended 30 June 2021 \$	Year Ended 30 June 2020 \$	Year Ended 30 June 2019 \$	Year Ended 30 June 2018 \$
Interest income	23,812	-	-	-	-
Other income	-	-	-	-	-
Foreign exchange gain / (loss)	-	-	-	-	-
Loss before tax	(3,742,945)	(890,088)	(165,960)	(68,900)	-
Loss after tax	(3,742,945)	(890,088)	(165,960)	(68,900)	-
Dividends	-	-	-	-	-
Share price <sup>(i)</sup>	0.16	-	-	-	-
Basic and diluted loss per share from continuing operations (cents per share)	(23.11)	-	-	-	-
Basic and diluted loss per share (cents per share)	(23.11)	-	-	-	-

### Note

(i) IPO share price was \$0.20 per share

## Directors' Report (Continued)

### (G) Details of Remuneration

Details of the nature and amount of each element of the remuneration of each KMP of the Company or Group for the financial year are as follows:

		Cash					Non-Cash				Performance Based		
		Short-term		Post-Employment	Long Service Leave Paid Out	Total Cash Payments	Short-term	Share Based Payments	Total Non- Cash Payments		Total (Cash and Non-Cash)	Short Term Incentive Plan	Long Term Incentive Plan
		Base Salary / Fees	Bonus	Superannuation			Movement in Annual Leave Provision	Accounting Valuation <sup>(i)</sup> & <sup>(iii)</sup>					
		\$	\$	\$	\$	\$	\$	\$	\$	%	%		
Non-Executive Chairman													
Craig Williams	2022	8,334	-	833	-	9,167	-	82,204	82,204	91,371	-	-	
	2021	-	-	-	-	-	-	-	-	-	-	-	
Executive Director													
Alastair Morrison	2022	27,734	-	2,773	-	30,507	2,493	82,204	84,697	115,204	-	-	
	2021	-	-	-	-	-	-	-	-	-	-	-	
Non-Executive Director													
Matthew Yates	2022	6,667	-	666	-	7,333	-	82,204	82,204	89,537	-	-	
	2021	-	-	-	-	-	-	-	-	-	-	-	
Non-Executive Director													
Michael Klessens	2022	6,667	-	666	-	7,333	-	54,803	54,803	62,136	-	-	
	2021	-	-	-	-	-	-	-	-	-	-	-	
Non-Executive Director													
Robert Rigo	2022	6,667	-	666	-	7,333	-	54,803	54,803	62,136	-	-	
	2021	-	-	-	-	-	-	-	-	-	-	-	
Chief Financial Officer													
Tania Cheng (iii)	2022	-	-	-	-	-	-	27,401	27,401	27,401	-	-	
	2021	-	-	-	-	-	-	-	-	-	-	-	
TOTAL	2022	56,069	-	5,604	-	61,673	2,493	383,619	386,112	447,785			
	2021	-	-	-	-	-	-	-	-	-			

#### Notes

(i) □ The value of options granted during the period is recognised in compensation over the vesting period of the grant, in accordance with Australian accounting standards.

(ii) □ Details of unlisted options granted as remuneration to each KMP of the Company or Group during the financial year are outlined in further detail separately below.

(iii) □ Mrs Tania Cheng's services were provided by way of the Transitional Services Agreement with OreCorp. Other than the grant of the unlisted options, Mrs Cheng did not receive any remuneration from the Company. A total of \$17,178 was paid by Solstice to OreCorp for the provision of services for Tania Cheng during the period.



**(H) Additional Statutory information**

*Performance-based remuneration granted and forfeited during the year*

No performance-based remuneration was provided by the Company to KMP during the financial year.

**Loans given to key management personnel**

No loans were made to directors or KMPs of the Company, including their close family members and entities related to them during the financial year.

**(I) Shareholdings of Key Management Personnel**

The aggregate number of ordinary shares of the Company held directly, indirectly or beneficially by KMP of the Company or Group or their related entities at balance date is as follows:

Key Management Person 2022	Opening Balance at 1 July 2021	In-specie Distribution <sup>(i)</sup>	IPO Shares <sup>(ii)</sup>	Held at 30 June 2022
Craig Williams	-	365,595	549,088	914,683
Alastair Morrison	-	516,605	774,905	1,291,510
Matthew Yates	-	1,064,966	1,597,444	2,662,410
Michael Klessens	-	252,326	378,486	630,812
Robert Rigo	-	108,909	163,363	272,272
Tania Cheng	-	7,961	250,000	257,961

**Notes**

- (i) □ Upon the demerger of Solstice from OreCorp, each shareholder received one Solstice share for every 9.9449 OreCorp shares held.
- (ii) □ KMP subscribed and paid for IPO Placement shares as part of the raising that generated gross proceeds of \$12 million.

**(J) Options Issued and Holdings of Key Management Personnel**

On 22 April 2022 unlisted options with an exercise price of \$0.29, an expiry date of 22 April 2026 and a fair value of \$0.1281 were granted to the directors and certain employees as disclosed in the Prospectus related to the IPO. The options vest in three equal annual tranches commencing from the date of issue. There has been no alteration to the terms and conditions of the above share-based payments since the grant date. There are no other performance conditions attached to the options granted.

**Share Options Holdings**

The number of options over ordinary shares of the Company held directly, indirectly or beneficially by KMP of the Company or Group at balance date is as follows:

**Unlisted Options**

Key Management Person 2022	Opening Balance at 1 July 2021 #	Grant of Options <sup>(i)</sup> #	Options Unexercised and Expired during the year #	Held at 30 June 2022 #	Vested and Exercisable as at 30 June 2022 #
Craig Williams	-	1,500,000	-	1,500,000	500,000
Alastair Morrison	-	1,500,000	-	1,500,000	500,000
Matthew Yates	-	1,500,000	-	1,500,000	500,000
Michael Klessens	-	1,000,000	-	1,000,000	333,333
Robert Rigo	-	1,000,000	-	1,000,000	333,333
Tania Cheng	-	500,000	-	500,000	166,667

**Note**

- (i) □ Unlisted options \$0.29; expiring 22 April 2026.

### Listed Options

Key Management Person 2022	Opening Balance at 1 July 2021 #	Grant of Options <sup>(i)</sup> #	Options Unexercised and Expired during the year #	Held at 30 June 2022 #	Vested and Exercisable as at 30 June 2022 #
Craig Williams	-	137,271	-	137,271	137,271
Alastair Morrison	-	193,725	-	193,725	193,725
Matthew Yates	-	399,360	-	399,360	399,360
Michael Klessens	-	94,621	-	94,621	94,621
Robert Rigo	-	40,840	-	40,840	40,840
Tania Cheng	-	62,500	-	62,500	62,500

#### Note

- (i) □ Listed options \$0.20; expiring 22 April 2026. The listed options were issued to all those (including KMP) who subscribed for shares under the IPO on the basis of 1 listed option for every 4 shares subscribed for.

#### **(K) Performance Rights Issued and Holdings of Key Management Personnel**

No Solstice performance rights were held by nor issued to KMPs during the financial year.

#### **(L) Employment Contracts with Key Management Personnel**

Remuneration and other terms of employment for KMP are formalised in service agreements. Details of agreement with the Executive Director are as follows:

	Alastair Morrison Executive Director
Base salary (for the equivalent of 2 days per week) <sup>1</sup>	\$166,400
Resignation Notice	3 months
Termination for cause	None
Termination without cause	3 months
Eligible to receive 'at risk' bonus, share or other incentive plans approved by the Board	Yes, from 1 July 2022
Term of contract	No fixed term

<sup>1</sup> Total fixed remuneration per annum is comprised of base salary plus required superannuation guarantee contributions of 10.5% effective 1 July 2022, capped at the maximum Company contribution level

In addition, Mrs Tania Cheng, Chief Financial Officer, has a contract of employment with OreCorp and is providing her services by way of the Transitional Services Agreement between the Company and OreCorp. She is allocating approximately 2 days per week performing services for the Group, whilst the remainder of her time is spent in her role with OreCorp.

#### **(M) Other transactions with Key Management Personnel**

Post-demerger, the Group has entered into a Transitional Services Agreement with OreCorp (in which all Directors and Ms Tania Cheng are KMPs). The Group has incurred \$100,308 for services provided under the agreement.

There were no other transactions with KMPs during the 2022 financial year.

#### **End of Remuneration Report**

### Insurance of Officers and Auditors

The Constitution of the Company requires the Company, to the extent permitted by law, to indemnify any person who is or has been a director or officer of the Company or Group for any liability caused as such a director or officer and any legal costs incurred by a director or officer in defending an action for any liability caused as such a director or officer.

During the financial year, the Company paid a premium in respect of a contract insuring the directors and the company secretary of the Company (as named above) or any related body corporate against a liability incurred as such a director or secretary 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.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor. It is noted that there were no such liabilities during the financial year.

### Non-Audit Services

The Group may decide to use its auditor to provide non-audit services where the auditor's expertise and experience with the Group is important.

During the year, the following fees were paid or payable for services provided by the auditor of the Group:

	Year Ended 30 June 2022	Year Ended 30 June 2021
Services provided by the Company's auditors	\$	\$
<b><i>Deloitte Touche Tohmatsu (Australia):</i></b>		
- Audit and review of financial report	55,500	-
- Other audit or review of financial reports	28,000	-
<b>Total remuneration for auditors</b>	<b>83,500</b>	<b>-</b>

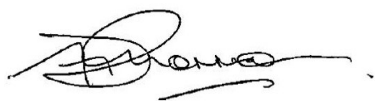
There were no non-audit services provided by the Group auditor (or by another person or firm on the auditor's behalf) during the financial year.

### Auditor's Independence Declaration

The auditor's independence declaration is on page 64 of the Annual Report.

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

For and on behalf of the Directors



**Alastair Morrison**

**Director**

23 September 2022



## Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	Year Ended 30 June	
		2022 A\$	2021 A\$
Interest income		23,812	-
Corporate and administration costs		(884,402)	-
ASX Listing and IPO expenses	2(d)	(237,859)	-
Exploration and evaluation costs		(2,644,496)	(890,088)
<b>Loss before income tax</b>		<b>(3,742,945)</b>	<b>(890,088)</b>
Income tax expense	3	-	-
<b>Loss for the year</b>		<b>(3,742,945)</b>	<b>(890,088)</b>
<b>Other comprehensive income, net of income tax</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Other comprehensive income/(loss) for the year		-	-
<b>Total comprehensive loss for the year, net of income tax</b>		<b>(3,742,945)</b>	<b>(890,088)</b>
<b>Earnings per share</b>			
Weighted average number of shares	21	16,199,513	1
Basic loss per share (\$ per share)	21	(0.231)	(890,088)
Diluted loss per share (\$ per share)	21	(0.231)	(890,088)

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

## Consolidated Statement of Financial Position

	Note	30 June 2022 A\$	30 June 2021 A\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	22(b)	15,917,248	1
Trade and other receivables	4	142,931	-
<b>Total Current Assets</b>		16,060,179	1
<b>Non-current Assets</b>			
Plant and equipment	6	207,919	-
Right-of-use asset	5	48,381	-
Exploration and evaluation assets	7	5,893,170	2,928,859
<b>Total Non-current Assets</b>		6,149,470	2,928,859
<b>TOTAL ASSETS</b>		22,209,649	2,928,860
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	570,914	-
Intercompany payables	11	-	4,053,807
Lease liability	5	46,118	-
Provisions	9	43,310	-
<b>Total Current Liabilities</b>		660,342	4,053,807
<b>Non-current Liabilities</b>			
Lease liability	5	3,670	-
Provision	10	1,541	-
<b>Total Non-current Liabilities</b>		5,211	-
<b>TOTAL LIABILITIES</b>		665,553	4,053,807
<b>NET ASSETS/(LIABILITIES)</b>		21,544,096	(1,124,947)
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Issued capital	12	25,850,263	1
Reserves	13	561,726	-
Accumulated losses	14	(4,867,893)	(1,124,948)
<b>TOTAL EQUITY</b>		21,544,096	(1,124,947)

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

## Consolidated Statement of Changes in Equity

	Issued Capital A\$	Share Based Payment Reserve A\$	Accumulated Losses A\$	Total Equity A\$
<b>Year Ended 30 June 2022</b>				
<b>Balance at 1 July 2021</b>	<b>1</b>	<b>-</b>	<b>(1,124,948)</b>	<b>(1,124,947)</b>
Net loss for the year	-	-	(3,742,945)	(3,742,945)
<b>Other comprehensive income</b>				
Total other comprehensive income/(loss)	-	-	-	-
Total comprehensive loss for the year	-	-	(3,742,945)	(3,742,945)
<b>Transactions with owners, recorded directly in equity</b>				
Capital raising	12,000,000	-	-	12,000,000
Exercise of listed options	57,362	-	-	57,362
Cost of capital raising	(842,129)	-	-	(842,129)
Securities issued to OreCorp associated with the demerger (Note 16(b))	14,635,029	-	-	14,635,029
Share based payment expense	-	561,726	-	561,726
Total transactions with owners	25,850,262	561,726	-	26,411,988
<b>Balance at 30 June 2022</b>	<b>25,850,263</b>	<b>561,726</b>	<b>(4,867,893)</b>	<b>21,544,096</b>
<b>Year Ended 30 June 2021</b>				
<b>Balance at 1 July 2020</b>	<b>1</b>	<b>-</b>	<b>(234,860)</b>	<b>(234,859)</b>
Net loss for the year	-	-	(890,088)	(890,088)
<b>Other comprehensive income</b>				
Total other comprehensive income/(loss)	-	-	-	-
Total comprehensive loss for the year	-	-	(890,088)	(890,088)
<b>Transactions with owners, recorded directly in equity</b>				
Total transactions with owners	-	-	-	-
<b>Balance at 30 June 2021</b>	<b>1</b>	<b>-</b>	<b>(1,124,948)</b>	<b>(1,124,947)</b>

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



## Consolidated Statement of Cash Flows

	Note	Year Ended 30 June	
		2022 A\$	2021 A\$
<b>Cash flows from operating activities</b>			
Interest received		235	-
Interest and other costs of finance paid		(535)	-
Payments to suppliers and employees		(483,501)	-
<b>Net cash outflow from operating activities</b>	22(a)	(483,801)	-
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment	6(b)	(17,604)	-
<b>Net cash outflow from investing activities</b>		(17,604)	-
<b>Cash flows from financing activities</b>			
Payment of principal portion of lease liabilities		(5,505)	-
Proceeds from issue of IPO shares		12,000,000	-
Proceeds from exercise of listed options		57,362	-
Payments for share issue transaction costs		(633,205)	-
Cash proceeds from share issue to OreCorp	16(b)	5,000,000	-
<b>Net cash inflow from financing activities</b>		16,418,652	-
<b>Net increase in cash and cash equivalents held</b>		15,917,247	-
<b>Cash and cash equivalents at the beginning of the financial year</b>		1	1
<b>Cash and cash equivalents at the end of the financial year</b>	22(b)	15,917,248	1

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

## Notes to and Forming Part of the Consolidated Financial Statements

### 1. Summary of Significant Accounting Policies

The principal accounting policies adopted in preparing the financial report of the Company and its consolidated entities (**Consolidated Entity** or **Group**) for the year ended 30 June 2022 are stated to assist in a general understanding of the financial report. For the purposes of preparing the consolidated financial statements, the Company is a for profit entity.

Solstice (formerly named OreCorp Holdings Pty Ltd) is a company limited by shares incorporated in Australia and from 2 May 2022 (refer Note 1(b)) the Company's shares have been publicly traded on the Australian Securities Exchange.

The financial report of the Company for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the Directors on 23 September 2022.

#### (a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (**AASs**) and interpretations adopted by the Australian Accounting Standards Board (**AASB**) and the Corporations Act 2001 (*Cth*).

In the application of AASs management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of AASs that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars.

#### (b) The Demerger

On 22 April 2022, Solstice and its wholly owned subsidiary separated from OreCorp by way of an in-specie distribution to OreCorp shareholders of the shares held by OreCorp. In connection with the demerger, Solstice issued 39,999,999 shares to OreCorp. The consideration for the issue of the shares totalled \$14,635,029 and was comprised of the following:

- \$5,000,000 in cash;
- Transfer of plant and equipment relating to OreCorp's WA exploration assets in consideration for the issue of shares to OreCorp; and
- The related party loan between OreCorp and Solstice was converted to equity.

Refer to Note 16(b) for further information.

## Notes to and Forming Part of the Consolidated Financial Statements (Continued)

The demerger was undertaken to divest OreCorp's interest in the Western Australia exploration assets, comprising the Yarrie, Kalgoorlie, Yundamindra and Ponton Projects. In conjunction with the demerger, and subsequent to an IPO, on 2 May 2022, the Company's shares started to separately trade on the ASX under the code "SLS".

Prior to the demerger, the Group's ultimate parent was OreCorp and from 22 April 2022 upon completion of the demerger, the Group's ultimate parent is Solstice.

### (c) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (**AIFRS**). The financial report, which includes the financial statements and the notes of the Group, also complies with International Financial Reporting Standards (**IFRS**).

### (d) New Standards, Interpretations and Amendments

In the current year, the Group has adopted all of the new and revised standards, interpretations and amendments that are relevant to its operations and effective for the current reporting period.

The adoption of the new and revised standards, interpretations and amendments has not had a material impact on the Group's financial statements

### (e) Issued Standards and Interpretations Not Early Adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the year ended 30 June 2022. These are not expected to have any significant impact on the Group's financial statements.

### (f) Principles of Consolidation

The financial statements incorporate the assets and liabilities of all subsidiaries of Solstice as at year end and the results of all subsidiaries for the year then ended.

Subsidiaries are all entities (including structured entities) over which the group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- ☐ The contractual arrangement(s) with the other vote holders of the investee;
- ☐ Rights arising from other contractual arrangements; and
- ☐ The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.



## Notes to and Forming Part of the Consolidated Financial Statements (Continued)

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

### **(g) Exploration and Evaluation Expenditure**

Exploration and evaluation expenditure encompasses expenditures incurred by the Group in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Where the Group acquires an area of interest (through direct purchase or purchase of an entity), expenditure incurred in the acquisition of the area of interest is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition.

Exploration and evaluation expenditure incurred by the Group subsequent to acquisition of the rights to explore is expensed as incurred up to the final investment decision. Expenditure in relation to the activities prior to the final investment decision is expensed as incurred.

Capitalised exploration is only carried forward if the Group has rights to tenure and the Group expects to recoup the expenditures through successful development or sale.

Capitalised exploration costs are reviewed each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs 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.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

### **(h) Other Income**

#### *Interest Income*

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

#### *Government Grants*

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

### **(i) Income Tax**

The Group has formed a tax consolidated group with Solstice as the head entity. Prior to the demerger, the Group was a member of the tax consolidated group in which OreCorp was the head entity.

The income tax expense or income for the period is the tax payable or recoverable on the current period's taxable income or tax loss based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered, or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is

## Notes to and Forming Part of the Consolidated Financial Statements (Continued)

made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

The Group recognises deferred tax assets arising from unused tax losses to the extent that it is probable that future taxable profits of the Group will be available against which the assets can be utilised. The Group assesses the recovery of its unused tax losses and tax credits only in the period in which they arise, and before assumption by the head entity. Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability are recognised by the head entity only.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

### **(j) Impairment of Assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

### **(k) Cash and Cash Equivalents**

Cash and cash equivalents' includes cash on hand, deposits held at call with financial institutions, and other 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.

### **(l) Financial Instruments**

#### *Recognition and measurement*

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed immediately.

#### *Classification and subsequent measurement*

Financial instruments are subsequently measured at fair value or amortised cost using the effective interest rate method. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Quoted prices in an active market are used to determine fair value where possible. The Company does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

#### *Amortised Cost*

Amortised cost amounts are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

#### *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

## Notes to and Forming Part of the Consolidated Financial Statements (Continued)

### *Fair value through other comprehensive income (FVOCI)*

FVOCI financial assets include any financial assets not included in the above categories.

### *Fair value*

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

### *Expected Credit Losses*

The Group recognises a loss allowance for expected credit losses on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime expected credit losses (ECL) for trade receivables. The expected credit losses are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

### **(m) Fair Value Estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as discounted cash flows, are used to determine fair value for the remaining financial instruments.

### **(n) Property, Plant and Equipment**

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

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

Plant and equipment are depreciated on a straight-line basis at rates based upon their expected useful lives as follows:

	Life
Plant and equipment	2 – 15 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(k)).

## Notes to and Forming Part of the Consolidated Financial Statements (Continued)

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

### (o) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### i) ☐ Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The Group's right-of-use assets relates to office premises which is depreciated over the term of the lease agreements.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 1(i) Impairment of assets.

#### ii) ☐ Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### iii) ☐ Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### (p) Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within twelve months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date and 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 measured at the rates paid or payable. Employee benefits payable later than one year, including long service leave, are measured at the present value of the estimated future cash flows to be made for those benefits.



## Notes to and Forming Part of the Consolidated Financial Statements (Continued)

Contributions to defined contribution super plans are expensed when the employees have rendered the services entitling them to the contributions.

### (q) Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

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

### (r) Dividends

Provision is made for the amount of any dividend declared on or before the end of the year but not distributed at balance date.

### (s) Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

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

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

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

- (i) ☐ where 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
- (ii) ☐ receivables and payables 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 components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

### (u) Share Based Payments

Share based payments are provided to directors, employees, consultants and other advisors and to acquire assets such as mineral exploration licences.

The Company's former Ultimate Parent entity, OreCorp, has issued its securities in consideration or part-consideration for the acquisition of tenements by the Company. The fair value of the securities as determined in accordance with accounting standards was recognised by the Company as an intercompany liability owing to OreCorp.

The fair value of options granted is determined using an appropriate option pricing model. The shares were valued at market price at the date of grant.

### (v) Segment Information

Operating segments are identified in accordance with AASB 8 on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, being the Board of Directors, in order to allocate resources to the segment and to assess its performance. See note 18.

## Notes to and Forming Part of the Consolidated Financial Statements (Continued)

### **(w) Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, as described above, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *Recoverability of exploration and evaluation assets*

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether it is likely that future economic benefits are likely, from future either exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This requires management to make certain estimates and assumptions as to future events and circumstances, including the maintenance of title, ongoing expenditure and whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available.

If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in profit or loss in the period when the new information becomes available. See note 7 for the disclosure on the carrying values of exploration and evaluation assets as at reporting date.

## Notes to and Forming Part of the Consolidated Financial Statements (Continued)

	Year Ended 30 June	
	2022 A\$	2021 A\$
<b>2. Expenses and Losses</b>		
Loss from ordinary activities before income tax expense includes the following specific expenses:		
<b>(a) Depreciation and amortisation</b>		
Depreciation of plant and equipment	11,832	-
Amortisation of right-of-use asset	6,912	-
<b>(b) Share based payment expense</b>		
Share based payments	561,726	-
<b>(c) Personnel Expenses</b>		
Personnel expenses <sup>(i)</sup>	362,996	-
<b>(d) ASX listing and IPO expenses</b>		
ASX listing fees	99,011	-
IPO related expenses <sup>(ii)</sup>	138,848	-

### Notes

- (i) □ Includes wages and salaries for the Executive Director and Exploration Staff and allocation of corporate and administration wages and salaries under the Transitional Services Agreement with OreCorp including services performed by the Chief Financial Officer and Company Secretary.
- (ii) □ The Company incurred ASX listing and IPO expenses, and capital raising costs, in connection with the IPO prospectus and capital raising. These costs have been apportioned between “ASX listing fees and IPO expenses” and “share issue costs” respectively depending on the specific nature of the activity or as otherwise apportioned on the ratio of shares on issue relative to new shares issued pursuant to the entitlement offer.

## Notes to and Forming Part of the Consolidated Financial Statements (Continued)

	Year Ended 30 June	
	2022	2021
	A\$	A\$
<b>3. Income Tax</b>		
<b>(a) Recognised in profit or loss</b>		
<i>Current income tax</i> – Current income tax benefit	-	-
<i>Deferred income tax</i> – Deferred tax assets not recognised	-	-
<b>Income tax expense reported in the statement of profit or loss</b>	-	-
<b>(b) Recognised directly in equity</b>		
<i>Deferred income tax related to items charged or credited directly to equity</i>	-	-
<b>Income tax expense recognised directly in equity</b>	-	-
<b>(c) Reconciliation between Tax Expense and Accounting Loss before Income Tax</b>		
Accounting loss before income tax	(3,742,945)	(890,088)
At the domestic income tax rate of 25% (2021: 26%)	(935,736)	(231,423)
Expenditure not allowable for income tax purposes	140,633	-
Deferred tax assets assumed by the Ultimate Parent company	-	231,423
Deferred tax assets not brought into account this year	795,103	-
<b>Income tax expense reported in the statement of profit or loss</b>	-	-
<b>(d) Deferred Income Tax</b>		
Deferred income tax at 30 June relates to the following:		
<i>Deferred Tax Liabilities</i>		
Exploration and evaluation assets	101,008	-
Accrued interest	5,894	-
Right-of-use asset	12,095	-
Deferred tax assets used to offset deferred tax liabilities	(118,997)	-
	-	-
<i>Deferred Tax Assets</i>		
Accruals	27,285	-
Provisions	11,213	-
Business related costs	215,998	-
Lease liability	12,447	-
Tax losses available to offset against future taxable income	857,257	-
Deferred tax assets used to offset deferred tax liabilities	(118,997)	-
Deferred tax assets not recognised	(1,005,203)	-
	-	-

The benefit of deferred tax assets not brought to account will only be brought to account if:

- (i) ☐ future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- (ii) ☐ the conditions for deductibility imposed by tax legislation continue to be complied with; and
- (iii) ☐ no changes in tax legislation adversely affect the Company in realising the benefit.



## Notes to and Forming Part of the Consolidated Financial Statements (Continued)

### (e) Tax losses

At the reporting date the Group has unrecognised tax losses of \$857,257 (2021: Nil) that are available for offset against future taxable profits. Tax losses in Australia do not expire but subject to continuity of ownership test or same business test. No deferred tax asset has been recognised in respect of the tax losses due to the uncertainty of future profit streams.

### (f) Tax Consolidation

Solstice and its 100% owned Australian resident subsidiary are considering forming a tax consolidated group now that it has been successfully demerged from OreCorp. Prior to this, the Company was previously in the OreCorp's consolidated tax group, accordingly, the Company does not recognise deferred tax assets for taxation losses that have been assumed by OreCorp.

### (g) Franking Account

In respect to the payment of dividends (if any) by Solstice in subsequent financial years, no franking credits are currently available, or are likely to become available in the next 12 months.

	2022 A\$	2021 A\$
<b>4. Current Assets – Trade and Other Receivables</b>		
GST receivable	21,377	-
Interest receivable	23,577	-
Other assets (i)	97,977	-
	<b>142,931</b>	-

#### Notes

- (i) Other Assets includes GST recovered under the Financial Acquisitions Threshold in relation to Solstice's initial public offering and FY2022 employee bonuses recovered from OreCorp.

	2022 A\$	2021 A\$
<b>5. Right-of-Use Asset and Liability</b>		
Right-of-use asset	86,395	-
Accumulated amortisation	(38,014)	-
<b>Net carrying amount</b>	<b>48,381</b>	-
Lease liability		
Current	46,118	-
Non-current	3,670	-
<b>Total Liabilities</b>	<b>49,788</b>	-
<b>Amounts recognised in statement of comprehensive income</b>		
Amortisation charge of right-of-use asset	6,912	-
Net finance expenses	535	-

## Notes to and Forming Part of the Consolidated Financial Statements (Continued)

	2022 A\$	2021 A\$
<b>6. Non-Current Assets – Plant and Equipment</b>		
<b>(a) Plant and Equipment</b>		
Cost	219,751	-
Accumulated depreciation	(11,832)	-
<b>Net carrying amount</b>	<b>207,919</b>	<b>-</b>
<b>(b) Reconciliation</b>		
Carrying amount at beginning of year	-	-
Additions	17,604	-
Assets transferred from OreCorp as part consideration for share issue	202,147	-
Depreciation charge for the year	(11,832)	-
<b>Carrying amount at end of year, net of accumulated depreciation</b>	<b>207,919</b>	<b>-</b>

	2022 A\$	2021 A\$
<b>7. Non-Current Assets – Exploration and Evaluation Assets</b>		
<b>(a) Exploration &amp; Evaluation Assets</b>		
Eastern Goldfields, Western Australia – Yarri	3,941,685	2,774,630
Eastern Goldfields, Western Australia – Kalgoorlie	1,797,256	-
Eastern Goldfields, Western Australia – Yundamindra	154,229	154,229
<b>Net carrying amount</b>	<b>5,893,170</b>	<b>2,928,859</b>
<b>(b) Reconciliation – Exploration &amp; Evaluation Assets</b>		
Carrying amount at the beginning of the year	2,928,859	908,147
Add: acquisition of exploration and evaluation assets during the year (i)	2,964,311	2,020,712
<b>Carrying amount of Exploration and Evaluation Assets at the end of year</b>	<b>5,893,170</b>	<b>2,928,859</b>

### Notes

- (i) Acquisitions for the period were settled through the issue of fully paid ordinary OreCorp shares and payment of cash consideration, and stamp duties, all of which was funded by and recorded through the intercompany loan with OreCorp. Significant additions during the current year included the cost of acquisition of the Ringlock Dam tenement in the Kalgoorlie Project (total of \$1,797,256) and consideration of \$936,000 related to the issue of 1,200,000 fully paid ordinary OreCorp shares to a nominee of Crosspick which was made as consideration for removal / satisfaction of the earn-in agreement of the contractual obligation to issue 2,000,000 OreCorp fully paid ordinary shares to Crosspick upon OreCorp announcing a JORC 2012 Code compliant mineral resource at the Hobbes Project of at least 500,000oz Au with a lower cut-off of at least 0.5 g/t Au.

The recovery of exploration expenditure carried forward is dependent upon the discovery of commercially viable mineral and other natural resource deposits, their development and exploration, or alternatively their sale.

## Notes to and Forming Part of the Consolidated Financial Statements (Continued)

	2022 A\$	2021 A\$
<b>8. Current Liabilities – Trade and Other Payables</b>		
Trade and other creditors <sup>(i)</sup>	570,914	-
	<b>570,914</b>	-

### Notes

- (i) Payables are non-interest bearing and generally settled on 30-day terms. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

	2022 A\$	2021 A\$
<b>9. Current Liabilities – Provisions</b>		
Annual leave provision	43,310	-
	<b>43,310</b>	-

	2022 A\$	2021 A\$
<b>10. Non-Current Liabilities – Provisions</b>		
Long service leave provision	1,541	-
	<b>1,541</b>	-

	2022 A\$	2021 A\$
<b>11. Current Liabilities – Intercompany Payables</b>		
Payable to OreCorp (Ultimate Parent) <sup>(i)</sup>	-	4,053,807
	-	4,053,807

### Notes

- (i) In the previous year and prior to demerger, the Company's former ultimate parent company, OreCorp, provided loan funding for the Company's activities. As a result of the demerger, the loan was converted to equity as part consideration for the issue of shares to OreCorp. The resulting shares were distributed to OreCorp shareholders as an in-specie distribution. Refer to note 16(b).

	2022 A\$	2021 A\$
<b>12. Issued Capital</b>		
<b>(a) Issued and Paid Up Capital</b>		
100,286,809 (30 June 2021: 1) fully paid ordinary shares	25,850,263	1

### (b) Movements in Ordinary Share Capital

There were no movements in ordinary share capital in the prior year.

## Notes to and Forming Part of the Consolidated Financial Statements (Continued)

Date	Details	Number of Shares	Issue Price A\$	\$
1 July 2021	Opening balance	1	-	1
22 April 2022	Issue of shares to OreCorp	39,999,999	0.366	14,635,029
2 May 2022	IPO capital raising	60,000,000	0.200	12,000,000
16 May 2022	Exercise of listed options	282,990	0.200	56,598
7 June 2022	Exercise of listed options	3,819	0.200	764
	Capital raising costs	-	-	(842,129)
<b>30 June 2022</b>	<b>Closing balance</b>	<b>100,286,809</b>		<b>25,850,263</b>

### (c) Rights Attaching to Shares

- (i) ☐ Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.
- (ii) ☐ 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.
- (iii) ☐ Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

	2022 A\$	2021 A\$
<b>13. Reserves</b>		
Share-based payments reserve	<b>561,726</b>	-
	<b>561,726</b>	-

### (a) Nature and purpose of reserves

#### Share-Based Payments Reserve

The share-based payments reserve is used to recognise the share-based payment expense compensation at the grant date and record the grant date fair value of share-based payments and other option grants made by the Company.

### (b) Movements in Share-Based Payments Reserve

Date	Details	Number of Unlisted Options	\$
1 July 2021	Opening balance	-	-
22 April 2022	Issue of unlisted options	10,250,000	-
30 June 2022	Share-based payment expense	-	561,726
<b>30 June 2022</b>	<b>Closing balance</b>	<b>10,250,000</b>	<b>561,726</b>

### (c) Terms and conditions of the Unlisted Options

The Unlisted Options ('Options') are granted based on the following terms and conditions:

- ☐ Each Option entitles the holder to subscribe for one Share upon exercise of each Option.
- ☐ The Options have exercise prices and expiry dates as follows:
  - ☐ 6,500,000 unlisted options at an exercise price of \$0.29 each that expire on 22 April 2026, classified as restricted securities and to be held in escrow until 2 May 2024, being 24 months from the date of the Company's listing on the ASX
  - ☐ 3,750,000 unlisted options at an exercise price of \$0.29 each that expire on 22 April 2026.



## Notes to and Forming Part of the Consolidated Financial Statements (Continued)

- The Options are exercisable at any time prior to the Expiry Date, subject to the vesting conditions being satisfied (if applicable). The Options vest in 3 equal portions on the date of issue and the first and second anniversary, respectively, of the date of issue.
- Shares issued on exercise of the Options rank equally with the then shares of the Company.
- Application will be made by the Company for official quotation (if applicable) of the Shares issued upon the exercise of the Options.
- If there is any reconstruction of the issued share capital of the Company, the rights of the Option holders will be varied to comply with the Corporations Act 2001 (*Cth*) and Listing Rules (if applicable) which apply to the reconstruction at the time of the reconstruction.
- No application for quotation (if applicable) of the Options will be made by the Company.
- The Options are not transferrable except with the prior written approval of the Board and subject to compliance with the Corporations Act 2001 (*Cth*).

### (d) Terms and conditions of the Listed Options

The Listed Options ('Options') are granted based on the following terms and conditions:

- Each Option entitles the holder to subscribe for one Share upon exercise of each Option.
- The Options have exercise prices and expiry dates as follows:
  - 14,713,191 listed options at an exercise price of \$0.20 each that expire on 22 April 2026.
- The Options are exercisable at any time prior to the Expiry Date.
- Shares issued on exercise of the Options rank equally with the then shares of the Company.
- Application will be made by the Company for official quotation (if applicable) of the Shares issued upon the exercise of the Options.
- If there is any reconstruction of the issued share capital of the Company, the rights of the Option holders will be varied to comply with the Corporations Act 2001 (*Cth*) and Listing Rules (if applicable) which apply to the reconstruction at the time of the reconstruction.
- The Options are listed on the ASX.

	2022 A\$	2021 A\$
<b>14. Accumulated Losses</b>		
Balance at beginning of year	(1,124,948)	(234,860)
Net loss	(3,742,945)	(890,088)
<b>Balance at end of year</b>	<b>(4,867,893)</b>	<b>(1,124,948)</b>

### 15. Key Management Personnel Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Company and the Group is set out in the following table:

	2022 A\$	2021 A\$
Short-term employee benefits	56,069	-
Movement in annual leave provision	2,493	-
Post-employment benefits	5,604	-
Share-based payments	383,619	-
	<b>447,785</b>	<b>-</b>

## Notes to and Forming Part of the Consolidated Financial Statements (Continued)

### 16. Related Party Disclosures

#### (a) Transactions with Related Parties in the Group

The Group consists of Solstice Minerals Limited (the parent entity) and its controlled entities (see note 19). Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

#### (b) Transactions with former Ultimate Parent Company

Prior to the demerger, OreCorp (the former ultimate parent company of the Company) provided loan funding to the Company. The Company had no active bank account. All of the costs incurred in connection with the Company's activities were paid for by OreCorp and recorded in the Company through the intercompany loan. A reconciliation of the intercompany loan balance is provided below:

	2022 A\$	2021 A\$
Opening balance	4,053,807	1,143,007
Company expenses paid by OreCorp	2,445,601	890,088
Cash received from OreCorp	5,000,000	-
Employee entitlements on transfer from OreCorp (former OreCorp employees)	(30,837)	-
Plant and equipment (net book value)	202,147	-
Tenement acquisition costs paid by OreCorp	118,311	62,712
Fair value of OreCorp shares issued in consideration for tenement acquisitions	2,846,000	1,930,000
Fair value of OreCorp unlisted options issued in consideration for tenement acquisitions	-	28,000
Conversion of loan to equity as consideration for issue of 39,999,999 shares to OreCorp	(14,635,029)	-
Closing balance	-	4,053,807

Post-demerger, the Group has entered into a Transitional Services Agreement with OreCorp (in which all directors and Ms Tania Cheng are KMPs). The Group has incurred \$100,308 for services provided under the agreement.

#### (c) Transactions with Other Related Parties

There were no transactions with other related parties during the years ended 30 June 2022 and 30 June 2021.

### 17. Share based payment

Share based payment expense recorded by the Group during the year was \$561,726 (2021: \$nil).

All share based payments were accounted for as equity-settled share based payment transactions.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, unlisted share options issued as share based payments during the current and prior year:

## Notes to and Forming Part of the Consolidated Financial Statements (Continued)

	2022 Number	2022 WAEP	2021 Number	2021 WAEP
Outstanding at beginning of year	-	-	-	-
Options expired during the year	-	-	-	-
Options granted during the year	10,250,000	\$0.29	-	-
Options exercised during the year	-	-	-	-
<b>Outstanding at end of year</b>	<b>10,250,000</b>	<b>\$0.29</b>	-	-
<b>Exercisable at end of year</b>	<b>3,416,667</b>	<b>\$0.29</b>	-	-

The outstanding balance of options issued as share based payments as at 30 June 2022 is represented by:

- 6,500,000 unlisted options at an exercise price of \$0.29 each that expire on 22 April 2026, classified as restricted securities and to be held in escrow until 2 May 2024, being 24 months from the date of the Company's listing on the ASX; and
- 3,750,000 unlisted options at an exercise price of \$0.29 each that expire on 22 April 2026.

The weighted average remaining contractual life of the options outstanding as at 30 June 2022 is 3.8 years (2021: nil). The exercise price for options outstanding at the end of the year was range \$0.29 (2021: nil). The weighted average fair value of options granted during the year was \$0.128 (2021: nil).

The terms and conditions of the options are disclosed in note 13(c).

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Black Scholes option valuation model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the valuation model used for share options granted by the Company during the year ended 30 June 2022:

Valuation Model Input	\$0.29 Options 22 Apr 2026
Exercise price	\$0.29
Share price	\$0.20
Dividend yield	Nil
Volatility	100%
Risk-free interest rate	2.86%
Grant date	22/4/22
Expiry date	22/4/26
Expected life of option (years)	4.00
Number of options granted	10,250,000
Fair value at grant date	\$0.128
Total valuation	\$1,313,025

### Notes

- The dividend yield reflects the assumption that the current dividend pay-out will remain unchanged.
- The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur.
- The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

## Notes to and Forming Part of the Consolidated Financial Statements (Continued)

### 18. Segment Information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision makers, being the Board of Directors and executives of the Group, in order to allocate resources to the segment and to assess its performance.

The Group operates in one operating segment being mineral exploration and one geographical segment being Western Australia.

### 19. Controlled Entity

The controlled entity is included in the consolidated financial statements. The parent entity does not guarantee to pay the deficiency of its controlled entity in the event of a winding up of the controlled entity. The financial year end of the controlled entity is the same as that of the parent entity.

Name of Controlled Entity	Place of Incorporation	% of Shares Held 2022	% of Shares Held 2021
GreenCorp Metals Pty Ltd	Australia	100%	100%

### 20. Remuneration of Auditors

During the year, the following fees were paid or payable for services provided by the auditor of the Group:

	Year Ended 30 June 2022 \$	Year Ended 30 June 2021 \$
<b>Services provided by the Company's auditors</b>		
<i>Deloitte Touche Tohmatsu (Australia):</i>		
- Audit and review of financial report	55,500	-
- Other audit or review of financial reports	28,000	-
<b>Total remuneration for auditors</b>	<b>83,500</b>	<b>-</b>

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

	2022 A\$	2021 A\$
<b>21. Earnings per Share</b>		
Basic and diluted loss per share (\$ per share):		
From continuing operations	(0.231)	(890,088)
Basic and diluted loss per share (\$ per share)	(0.231)	(890,088)

	2022 A\$	2021 A\$
The following reflects the income and share data used in the calculations of basic and diluted loss per share:		
<b>Net loss used in calculating basic and diluted loss per share:</b>		
Net loss from continuing operations	(3,742,945)	(890,088)
Net loss used in calculations of basic and diluted loss per share	(3,742,945)	(890,088)



## Notes to and Forming Part of the Consolidated Financial Statements (Continued)

	2022 Number of Shares	2021 Number of Shares
Weighted average number of ordinary shares used in calculating basic loss per share, adjusted to reflect the Company restructure	16,199,513	1
Effect of dilutive securities <sup>(i)</sup>	-	-
<b>Adjusted weighted average number of ordinary shares used in calculating diluted loss per share</b>	<b>16,199,513</b>	<b>1</b>

### Notes

- (i) Non-dilutive securities: As at balance date 10,250,000 unlisted options and 14,713,191 listed options, which together represent 24,963,191 potential ordinary shares were not considered dilutive for the purposes of calculating the diluted loss per share for the year ended 30 June 2022 as they would decrease the loss per share.
- (ii) Other than as disclosed in Note 26, there have been no conversions, calls, subscriptions or issues of shares or options subsequent to balance date.

	2022 A\$	2021 A\$
<b>22. Statement of Cash Flows</b>		
<b>(a) Reconciliation of Net Loss after Income Tax to Net Cash Outflow from Operating Activities</b>		
Net loss after income tax	(3,742,945)	(890,088)
<b>Adjustment for non-cash income and expense items</b>		
Depreciation of plant and equipment	11,832	-
Amortisation of right-of-use asset	6,912	-
Provision for annual leave	13,846	-
Provision for long service leave	1,541	-
Share based payments	561,726	-
IPO and ASX listing costs	237,859	-
Exploration expenditure paid by OreCorp pre-demerger	1,998,817	890,088
<b>Changes in working capital</b>		
Increase in trade and other receivables	(144,303)	-
Increase in trade and other payables	570,914	-
<b>Net cash outflow from operating activities</b>	<b>(483,801)</b>	<b>-</b>
<b>(b) Reconciliation of Cash and Cash Equivalents</b>		
Cash at bank and on hand	80,636	1
Bank short-term deposits	15,836,612	-
<b>Cash and cash equivalents at 30 June</b>	<b>15,917,248</b>	<b>1</b>

### (c) Credit Standby Arrangements with Banks

At balance date, the Company had no used or unused financing facilities.

## Notes to and Forming Part of the Consolidated Financial Statements (Continued)

### (d) Non-cash Financing and Investing Activities

During the years ended 30 June 2022 and 30 June 2021, the Company acquired interests in exploration and evaluation assets for which OreCorp shares and unlisted options were issued as part of the consideration. The shares were valued at market price at the date of grant and the fair value of the equity-settled share options granted is estimated as at the date of the grant using the Black-Scholes option valuation model taking into account the terms and conditions upon which the options were granted. The Company recognised a liability to OreCorp for the fair value of the share-based payments as determined in accordance with accounting standards. Refer to Note 7 for further details.

During the current financial year, the Company issued shares to OreCorp for which, in addition to the consideration of \$5m cash, non-cash consideration included the conversion of the loan balance to equity (refer to Note 16(b)), which included the consideration arising associated from the transfer of plant and equipment, and other assets from OreCorp to the Company, and the assumption of employee liabilities by the Company from OreCorp.

	2022 A\$	2021 A\$
<b>23. Parent Entity Disclosures</b>		
<b>(a) Parent Entity – Financial Position</b>		
<i>Assets</i>		
Current Assets	16,060,179	1
Non-Current Assets	4,352,214	2,928,859
<b>Total Assets</b>	<b>20,412,393</b>	<b>2,928,860</b>
<i>Liabilities</i>		
Current Liabilities	664,012	4,053,807
Non-Current Liabilities	1,541	-
<b>Total Liabilities</b>	<b>665,553</b>	<b>4,053,807</b>
<b>Net Assets/(Liabilities)</b>	<b>19,746,840</b>	<b>(1,124,947)</b>
<i>Equity</i>		
Issued Capital	25,850,263	1
Reserves	561,726	-
Accumulated Losses	(6,665,149)	(1,124,948)
<b>Total Equity</b>	<b>19,746,840</b>	<b>(1,124,947)</b>
<b>(b) Parent Entity – Financial Performance</b>		
<b>Loss for the Year</b>	<b>(5,540,201)</b>	<b>(890,088)</b>
Other Comprehensive Income/(Loss)	-	-
<b>Loss Attributable to Members of the Parent</b>	<b>(5,540,201)</b>	<b>(890,088)</b>

## Notes to and Forming Part of the Consolidated Financial Statements (Continued)

### (c) Guarantees Entered into by the Parent Entity in Relation to the Debts of its Subsidiaries

As at 30 June 2022 and 2021, the Parent had not entered into any guarantees in relations to the debts of its subsidiaries.

### (d) Contingent Liabilities of the Parent Entity

As at 30 June 2022 and 2021, the Parent did not have any contingent liabilities. Refer to Note 26 for details of Group contingent liabilities.

### (e) Commitments for the Acquisition of Property, Plant and Equipment by the Parent Entity

As at 30 June 2022 and 2021, the Parent did not have any commitments for the acquisition of property, plant and equipment.

## 24. Financial Instruments

### (a) Overview

The Group's principal financial instruments comprise cash, receivables, payables and lease liability.

	2022 A\$	2021 A\$
<b>Financial Assets</b>		
Cash and cash equivalents	15,917,248	1
Other current receivables	142,931	-
<b>Total financial assets</b>	<b>16,060,179</b>	<b>1</b>
<b>Financial Liabilities</b>		
Trade and other payables	570,914	-
Lease liability	49,788	-
Intercompany payables	-	4,053,807
<b>Total financial liabilities</b>	<b>620,702</b>	<b>4,053,807</b>

The main risk arising from the Group's financial instruments is liquidity risk and interest rate risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure or management of these risks.

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. Key risks are monitored and reviewed as circumstances change (e.g. acquisition of a new project) and policies are revised as required. The overall objective of the Group's financial risk management policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

Given the nature and size of the business and uncertainty as to the timing and amount of cash inflows and outflows, the Group does not enter into derivative transactions to mitigate the financial risks. In addition, the Group's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Group's operations change, the Directors will review this policy periodically going forward.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing the Group's financial risks as summarised below.

## Notes to and Forming Part of the Consolidated Financial Statements (Continued)

### (b) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due. As at 30 June 2022, the Group has sufficient liquid assets to meet its financial obligations.

#### Liquidity and interest risk tables

	Weighted Average Effective Interest Rate %	Maturity > 6 months \$	Total \$
<b>2022</b>			
<b>Group</b>			
<b>Financial Assets</b>			
Non-interest bearing	-	232,734	232,734
Fixed interest rate instruments	1.18%	13,012,210	13,012,210
Variable interest rate instruments	0.11%	2,815,235	2,815,235
<b>Total financial asset</b>		<b>16,060,179</b>	<b>16,060,179</b>
<b>Financial Liabilities</b>			
Trade and other payables	-	570,914	570,914
Lease liability	-	49,788	49,788
<b>Total financial liabilities</b>		<b>620,702</b>	<b>620,702</b>
<b>2021</b>			
<b>Group</b>			
<b>Financial Assets</b>			
Non-interest bearing	-	1	1
<b>Total financial asset</b>		<b>1</b>	<b>1</b>
<b>Financial Liabilities</b>			
Intercompany payables <sup>(i)</sup>	-	4,053,807	4,053,807
<b>Total financial liabilities</b>		<b>4,053,807</b>	<b>4,053,807</b>

#### Notes

(i) In 2021, the Company's Ultimate Parent prior to the demerger, OreCorp provided loan funding for the Company's activities. The loan was unsecured, non-interest bearing and was repayable on demand.

### (c) Interest Rate Risk Exposure

The Group's exposure to the risk of changes in market interest rates relates primarily to the cash and short-term deposits with a floating interest rate.

These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities, in the form of receivables and payables are non-interest bearing.

The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk.

#### Cash flow sensitivity analysis for variable rate instruments

A sensitivity of 10% has been selected as this is considered reasonable given the current level of both short-term and long-term interest rates. An increase of 10% in the interest rates during the year would have increased (decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, remain constant.

## Notes to and Forming Part of the Consolidated Financial Statements (Continued)

	Profit or Loss		Equity	
	10%	10%	10%	10%
	Strengthening	Weakening	Strengthening	Weakening
	\$	\$	\$	\$
<b>2022</b>				
<b>Group</b>				
Cash and cash equivalents	2,381	(2,381)	2,381	(2,381)
<b>2021</b>				
<b>Group</b>				
Cash and cash equivalents	-	-	-	-

It is noted that the analysis shown above is not representative of the risks faced by the Group throughout the period because interest rates and cash balances have changed significantly during 2022.

### (d) Net Fair Value of Financial Assets and Liabilities

The net fair value of cash, cash equivalents and financial assets and financial liabilities approximates their carrying value.

### (e) Commodity risk

The Group is exposed to commodity price risk. These commodity prices can be volatile and are influenced by factors beyond the Group's control. As the Group is currently engaged in exploration and business development activities, no sales of commodity products are forecast for the next 12 months, and accordingly, no hedging or derivative transactions have been used to manage price risk.

### (f) Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Given the stage of development of the Group, the Board's objective is to minimise debt and to raise funds as required through the issue of new shares. The Group may also examine new business opportunities, where acquisition/working capital requirements of a new project may involve additional funding in some format.

The Group is not definitively committed to any specific exploration spend on its exploration licences and will continue to assess ongoing exploration results on the licences, prior to making any decisions on future exploration programs and expenditures.

There were no changes in the Group's approach to capital management during the year.

The Group is not subject to externally imposed capital requirements.

### 25. Commitments for Expenditure

As a condition of retaining the current rights to tenure to exploration tenements, the Group is required to pay an annual rental charge and meet minimum expenditure requirements for each tenement. These obligations are not provided for in the financial statements and are at the sole discretion of the Group. Minimum expenditure requirements for the current licence period are as per the following:



## Notes to and Forming Part of the Consolidated Financial Statements (Continued)

	2022 \$	2021 \$
<b>Commitments for exploration expenditure</b>		
Not longer than 1 year	878,963	614,680
Longer than 1 year and shorter than 5 years	2,466,790	1,647,720
Longer than 5 years	-	-
	<b>3,345,753</b>	<b>2,262,400</b>

### Note

The Group also has royalty obligations as part of the agreements for the acquisition of its WA assets. The royalty obligations are not provided for in the financial statements as the likelihood of any payment is considered remote due to the early-stage nature of the exploration assets.

### 26. Contingent Liabilities

Other than as disclosed, the Company and Group have no known contingent liabilities requiring disclosure as at 30 June 2022 and 30 June 2021.

### 27. Significant Post Balance Date Events

Since the end of the financial year and to the date of this financial report, the following significant events have occurred:

- ☐ On 2 September 2022, the Company announced that its Non-Executive Chairman, Mr Craig Williams, will be retiring at the Company's AGM to be held in November 2022.
- ☐ On 9 September 2022, the Company issued 615,000 performance rights and 500,000 \$0.29 unlisted options to employees.

## Directors' Declaration

In accordance with a resolution of the Directors of Solstice Minerals Limited, I state that:

- (1) ☐ In the opinion of the Directors:
- ☐ (a) the financial statements and notes thereto of the Consolidated Entity are in accordance with the Corporations Act 2001 including:
    - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
    - ☐ (ii) complying with accounting standards and the *Corporations Act 2001*; and
  - ☐ (b) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.
- (2) ☐ The attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements.
- (3) ☐ The Directors have been given a declaration required by section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2022.

On behalf of the Board



**Alastair Morrison**  
**Director**

23 September 2022

# Independent Auditor's Report to the members of Solstice Minerals Limited

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of Solstice Minerals Limited (the company) for the year ended 30 June 2014. The financial report includes the consolidated financial statements and the company financial statements. The financial report also includes the directors' report and the auditors' report. The financial report is prepared in accordance with the Australian Accounting Standards and the Corporations Act 2001.

In our opinion, the financial report of the company for the year ended 30 June 2014 is true and fair.

- The financial report of the company for the year ended 30 June 2014 is true and fair.
- The financial report of the company for the year ended 30 June 2014 is true and fair.

### Basis for Opinion

We conducted our audit in accordance with the Australian Auditing Standards. We have obtained sufficient appropriate audit evidence to support our opinion. The audit was conducted in accordance with the Australian Auditing Standards and the Corporations Act 2001. The audit was conducted in accordance with the Australian Auditing Standards and the Corporations Act 2001. The audit was conducted in accordance with the Australian Auditing Standards and the Corporations Act 2001.

We have also audited the financial report of the company for the year ended 30 June 2013. The financial report includes the consolidated financial statements and the company financial statements. The financial report also includes the directors' report and the auditors' report. The financial report is prepared in accordance with the Australian Accounting Standards and the Corporations Act 2001.

In our opinion, the financial report of the company for the year ended 30 June 2013 is true and fair.

### Key Audit Matters

The key audit matters identified in our audit of the financial report of the company for the year ended 30 June 2014 are as follows:

[illegible]

## Other Information

The directors are responsible for the group financial statements and for such other information as they consider relevant, including the financial statements, to the extent that they relate to the financial statements and the financial reporting process.

Our responsibility is to express an opinion on the group financial statements based on the audit we have performed. We do not provide any assurance on other information.

The directors are responsible for the group financial statements and for such other information as they consider relevant, including the financial statements, to the extent that they relate to the financial statements and the financial reporting process.

## Responsibilities of the Directors for the Financial Report

The directors are responsible for the group financial statements and for such other information as they consider relevant, including the financial statements, to the extent that they relate to the financial statements and the financial reporting process.

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

Our responsibility is to express an opinion on the group financial statements based on the audit we have performed. We do not provide any assurance on other information.

The directors are responsible for the group financial statements and for such other information as they consider relevant, including the financial statements, to the extent that they relate to the financial statements and the financial reporting process.

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- The directors are responsible for the group financial statements and for such other information as they consider relevant, including the financial statements, to the extent that they relate to the financial statements and the financial reporting process.



Our audit was conducted in accordance with the standards of the Chartered Accountants in England and Wales. We have not performed any procedures to verify the accuracy of the information provided to us by management.

We have not performed any procedures to verify the accuracy of the information provided to us by management. We have not performed any procedures to verify the accuracy of the information provided to us by management.

We have not performed any procedures to verify the accuracy of the information provided to us by management. We have not performed any procedures to verify the accuracy of the information provided to us by management. We have not performed any procedures to verify the accuracy of the information provided to us by management.

## Report on the Remuneration Report

### Opinion on the Remuneration Report


We have not performed any procedures to verify the accuracy of the information provided to us by management. We have not performed any procedures to verify the accuracy of the information provided to us by management.

We have not performed any procedures to verify the accuracy of the information provided to us by management. We have not performed any procedures to verify the accuracy of the information provided to us by management.

### Responsibilities

We have not performed any procedures to verify the accuracy of the information provided to us by management. We have not performed any procedures to verify the accuracy of the information provided to us by management. We have not performed any procedures to verify the accuracy of the information provided to us by management.

  
DELOITTE TOUCHE TOHMATSU

  
David Newman  
Director  
Responsible for the audit  
of the financial statements

The Directors  
Solstice Minerals Limited  
Suite 22, Level 1  
513 Hay Street  
Subiaco WA 6008

27 September 2022

Dear Board Members

## Auditor's Independence Declaration to Solstice Minerals Limited

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

As lead audit partner for the audit of the financial report of Solstice Minerals Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely

  
DELOITTE TOUCHE TOHMATSU

  
**David Newman**  
Partner  
Chartered Accountants

## Corporate Governance Statement

Solstice Minerals Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance appropriate for a company of its size and nature of activities. Solstice Minerals Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4<sup>th</sup> edition) published by the ASX Corporate Governance Council.

The 2022 corporate governance statement is dated as at, and was approved by the Board on, 23 September 2022 and reflects the corporate governance practices in place throughout the 2022 financial year (noting the Company was only admitted to the official list of the ASX on 28 April 2022). A description of the group's current corporate governance practices is set out in the group's corporate governance statement which has been platformed on ASX Online and can also be viewed at:

<https://solsticeminerals.com.au/who-we-are/corporate-governance>.

## ASX Additional Information

### Twenty Largest Holders of Listed Securities

The names of the twenty largest holders of listed securities are listed below:

Ordinary Shares		
Name	No of Ordinary Shares Held	Percentage of Issued Shares
Citicorp Nominees Pty Limited	7,020,956	7.0%
Treasury Services Group Pty Ltd <Nero Resource Fund A/C>	6,373,035	6.3%
BNP Paribas Nominees Pty Ltd HUB24 Custodial Serv Ltd <DRP A/C>	5,270,062	5.3%
Rollason Pty Ltd <Giorgetta Super Plan A/C>	3,861,444	3.9%
HSBC Custody Nominees (Australia) Limited	3,220,116	3.2%
Aston Investment Group Pty Ltd	2,200,000	2.2%
Mr Glyn Evans & Mrs Thi Thu Van Evans <Gvan Superannuation Plan A/C>	1,990,252	2.0%
Mutual Investments Pty Ltd <The Mitchell Super Fun A/C>	1,943,399	1.9%
Third Reef Pty Ltd <Back Reef A/C>	1,816,224	1.8%
Hillboi Nominees Pty Ltd	1,604,834	1.6%
Precision Opportunities Fund Ltd <Investment A/C>	1,508,306	1.5%
Beacon Exploration Pty Ltd	1,381,534	1.4%
Lotaka Pty Ltd <A/C No 2>	1,281,384	1.3%
METO Pty Ltd <Yates Family A/C>	1,256,890	1.2%
Garry Warren Pty Ltd	1,153,599	1.2%
BNP Paribas Nominees Pty Ltd ACF Clearstream	1,126,438	1.1%
Alastair Donald Morrison <Tongariro Investment A/C>	1,028,700	1.0%
Argonaut Partners Pty Ltd	1,000,000	1.0%
Mrs Rachelle Diederichs <Terra Firma A/C>	825,138	0.8%
Invia Custodian Pty Limited <Orpheus Geoscience S/F A/C>	788,992	0.8%
<b>Total Top 20</b>	<b>46,651,303</b>	<b>46.5%</b>
Others	53,635,506	53.5%
<b>Total Ordinary Shares on Issue</b>	<b>100,286,809</b>	<b>100.00%</b>

## ASX Additional Information (Continued)

### Distribution of Equity Securities

Analysis of numbers of shareholders by size of holding:

Distribution	Ordinary Shares	
	Number of Shareholders	Number of Shares
1 - 1,000	339	99,856
1,001 - 5,000	283	640,139
5,001 - 10,000	131	910,726
10,001 - 100,000	382	14,910,616
More than 100,000	169	83,725,472
<b>Totals</b>	<b>1,304</b>	<b>100,286,809</b>

There were 583 holders of less than a marketable parcel of ordinary shares.

### Voting Rights

See note 12 of the Notes to the Financial Statements.

### Substantial Shareholders

As at 21 September 2022, Substantial Shareholder notices have been received from the following shareholders:

Substantial Shareholder	Number of Shares	Percentage of Issued Shares
Treasury Services Group Pty Ltd ATF Nero Resource Fund	6,373,035	6.4%

### On-Market Buy Back

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

### Unquoted Securities

The number of equity securities on issue, and number of holders, for each class of unquoted equity securities are listed below:

Unlisted Options Class	Number of Securities	Number of Holders
Unlisted options at an exercise price of \$0.29 each that expire on 22 April 2026	3,750,000	11
Unlisted options at an exercise price of \$0.29 each that expire on 22 April 2026 (restricted)	6,500,000	6
Unlisted options at an exercise price of \$0.29 each that expire on 22 April 2026	500,000	1
Unlisted performance rights that expire on 9 September 2027	615,000	8

There were no holders of 20% or more of the equity securities in an unquoted class other than those who were issued their securities under an employee incentive scheme except for Non-Executive Directors for whom details of their unlisted options can be found on page 29 of the remuneration report.



## ASX Additional Information (Continued)

### Exploration Interests

As at 21 September 2022, the Company has an interest in the following granted licences:

Project	Licence/Tenement Number	Registered Holder	Beneficial Interest
Yarri	E28/2583	Solstice Minerals Limited	100%
	E28/2650	Solstice Minerals Limited	100%
	E28/3092	Solstice Minerals Limited	100%
	E31/1117	Crosspick Resources Pty Ltd (20%) / Solstice Minerals Limited (80%)	80%
	E31/1121	Solstice Minerals Limited	100%
	E31/1134	Solstice Minerals Limited	100%
	E31/1150	Solstice Minerals Limited	100%
	E31/1173	Solstice Minerals Limited	100%
	E31/1175	Solstice Minerals Limited	100%
	E31/1178	Solstice Minerals Limited	100%
	E31/1220	Solstice Minerals Limited	100%
	E31/1225	Solstice Minerals Limited	100%
	E31/1231	Solstice Minerals Limited	100%
	E31/1236	Solstice Minerals Limited	100%
	E31/1244	Solstice Minerals Limited	100%
	E31/1245	Solstice Minerals Limited	100%
	P31/2118	Solstice Minerals Limited	100%
	P31/2119	Solstice Minerals Limited	100%
	E39/1914	Solstice Minerals Limited	95%
	E39/2214	Solstice Minerals Limited	100%
	E39/2215	Solstice Minerals Limited	100%
	P39/5600	Solstice Minerals Limited	100%
	P39/5601	Solstice Minerals Limited	100%
	P39/6224	Solstice Minerals Limited	100%
Yundamindra	E39/1976	Solstice Minerals Limited	95%
	E39/2187	Solstice Minerals Limited	100%
Ponton	E31/1242	Solstice Minerals Limited	100%
	E31/1251	Solstice Minerals Limited	100%
	E39/2184	Solstice Minerals Limited	100%
	E39/2247	Solstice Minerals Limited	100%
Kalgoorlie	E29/1087	GreenCorp Metals Pty Ltd	100%
	E29/1115	Solstice Minerals Limited	100%

## JORC COMPLIANCE STATEMENT

The information in this report that relates to Exploration Results is extracted from the ASX announcements (**Original Announcements**) dated 8 September 2022 ("Significant Gold Mineralisation in RC Drilling at Hobbes"), 30 August 2022 ("Gold Anomalies Defined by Soil Sampling at Cosmo Licences"), 14 July 2022 ("Significant Gold Anomalies Confirmed by Infill Soil Sampling at the Nippon Licence, Ponton Project") and the Solstice Prospectus dated 14 March 2022, which are available to view on the Company's website [www.solsticeminerals.com.au](http://www.solsticeminerals.com.au)

Solstice confirms that it is not aware of any new information or data that materially affects the information included in the Original Announcements and that all material assumptions and technical parameters underpinning the Exploration Results in the Original Announcements continue to apply and have not materially changed. Solstice confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the Original Announcements.

## DISCLAIMER/FORWARD-LOOKING INFORMATION

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