OZZ RESOURCES LIMITED

ABN 98 643 844 544

ANNUAL REPORT

30 June 2022

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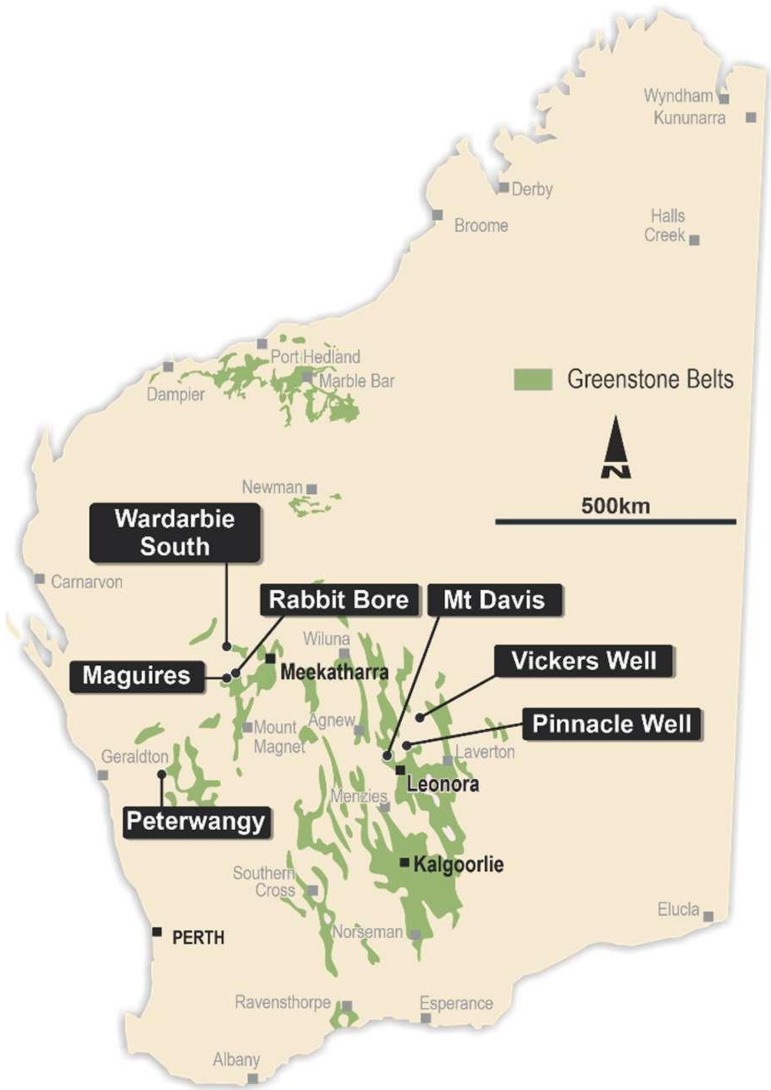

Ozz Resources Project Locations

Operations review

1. Exploration summary

1.1. Project overview – Leonora projects: Mt Davis and Pinnacle Well

a. ***Tenure***

The Mt Davis project is comprised of seven granted prospecting licences (P37/8633, P37/8634, P37/8635, P37/8636, P37/8637, P37/8638, and P37/9349) and two contiguous prospecting licence applications P37/9552 and P37/9553). The total area covered by the tenure is 1,415Ha and the project is located approximately 20km north of Leonora adjacent to the Goldfields Highway.

The Pinnacle Well project is comprised of 5 exploration licenses (E37/1246, E37/1287, E37/1355, E37/1234 and E37/1235) and 2 prospecting licenses (P37/8573 and P37/9139) covering 158km^2. The project is approximately 10km east of Mt Davis, about 25km north of Leonora and adjacent to the Great Northern Highway, (see Figure 1).

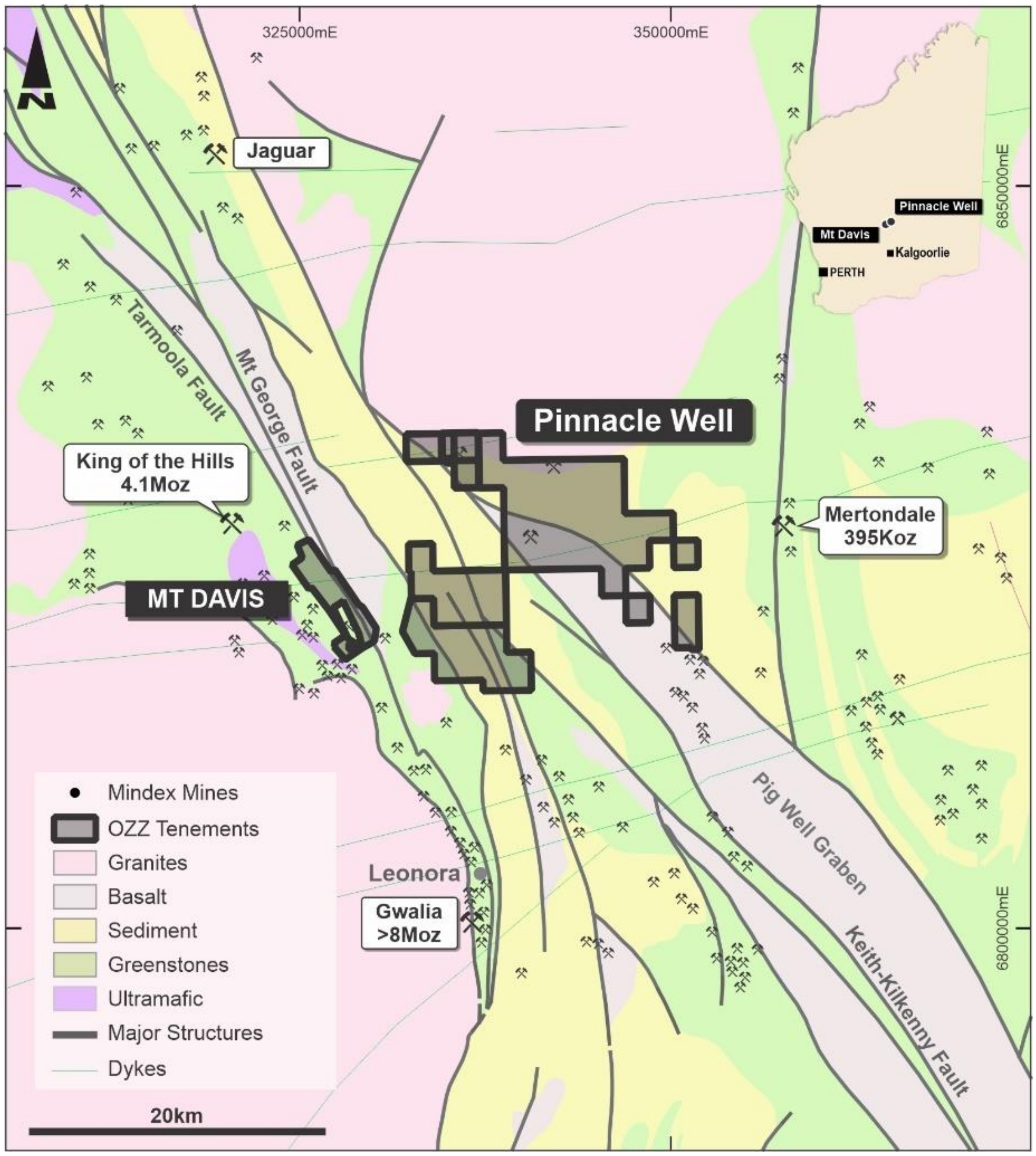

Figure 1 Mt Davis and Pinnacle Well Tenure and Geology Plan

Operations review

b. ***Geological Setting***

The Leonora project lies adjacent to the highly prospective Kalgoorlie-Kurnalpi terrane boundary in the Eastern Goldfields Superterrane of the Yilgarn Craton. Regional shearing and splays associated with the craton scale Keith - Kilkenny Fault are known to be the focus of major mineralisation in the district. Two significant (+4M oz) gold deposits situated respectively 5km to the north-west (King of the Hills) and 25km to the south (Sons of Gwalia) which are within the regional structures that pass through the Mt Davis project tenements.

At Mt Davis a major shear zone, known as the Mt George Shear Zone, separates the Mount Clifford Greenstone Belt and the Malcolm Greenstones in the eastern part of the tenements. The Mt George Shear is characterised by quartz-sulphide veining associated brittle shearing that forms the Trig deposit.

At Pinnacle Well, the bedrock greenstone and granite lithologies are poorly exposed and present largely as areas of moderate to intensely weathered sub crop and associated Quaternary colluvial and alluvial cover ranging from a few metres deep to tens of metres deep.

Late-stage Proterozoic dykes cut east-west across the regional north-westerly striking and westerly dipping sequences, possibly associated with mineralisation at Mt Davis.

c. ***Previous Exploration***

Several phases of exploration have been completed since the 1980s' at both projects.

At Mt Davis, most were focused on finding large standalone orebodies and wide spaced soil sampling and RAB drilling were completed following mapping and geophysical surveys.

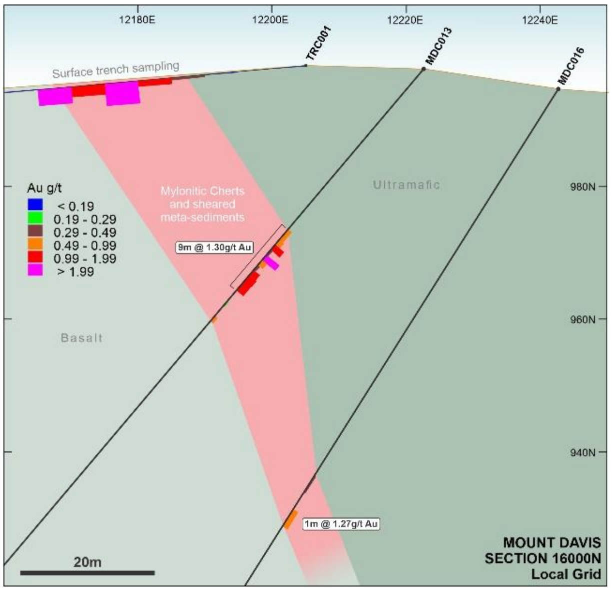

Figure 2 Trig Deposit - Cross Section

RC drilling at the Trig deposit in the 1990's by Sons of Gwalia comprised 28 holes with significant intercepts greater than 1.00g/t Au being obtained from 18 of the 28 RC holes, e.g., 10m at 3.37g/t, 6m at 2.91g/t and 9m at 1.30g/t (Figures 2 and 3).

Following this, the only significant exploration was by Jupiter Mines (2006-2010) who drilled 29 RAB holes at four localised remote sensing defined alteration targets with no significant results. No further work was recorded at the Trig prospect or along strike to the south.

These results are historical in nature and may not have been reported in accordance with the JORC Code 2012 Edition or its predecessors and are to be treated with appropriate caution. The Competent Person considers that these results have been gathered in accordance with appropriate practice at the time and provide a reasonable but not absolute indication of the prospectivity of the relevant project geology.

At Pinnacle Well, limited gold and base metal exploration has been completed periodically since the 1970s'. Wide spaced aircore drilling was completed targeting gold bearing sheared lithological contacts and in the past decade the focus has largely been on potential repetitions of the Jaguar copper-zinc mineralisation further north. Electromagnetic surveying was completed associated with 4 core drill holes. In all cases further work was recommended.

d. ***Exploration Program***

The Company's exploration strategy for the Leonora area is aimed at:

- Identifying potential extensions to the Trig deposit (Mt Davis) and defining repetitions of mineralisation along the Mt George Shear and sub parallel structures.
- Assessing the mineralisation potential at both projects in the areas extensively covered by alluvium for both gold and base metal mineralisation.

Operations review

A 649-geochemical soil sampling program was completed at Mt Davis in December 2021. Soil samples were taken on a nominal 400m (NS) by 50m (EW) grid spacing over the leases. Heritage areas were omitted from the coverage. The local geology is dominated by two major shear zones – the Mt George Shear near the eastern boundary that hosts the Trig mineralisation and is associated with numerous deposits in the district; and the Clifford Fault – a regional structure associated along strike to the north and south with nearby historical gold workings (e.g., Grattan Well). A sample weight of about 250 grams was collected manually from a depth of about 15-20cm below surface. Assaying was completed using the ultra-fine assay technique developed by the CSIRO to better detect subtle anomalies under transported cover. Samples were assayed for 52 elements including gold and base metals.

This soil sampling program defined three significant targets supporting drilling evaluation (Figure 3). Target 1 is the most significant being approximately 1,000m long and defined by gold assays to a maximum of 254ppb. This target and Target 2 (~600m long and approximately 1.5km north) are located on or adjacent to the Clifford Fault. Target 3, located on the western side of the licenses, is potentially 1,500m long and is likely associated with a lithological contact between gabbro and basalt.

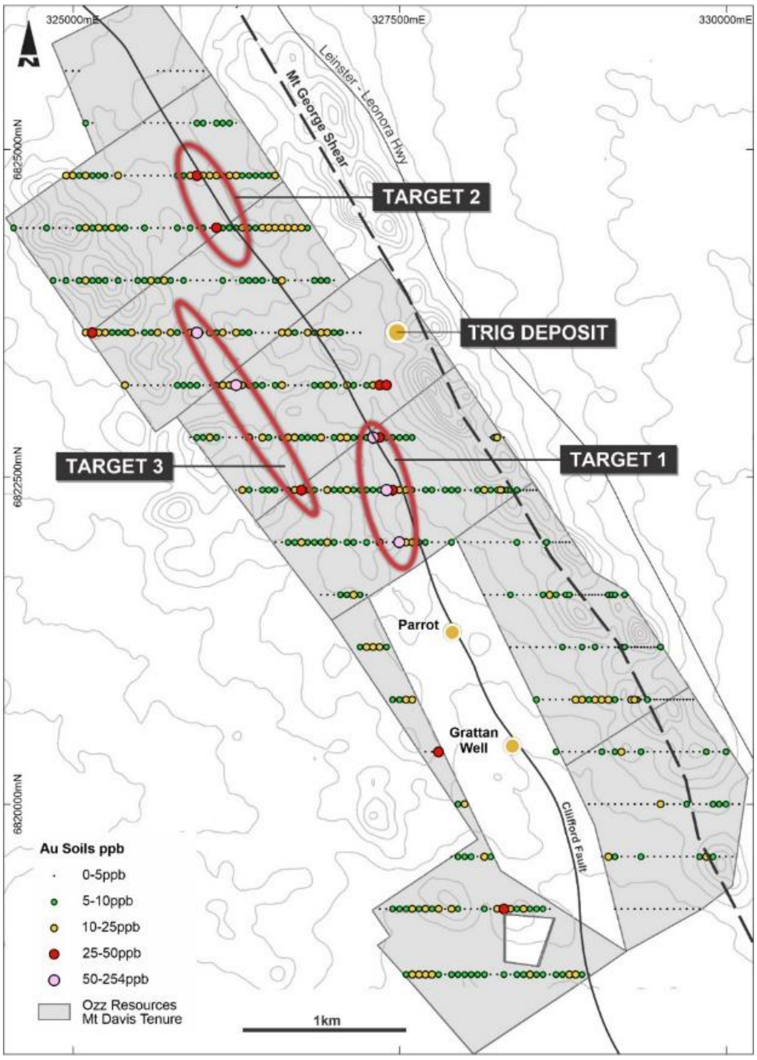

Figure 3 Mt Davis soil geochemistry – Gold results

Geochemical soil sampling was undertaken in three phases at Pinnacle Well from December 2021 to April 2022. Sampling was completed (4,460 samples) by specialist contractors primarily on a 400m (NS) by 50m (EW) grid to suit the dominant north-south strike of lithologies and main structures. In some locations, the spacing was reduced to 200m by 50m and/or also rotated 90 degrees where the dominantly east-west oriented contact of the greenstone with the Bundarra Batholith granitoid is located towards the north parts of the sampled area. Figure 4 shows the sampling phases and orientations that cover the tenement group. A sample weight of about 250 grams was collected manually from a depth of about 10-20cm below surface. Assaying was completed at Labwest using the Ultra-fine assay technique developed by the CSIRO to better detect subtle anomalies under transported cover. Samples were assayed for 52 elements including gold and base metals.

Operations review

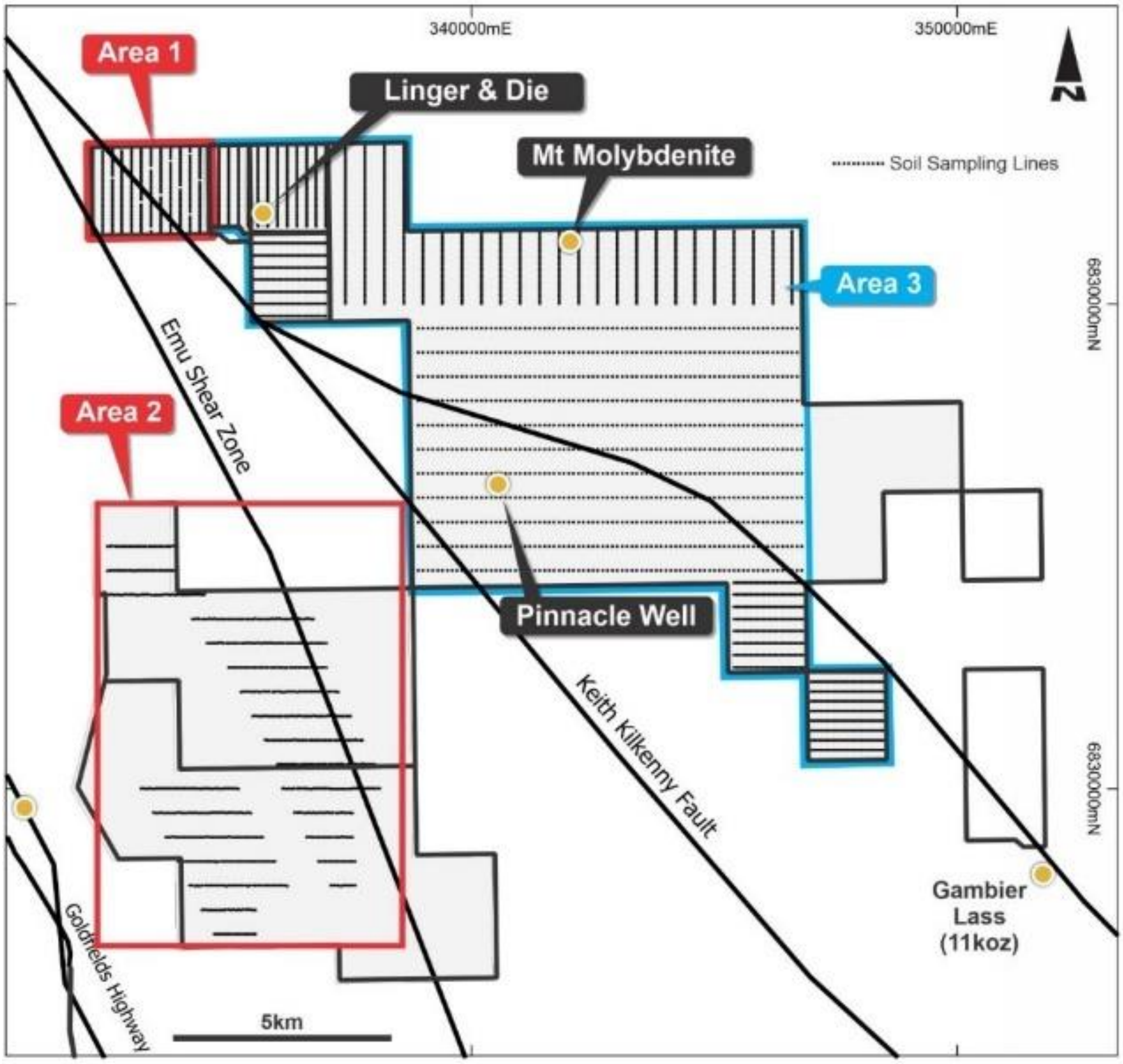

Figure 4 Soil sample coverage Leonora projects

The geology of Area 2 is predominantly shrouded by Quaternary surface sediments that overly the Archaean bedrock geology. The interpreted underlying geology is composed of basalt and felsic volcanics with sediments. The major structure, the Emu Fault, is interpreted to transect the tenements (Figures 4). The Teutonic Bore, Jaguar and Bentley base metal deposits are located within the same regional structures and package of felsic volcanics approximately 25-35km to the north. The geochemistry results show subtle gold anomalies (Figure 5) that coincides with the structural corridor associated with the regional Emu shear zone and over a sub-parallel structure 2km to the west marking an interpreted basalt-sediment contact. The extensive cover clearly suppresses the gold response; however, the lower-level magnitude of the anomalism is not considered discouraging.

Of potential greater significance is the base metal anomalism (Figures 6 & 7) with elevated copper and nickel values near the Emu Fault trend. The significance of these anomalies is difficult to determine although they clearly provide encouragement for further exploration. The existing geophysical data will be re-interpreted (magnetics and electro-magnetics) in conjunction with the limited and generally shallow and sporadic drill coverage across the area. In-fill and extensional soil sampling will be undertaken, with air-core or RC drilling planned to follow this.

Operations review

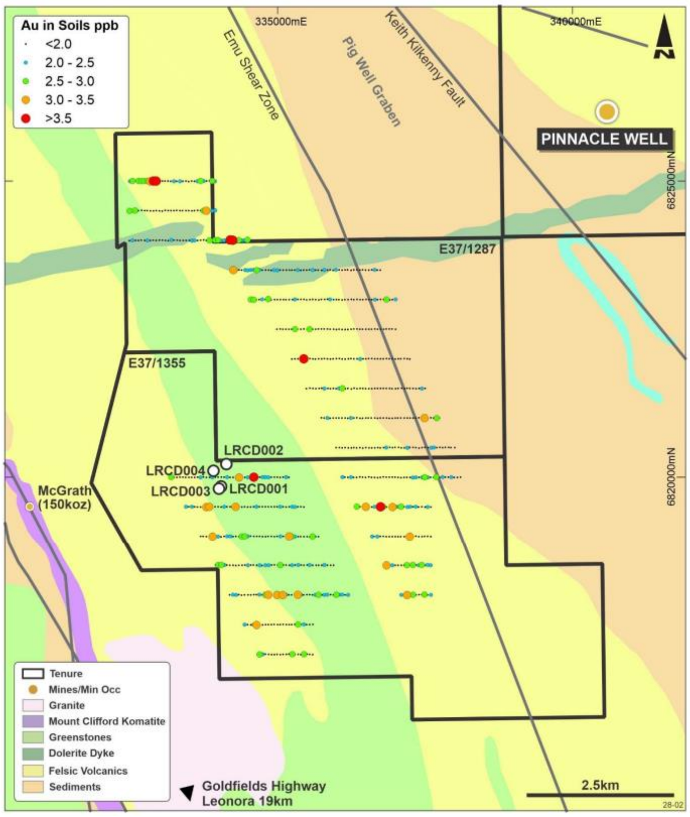

Figure 5 Area 2, Pinnacle Well Soil Geochemistry; Gold Results

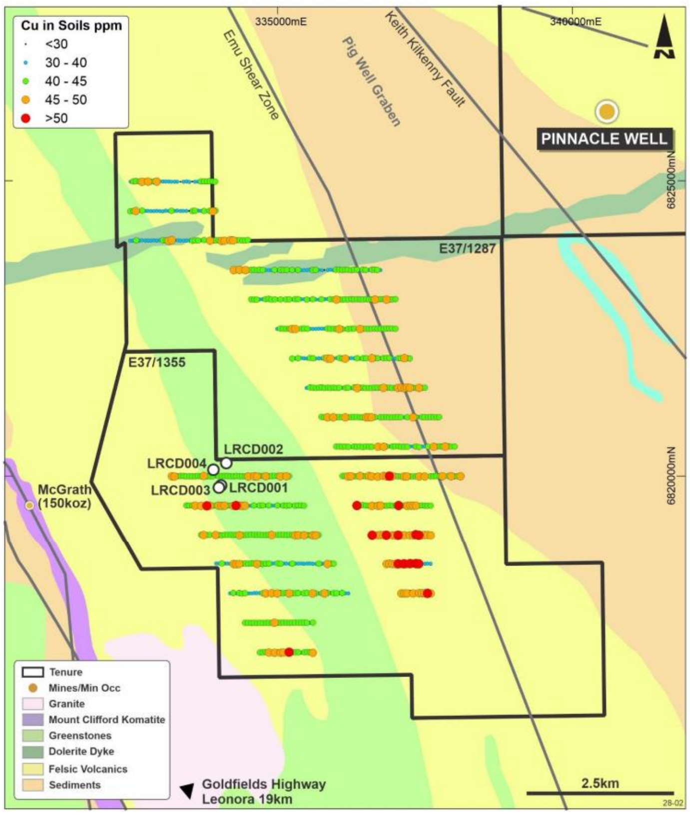

Figure 6 Area 2, Pinnacle Well Soil Geochemistry; Copper Results

Operations review

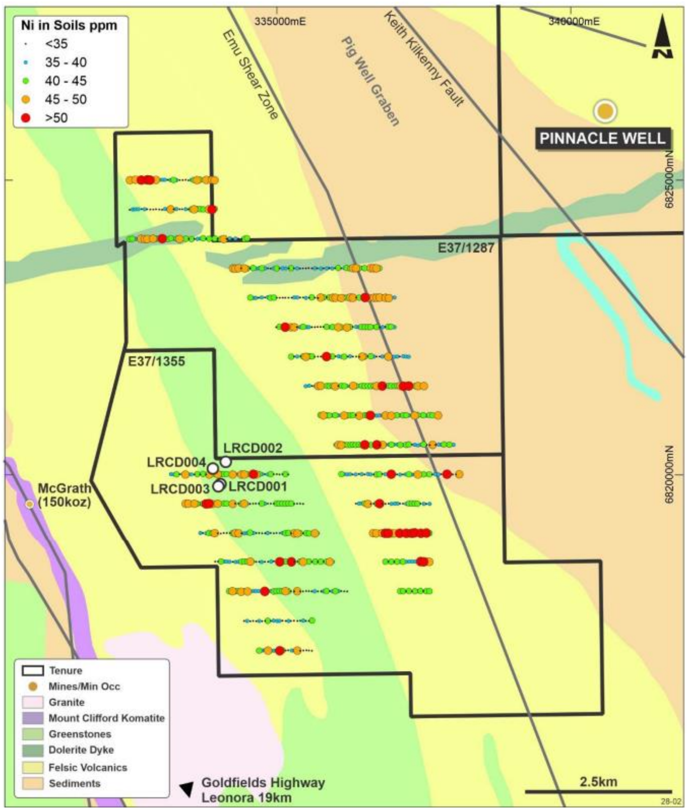

Figure 7 Area 2, Pinnacle Well Soil Geochemistry; Nickel Results

The geochemistry results from Area 3 show significant gold anomalism, with four key areas identified for follow-up Reverse Circulation (RC) and air-core drilling (Figures 8 & 9). Overall, it is possible that the intersection of the north-west (possibly splays from the Keith Kilkenny Fault) and east-west trending structures and lithological contacts form a focus for mineralising fluids. The King of the Hills dolerite dyke is associated with anomalous gold and base metals and appears to contribute to the mineralisation, although to date the significance is unclear. Numerous high-grade historical gold workings are in the granites immediately adjacent to the dyke just to the north of the main Linger and Die workings. The area of greenstones to the south of the Bundarra batholith granite contact is itself prospective given the structural preparation caused during intrusion and the enclosed finger of granite to the south form a conceptual structural target irrespective of the encouraging geochemical results. The lower tenor of results on the southern half of the tenement holding are potentially reflective of the increasing depth of cover. Gold-bearing quartz veining, base metals anomalism, and traces of intense alteration (e.g., around Pinnacle Well) have been identified in this area and hence further targeting is required (e.g., through detailed mapping, geophysics and/or selective air-core drilling).

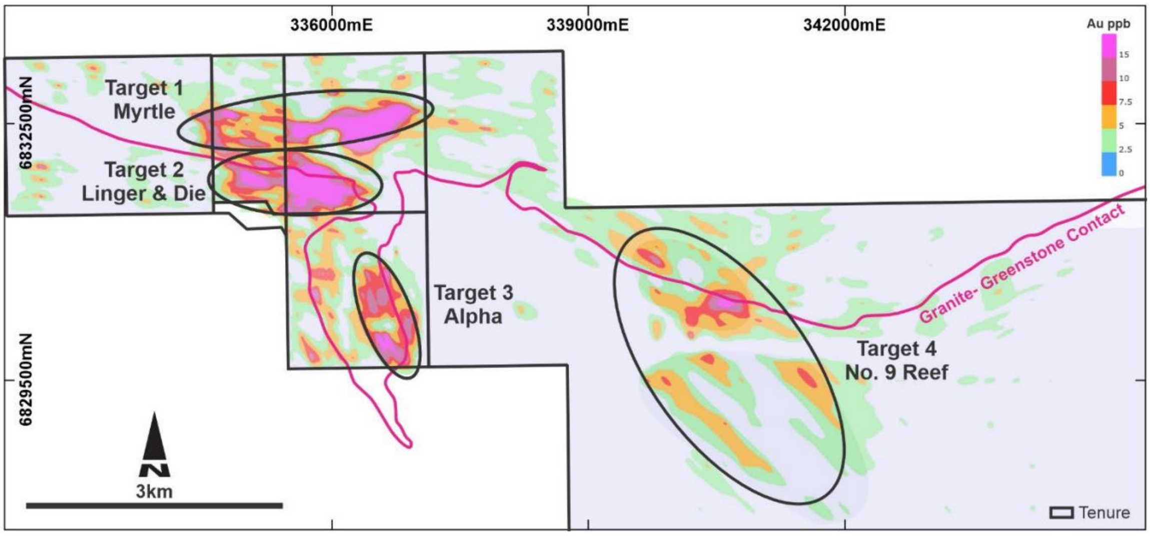

Figure 8 Area 3, Pinnacle Well Soil Geochemistry; Gold Results

Operations review

The four new target areas that have been identified for follow-up drilling are:

Target 1 – Myrtle: 2km long E-W trending anomaly coinciding with the King of the Hills dolerite dike and within the granite. This anomaly is substantially larger than the extent of existing historical working (Bung Eye/Myrtle/Glen Lyon) that reportedly returned crushings of up to one ounce of gold per tonne. Lower levels of base metals (e.g., Cu and Ni) and a clearly defined arsenic trend coincide with the gold anomalism. Ground truthing and first pass drilling is proposed.

Target 2 – Linger and Die: 1.5km long E-W trending anomaly overlying the Linger and Die workings but extending further east and west by several hundred metres on or near the contact between and the granite and greenstones. Given the high-grade historical production records from the Linger and Die area (10-20g/t gold parcels), any extensions to mineralisation would potentially be attractive to the nearby gold plants for toll treatment or purchase. RC drilling is planned under the existing small but high-grade pits at Linger and Die and air-core drilling is proposed to test along strike.

Target 3 – Alpha: A significant gold anomaly and copper anomaly associated with a N-S trending granitoid embayment in greenstone, largely under shallow cover. The Alpha gold workings (Figure 8) appear to be associated with a NNE-trending quartz-carbonate-tourmaline vein in the greenstone sequence, with historical rock chip gold assays up to 92g/t. Multiple vein orientations are evident in the granite and appear to take the form of a stockwork or ladder vein array. This area is adjacent to the Keith Kilkenny trend and is perceived to have high prospectivity given the positive geochemistry, structural preparation and complex geological setting. Air-core drilling is proposed for the next phase of evaluation.

Target 4 – No.9 Reef: 3km long NW-SE trending area of variably anomalous gold results trending south from the granite contact into greenstones and adjacent to the Gambia Lass Structure. Possibly also with an E-W component near the granite greenstone boundary. Poorly defined outcropping quartz veins in the greenstone have been identified in the area and alluvial gold is present at the northern end. The anomaly probably covers several discrete zones, and the increasing depth of alluvial cover might decrease the intensity of response to the south. The area is proposed to be tested by aircore drilling.

Overall, the Pinnacle Well Project is considered to be highly prospective for gold and base metal mineralisation. Further work will be scheduled aimed at the four targets reported here, as well as those identified in previous ASX releases. Pinnacle Well is a key exploration focus for Ozz given the excellent potential for significant discovery.

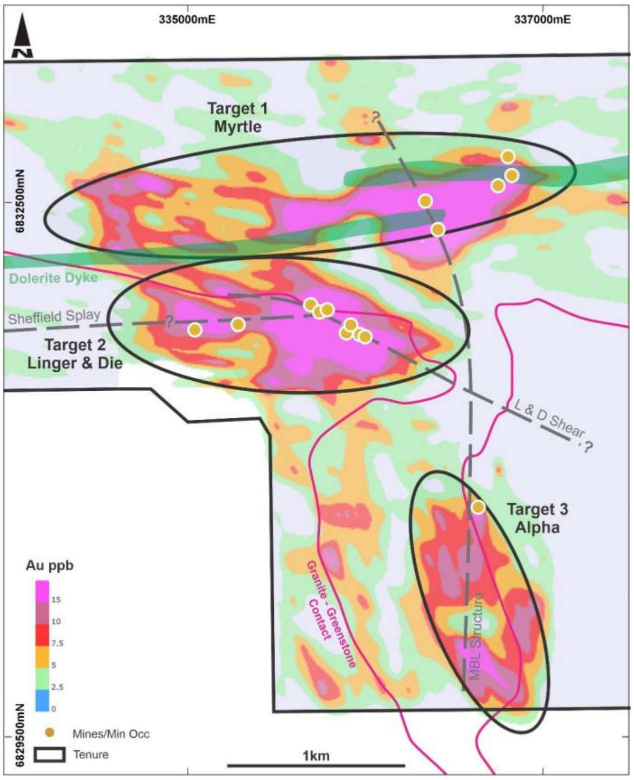

Figure 9 Linger and Die Area Detail – Gold geochemistry results

Operations review

Preliminary metallurgical assessment has commenced on pyrophyllite mineralisation, located in the surrounds of Pinnacle Well (see Figure 4). Pyrophyllite ($Al_2Si_4O10(OH)_2$) is a hydrated aluminium silicate, a talc group mineral. It is used as a source of Al_2O_3 in a wide range of industrial applications. The testwork is being carried out on available surface outcrop samples and will provide an initial indication of the mineralogy and potential for upgrading to a high-quality specification.

1.2. Project overview – Maguires Reward project

a. ***Tenure***

The Maguires Reward project is comprised of a single prospecting licence (P20/2318) covering an area of 200Ha (see Figure 10). The project is located in the Central Murchison area, approximately 50km northwest of the major mining centre of Cue. Access is via the Great Northern Highway and well-developed secondary roads.

b. ***Geological Setting***

The Maguires Reward project is situated within the Archaean Murchison Province, a granite-greenstone terrane in the northwest of the Yilgarn Craton. NNE-trending greenstone belts are separated by granite-gneiss domes, with smaller granite plutons also present within or on the margins of the greenstone belts. The greenstone belts contain basalts, ultramafic and felsic volcanics, metasediments including banded iron formations and intrusive rocks. Outcrop is limited with transported cover over much of the area.

A major structural feature through the Maguires Reward project area is a NE-trending regional shear zone and is an extension of the Big Bell Fault, which splays into several discrete faults to the southwest of the project area and represent prospective gold bearing fluid pathways and trap sites for gold mineralisation.

Gold has previously been produced from several small workings in the project area. The Old Prospect lies near the eastern margin of the tenement and the Maguires Reward Prospect towards the west of the licence. The most significant old working within the area is the Old Prospect where several shafts have been sunk. Mineralisation at the Old Prospect is associated with talc-carbonate-sericite-biotite alteration adjacent to quartz-carbonate veining hosted by a strongly foliated carbonate-chlorite altered basalt. Approximately 1km west, there is a series of shafts and workings that run north-south known as Maguires Reward. Mineralisation is hosted by quartz (± carbonate) veining associated with a narrow shear zone in silicified carbonate-chlorite schist. Mineralisation at both areas is associated with brittle-ductile shear zones, which are interpreted to be secondary structures leading from the regional-scale structures.

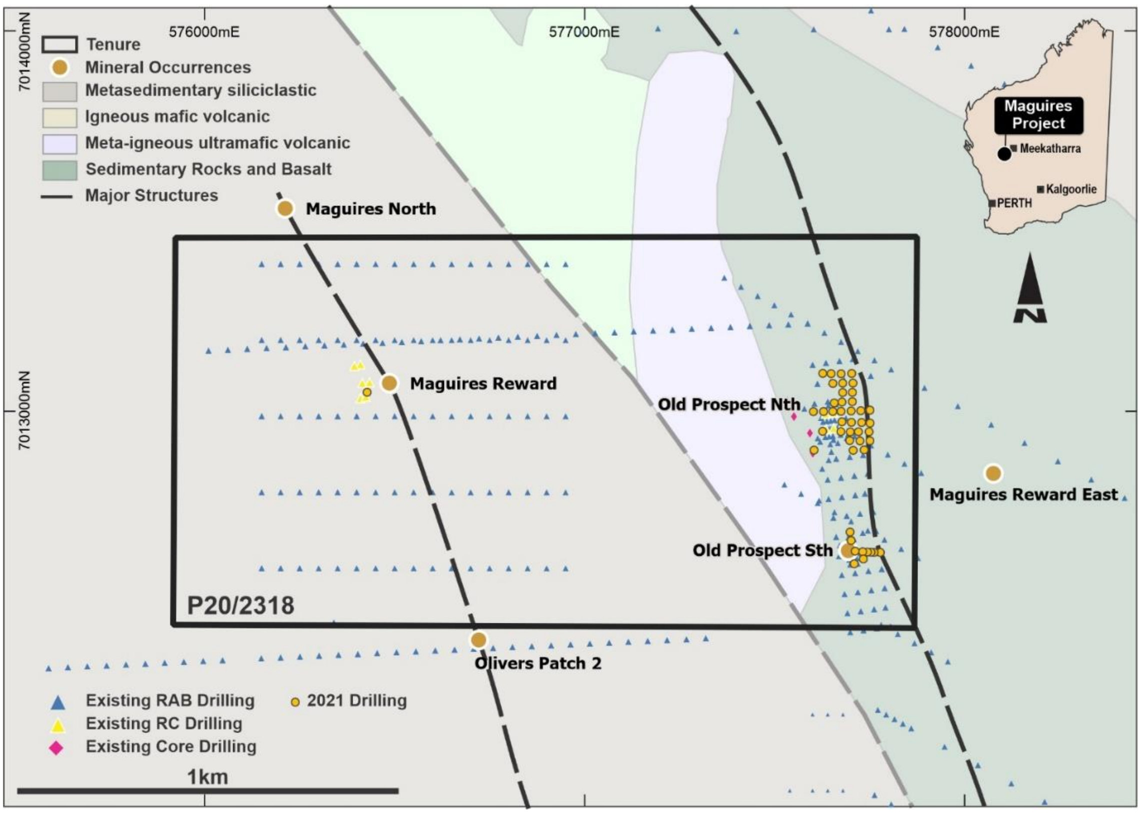

Figure 10 Maguires Reward – Tenure, Geology and Drilling Plan

Operations review

c. ***Previous Exploration***

The area has been explored both for base metals and gold since the 1980's. Wide spaced soil sampling and RAB drilling led to more detailed RC and diamond drilling at the Old Prospect and Maguires Reward.

BHP Gold drill tested the Old Prospect and Maguire's Reward (1985-1989) as part of their programme to test interpreted extensions of the Big Bell Shear to the north of the Big Bell Mine. Numerous encouraging results were returned including 6m at 18.6g/t, 4m at 5.1g/t and 6m at 4.2g/t at the Old Prospect. Subsequently Newcrest (1992-1995) completed further RC and diamond drilling at both prospects with the best results being 6m at 8.0g/t, 6m at 11.6g/t and 7m at 8.7g/t. Only limited exploration was completed at the project following this period.

Drilling at the Old Prospect indicated that the mineralisation had a strike length of 600m and defined two steeply north plunging narrow mineralised zones (the northern and southern zones). Only limited drilling was completed at Maguires Reward with a best drill result including 4m at 18.4g/t and 2m at 6.02g/t. Further testing is necessary to define the scope of the Maguires Reward mineralisation.

These results are historical in nature and may not have been reported in accordance with the JORC 2012 Code or its predecessors and are to be treated with appropriate caution. The Competent Person considers that these results have been gathered in accordance with appropriate practice at the time and provide a reasonable but not absolute indication of the prospectivity of the relevant project geology.

d. ***Exploration Programme***

Drilling of the Old Prospect zone was undertaken in July/August 2021 after OZZ listed on the ASX. A 4,300m RC drilling programme was completed, see figure 10 for the 2021 collar plan. Significant assay results were released to the ASX in October 2021 and a JORC compliant mineral resource estimated for Old Prospect was released to the ASX in November 2021.

Best results from the drilling were:

- 14m @ 2.66/t Au from 45m (21MRRC003)
- 6m @ 3.23g/t Au from 31m and 7m @ 9.10 g/t Au from 81m (21MRRC011)
- 7m @ 4.50g/t Au from 46m (21MRRC032)
- 4m @ 4.48g/t Au from 16m (21MRRC016)
- 10m @2.48g/t Au from 100m (21MRRC039)

A long section looking west across both the Old Prospects and a cross section at the Old Prospect North is shown in figures 11 and 12 respectively.

Figure 11 Long Projection of Old Prospect, looking west – all data shown

Operations review

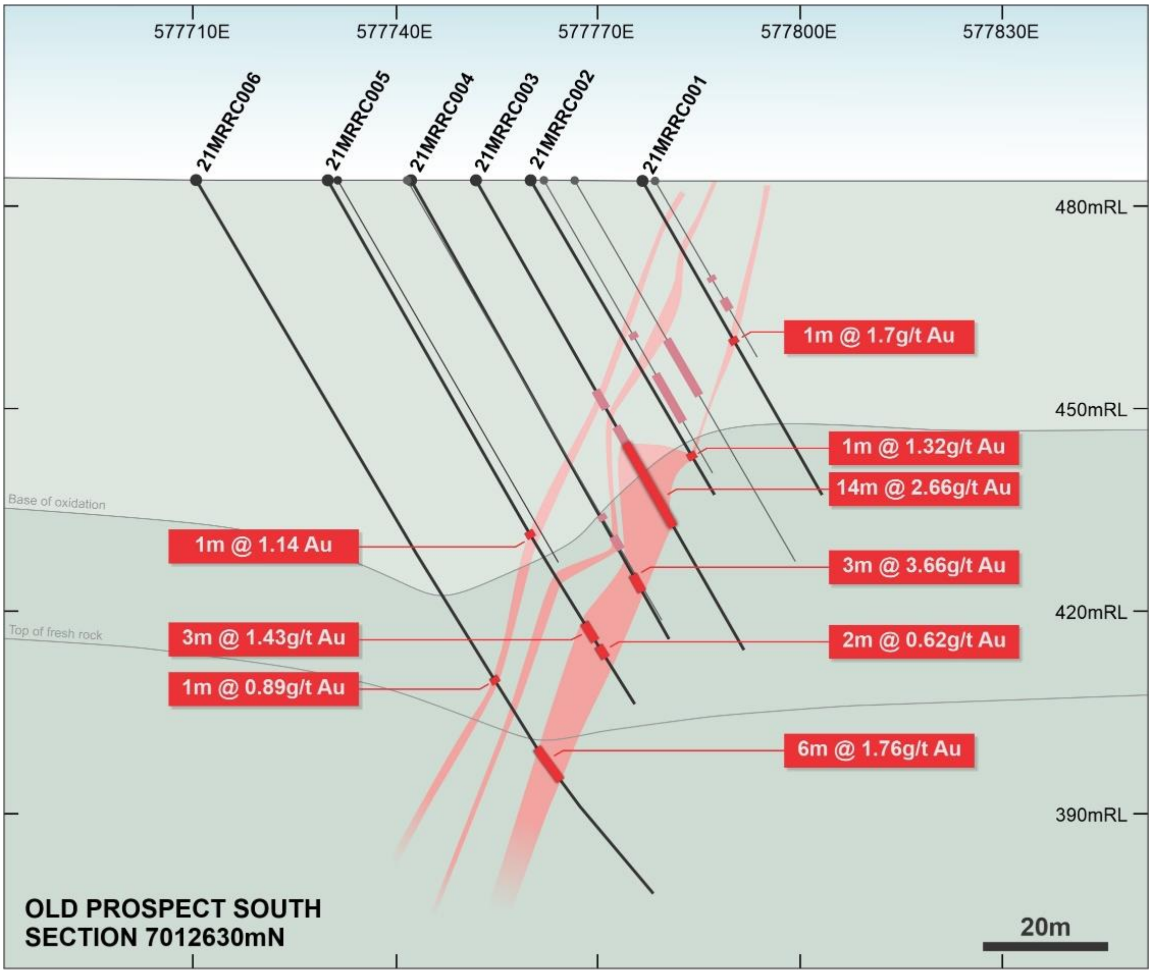

Figure 12 Old Prospect - Cross Section

The Mineral Resource Estimate for Old Prospect, based on an initial 4,300m RC drilling program, is 312 kt at 2.15 g/t for 22 koz of contained gold:

Location	Classification	Tonnes t	Gold Grade g/t	Gold Ounces oz
Old Prospect North	indicated	149,879	1.91	9,214
	inferred	62,637	2.46	4,961
	Total	212,516	2.07	14,175
Old Prospect South	indicated	79,429	2.50	6,385
	inferred	20,234	1.65	1,075
	Total	99,663	2.33	7,459
Total	indicated	229,308	2.12	15,599
	inferred	82,871	2.27	6,036
	Total	**312,179**	**2.15**	**21,634**

Further drilling is planned to test for extensions to the known mineralisation at Old Prospect and to commence the assessment of Maguires Reward approximately 1km to the west.

A heritage survey was completed in February 2022 with further drilling anticipated in 2023

Operations review

1.3. **Project overview – Peterwangy project**

a. ***Tenure***

The Peterwangy project comprises two granted exploration licenses (E70/5124 and E70/5691) covering 13 blocks for a total area of 4440 Ha, located in the Mid-West region of Western Australia (refer to Figure 13). E70/5124 is held by Provident Mining Pty Ltd (Provident). E70/5691 is owned totally by the Company. The project is located approximately 100km east of the port of Geraldton and 40km southeast of the town of Mullewa, 350km north of Perth, Western Australia. Access from the west is via the Mullewa-Mingenew Road and from the east via the Mullewa-Wubin Road and then by several unsealed farm tracks.

b. ***Geological Setting***

The property lies within the Yilgarn Craton, a stable craton of Archaean rocks that occupies much of the southern half of Western Australia. The Yilgarn Craton has been subdivided into several superterranes and terranes. The licence straddles the boundary of the Southwest and Youanmi Terranes.

The Southwest Terrane is characterised by many NW-trending linear features, several of which can be traced for many hundreds of kilometres from the southern edge of the Craton to the north trending Darling Fault. One of the largest of these NW faults, the Koolanooka Fault, traverses the project area from the southeast to the northwest over about 10km. The tenement is underlain by Archaean granitoids and greenstones.

c. ***Local Geology***

A 3km long irregularly shaped greenstone belt enclosed by granitoids is located at Peterwangy. The greenstone is comprised of amphibolite and schists but contact areas are obscured by transported alluvium, so the precise location or nature of the greenstone-granite transitions are not clear. The greenstone has been described as being composed of mainly fine to coarse grained amphibolite with local zones of intense shearing. The greenstone is approximately 1.2km wide and strikes in a NW direction parallel to, and to the west of, the Koonlanooka Fault. The surrounding rock is described as generally leucocratic, equigranular, fine to medium grained granite with minor coarse sections.

Outcrop in the area is limited, as extensive weathering has affected the underlying lithologies and laterite development and alluvium obscures the underlying lithologies.

Gold was discovered at Peterwangy in 1868 and was the focus of Western Australia’s first recorded gold rush. Small scale mining operations comprising several collapsed shafts and shallow workings can still be found within a few hundred metres of Peterwangy Hill.

Historic reports detail less than 100 ounces being recovered from the field with quartz crushing’s ranging in grade from 2.5-4.1g/t. A main quartz reef was reported as running east-west over the peak of Peterwangy Hill, and a quartz reef being 18 inches (45cm) wide elsewhere. In 1896, a 33ft deep shaft intersected 3 reefs carrying good gold values as reported in local newspapers. Difficulties in mining through the alluvium and the water table limited the extent of mining operations at the time.

Operations review

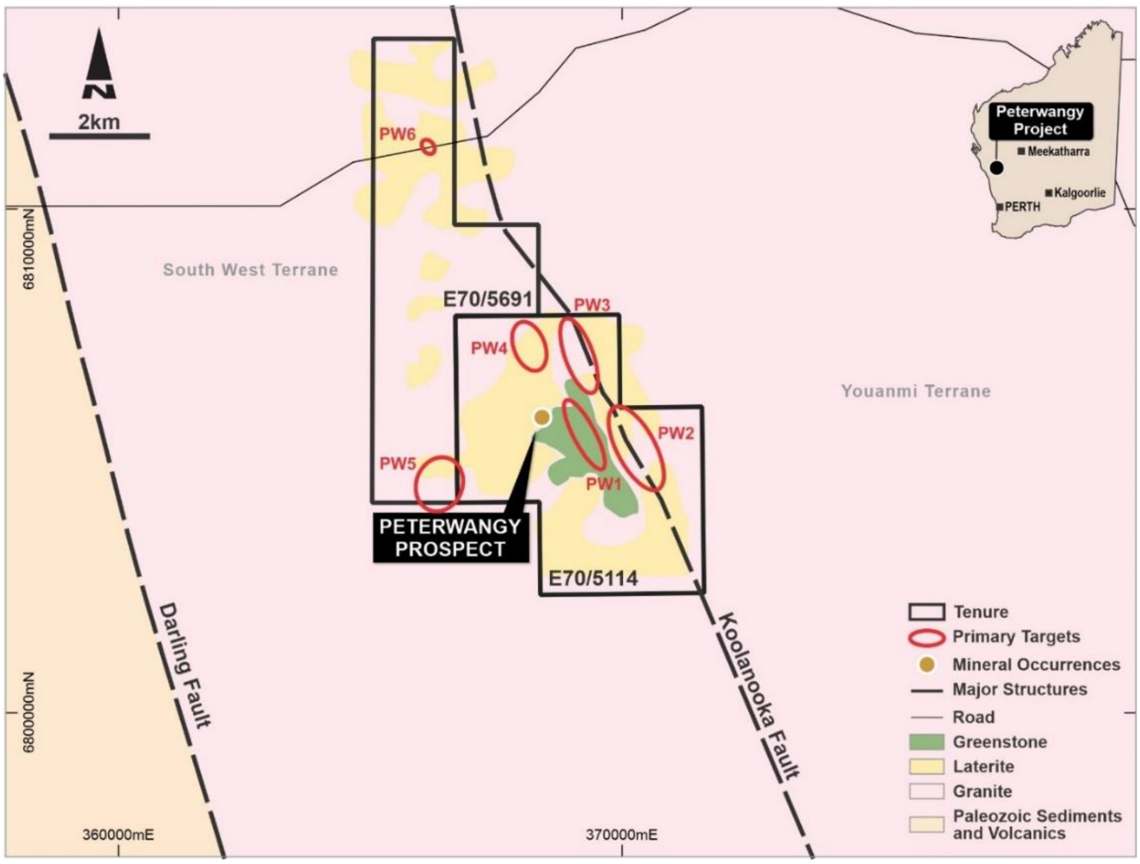

Figure 13 Peterwangy – Tenure, Geology and Geophysics Targets

d. ***Historical Exploration***

Following the discovery of gold in 1868, several mining campaigns are recorded over the ensuing decades. The alluvial cover and the water table largely prevented any assessment of the basement rocks and once the major Eastern Goldfield discoveries were made, little further work was recorded.

Modern exploration commenced in the 1970's with regional sampling programmes aimed largely at base metals (e.g., Cu and Ni) rather than gold. The ground was also held for periods from 1980 to 2000 by companies interested in the nearby coal deposits. They did not assess the gold potential. No drilling has ever been completed at Peterwangy.

The first recorded work specifically at Peterwangy was by Peterwangy Gold Pty Ltd (PGL) in 1988. PGL undertook limited sampling of rubble around collapsed workings that confirmed the gold was either primary or lateritic, but not alluvial in origin. No assays were reported. PGL made the favourable comparison of the Peterwangy and the Boddington/Mt Gibson laterite deposits and concluded there was considerable potential for gold mineralisation within the greenstone belt. They appeared to be prioritising drilling at the coal deposits to the south. No further work by PGL is recorded.

Pancontinental Gold Pty Ltd held a licence covering Peterwangy from 2006 to 2011. Only desk top studies were completed during this period owing to the landowner refusing entry.

Provident was granted the current exploration licence in 2018. A change of landowner enabled access to the tenement and Provident completed:

- Ground magnetics over part of the tenements
- Soil sampling on a 150x150m grid
- Drone reconnaissance

A positive correlation was identified between interpreted structures and low-level gold anomalism from the soil sampling coupled with similar anomalism in the chalcophile elements (As, W, Mo etc). This work reinforced potential comparisons the style of mineralisation at the Boddington Gold Mine and culminated in the identification of 6 specific targets over an area of 2km by 1km, on which drilling was recommended, but not completed.

Operations review

e. ***Exploration Programme***

Most of the known gold within the Yilgarn Craton is structurally related and the presence of the craton scale, Koolanooka Fault enhances the prospectivity of Peterwangy significantly.

The historic workings confirming the presence of both alluvial and reef gold in a 3km long greenstone reinforces the potential of the project. The extensive alluvial and laterite cover shroud bedrock and have subdued geochemical response from the limited geochemical sampling completed to date.

An aero-magnetic survey was completed over the tenements in August 2021 with several interpreted structual targets being defined for further analysis (Figure 13). The survey also produced a better definition of the extent of the prospective greenstone sequence.

A soil sampling programme (689 samples) was completed in January 2022 aimed at testing the areas defined as being anomalous by the magnetic survey. The samples were taken on a 400m (NS) by 50m (EW) grid that was reduced to a 200m (NS) by 50m (EW) spacing over the known gold workings. The sampling was completed by company personnel and focused on the prospective greenstone lithologies and previously defined aeromagnetic anomalies. A sample weight of about 250 grams was collected manually from a depth of about 10-20cm below surface. Assaying was completed at Labwest using the Ultra-fine assay technique developed by the CSIRO to better detect subtle anomalies under transported cover. Samples were assayed for 52 elements including gold and base metals.

The soil geochemical results from the Peterwangy Project confirm the presence of gold anomalism around the historical gold workings. Samples were taken on tenement E70/5114 (OZZ earning in to 76% ownership). Several low order anomalies were reported from within the greenstone lithologies. Only five samples reported assays above 20ppb Au with a maximum of 48ppb. Anomalies are defined by the 5ppb threshold and have a strong association with topographic highs and areas of laterite development. No clear correlations are evident between gold and the other elements assayed to provide any meaningful assistance in defining the trend or extent of any gold mineralisation. Further work is required to develop drill targets.

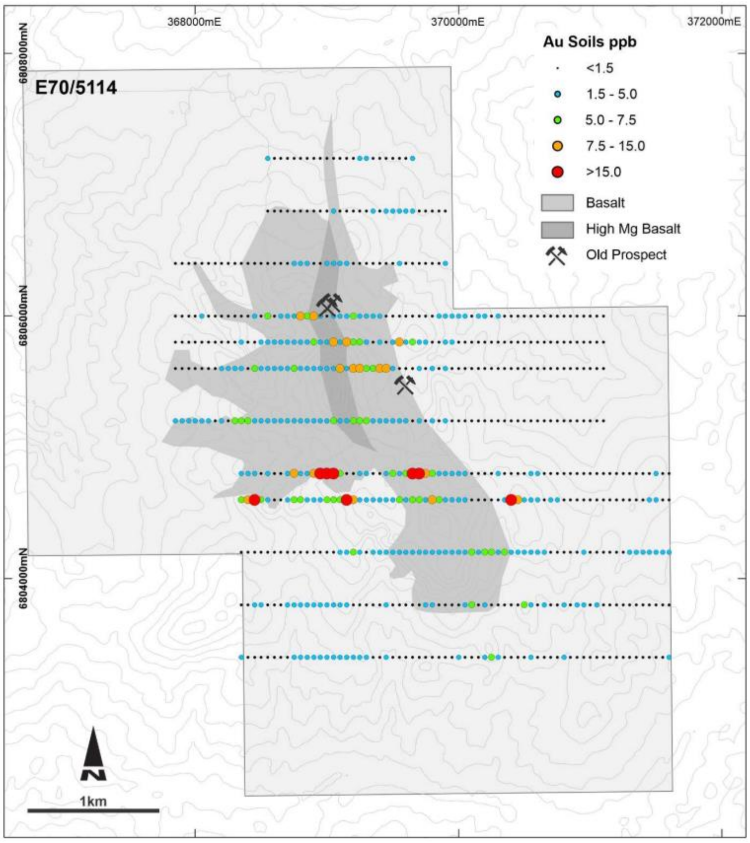

Figure 14 Peterwangy – geochemistry gold results

Operations review

1.4. Project overview – Wardarbie South project

a. ***Tenure***

The Wardarbie South project is comprised of three prospecting licences (P51/3025, P51/3026, and P51/3027) covering an area of 600Ha. The project is located in the Central Murchison area, approximately 75km northwest of the major mining centre of Meekatharra. Access is via the Gascoyne Junction Road and station tracks.

b. ***Geological Setting***

The region is underlain by the 5-10km wide Mingah Range Greenstone Belt that is bound to the NE and SW by granite and granite gneiss in the northern part of the Archaean Murchison Province of the Yilgarn Craton. Lithologies consist of sediments, felsic volcanics, basalt, dolerite, ultramafic and banded iron formation. Recent alluvial cover overlies much of the area obscuring bedrock geology.

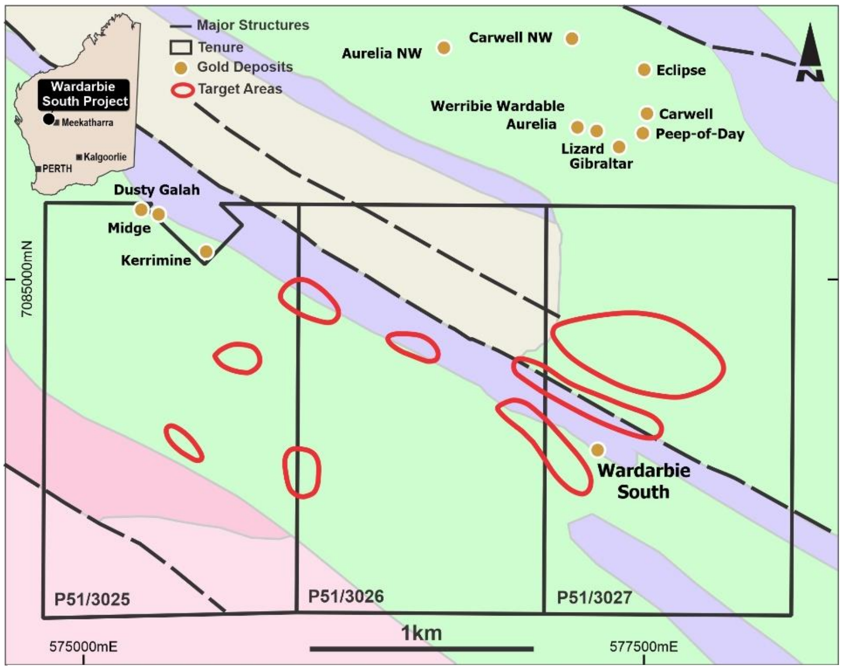

Figure 15 Wardarbie South - Tenure and Geology Plan

Structural preparation has been extensive with the extension of the Big Bell shear zone imbricating into a number of NW trending shear zones that parallel the enclosing granitoids contacts. These shears also parallel the lithological contacts within the greenstone, creating potential traps for mineralisation.

The contact between the granitoids and greenstone strikes NW-SE for 2km through the SW corner of the tenements. The remainder of the prospect contains weak metamorphosed mafic, ultra-mafic and sedimentary rocks (shales and siltstones with localised silicification).

The Wardarbie South prospect is a cluster of shafts to the east of the project area – there are no production records documented. Numerous quartz veins outcropping around the shaft suggest a larger system associated with cross-cutting shears as also observed at other nearby historic gold workings.

A three-kilometre-long contact between mafic and ultramafic lithologies strikes NW-SE through the tenements and forms the focus for gold mineralisation for the Wardarbie South prospect and a number of prospects along strike to the NW. Immediately north, a parallel trend hosts a number of similar gold prospects (Carwell/Zapata etc.). These nearby historic workings in the area have a recorded production of 5000oz of gold from narrow quartz lodes. Quartz veins are oriented both parallel to the regional NW trending shear fabric and as cross-cutting structures. The groupings of historic workings overall tend to be oriented in the NW direction and are interpreted as being related to faulting and dilation along lithological contacts. The mineralisation is described as high-grade epigenetic vein deposits. Auriferous quartz veins up to 1m wide, striking for several hundred metres have been described in the area, in places associated with stockworks related to shearing. Anomalous base metal assays (Cu, Pb, and Zn) have been returned from quartz vein sampling.

c. ***Previous Exploration***

The region has been explored both for gold and nickel since the 1960's. Most work was focused on finding large open-pittable gold resources and hence broad spaced sampling methods were utilised. Regional wide-spaced aircore and RAB drilling by a number of explorers was completed before the year 2000. Since then, a number of explorers have identified the potential for gold mineralisation, but no systematic work was completed on the leases.

There is no drilling specifically targeting the Wardarbie South workings or the prospective NW trending structural corridor given the focus of many explorers was not on small to medium size high grade mineralisation. Recent sampling of the workings around Wardarbie South returned grades of 33.7g/t, 22.0g/t, 11.8g/t, 5.7g/t and 4.9g/t Au reinforcing the potential for high grade mineralisation.

Operations review

d. ***Exploration Programme***

A drone supported aero-magnetic survey was completed over the project in November 2021. Analysis of the results produced several targets (Figure 15) and refined the knowledge of the geology. Results from both the magnetics and planned geochemical sampling will be used to define future drill targets.

1.5. Project overview – Rabbit Bore project

a. ***Tenure***

The Rabbit Bore project is comprised of a single exploration licence (E51/1671) covering an area of 2,390Ha (refer to Figure 16). The project is located in the Central Murchison area approximately 55km north of the major mining centre at Cue. The Great Northern Highway is located 25km to the east linked by a major secondary road.

b. ***Geological Setting***

The Rabbit Bore project lies at the northern end of the Mt Weld greenstone belt in the Archaean Youanmi Terrane. NNE striking greenstones form a lensoid shaped inclusion in surrounding granitoid lithologies. Outcrop within the area is limited to a 2km long ridge to the southwest of the tenement with a thin blanket of transported material covering the rest of the area that deepens over the granitoids.

The greenstone belt is approximately 5.5km long and strikes NNE through the tenements and is composed of sheared mafics, ultramafics and deeply weathered felsic volcanics. Three ultramafic intrusives up to 60m wide are strongly foliated with variable alteration including tremolite, talc-carbonate, chlorite and magnetite minerals. The tenement contains a major NNE trending shear zone that is interpreted as an extension of the Big Bell Fault, that splays into several discrete structures south of the project area. This structure contains gold prospects at many locations along its entire length. The sequence typically dips moderately steeply to the west and localised faulting is common.

A Proterozoic dolerite dyke with an E-W orientation crosscuts lithologies adjacent to the Rabbit Bore gold prospect and possibly offsets the greenstone belt with dextral movement as indicated by the regional aeromagnetics.

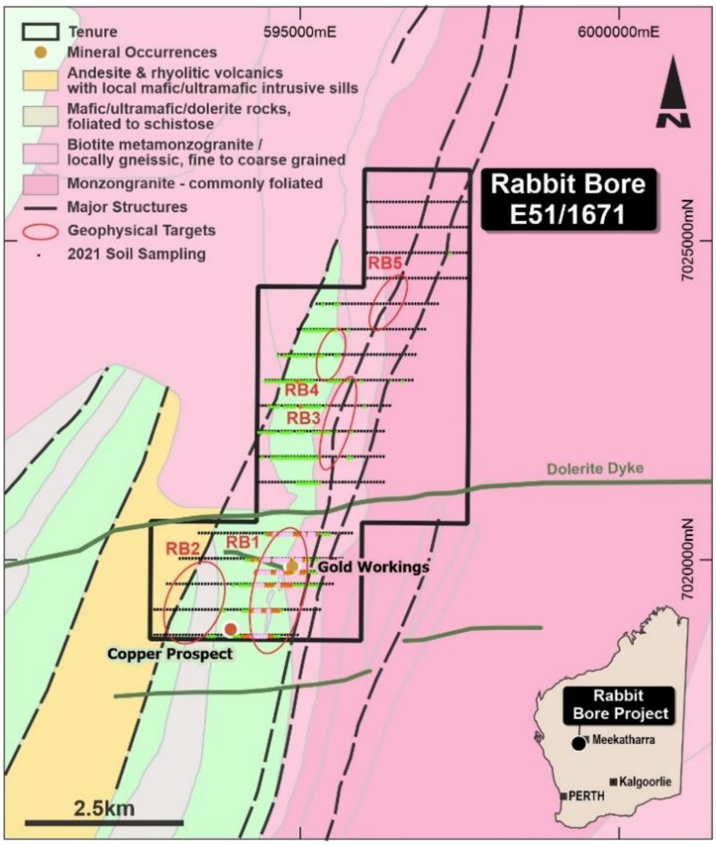

Figure 16 Tenure, Geology and Soil sampling coverage

Operations review

Potential exists for both gold and base metal mineralisation at Rabbit Bore. Historic gold mining occurred at the Rabbit Bore prospect where a small vertical shaft, four pits and a dry blowing area exist. There are no records of the quantity of gold produced from the workings. Gold mineralisation is believed to be related to the quartz blows which occur with the historical workings. Quartz is mapped over an area extending approximately 1km in an EW direction. Sampling around the workings has produced a maximum assay of 4.24g/t gold and low-level gold results have been returned from soil sampling programmes over the extensive cover.

The greenstone belt is prospective for nickel, cobalt and chrome based on the results of rock chip and soil sampling. The extensive cover in the north part of the tenement obscures geology and mutes geochemical responses and with no drilling the potential is untested for the 5.5km of strike. Sampling focussed on the exposed ultramafics returned nickel assays up to 1,295ppm and chromium to 5,400ppm. Anomalous cobalt and arsenic assays results are associated with nickel.

c. ***Previous Exploration***

Exploration in or around the current E51/1761 has been only carried out spasmodically since the 1970's, commencing with the nickel boom and more recently for base metals, gold and iron ore. There is no historic drilling recorded on the licence area.

Regional work including geophysical surveys, and mapping were completed in the late 1990's. Two widely spaced soil sampling programmes were completed over the greenstone belt by different explorers (2001 and 2011) resulting in low level gold, nickel, cobalt, platinum and lead anomalies. A closer spaced sampling programme was completed in 2011 around the Rabbit Bore workings with a maximum result of 2.18 g/t Au. Recent rock-chip sampling around the historic workings returned a maximum grade of 4.24g/t Au.

d. ***Exploration Programme***

The Rabbit Bore prospect lies in a poorly explored but structurally prepared greenstone belt and has potential for both gold and nickel/cobalt mineralisation. Transported material covering the northern 60% of the lease area there is reasonable potential for unrecognised mineralisation.

An aeromagnetic survey was completed in July 2021 that better defined lithology, structural controls and revealed five interpreted structural anomalies (Figure 16). Subsequently, a 750-sample geochemical soil sampling programme was completed in November 2021. The results released in February 2022 indicated two significant anomalies:

- A 1km long gold anomaly surrounding the existing gold working with associated nickel and PGM's in an adjacent ultramafic unit, and
- A separate 2km by 700m copper anomaly further north.

Following a Heritage survey and clearance an RC drilling program testing the Rabbit Bore anomalies was completed in June 2022; thirty-nine RC holes for 3,423m over the targets defined by the Ultrafine soil program. 2,998 samples in total (RBC000001 > RBC002998) over 5 submissions (SS0027 > SS0031) have been delivered to the laboratory for assay.

1.6. Historical Estimate Results cautionary statement

The information in this Operations Review that relates to Historic Exploration Results is extracted from Ozz Resources Prospectus, lodged with ASIC on May 7, 2021 and the First and Second Supplementary Prospectus' lodged on May 25 and June 15 respectfully and available on Ozz's website www.ozzresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information with regard to reporting of historical exploration results contained in the Prospectus and the form and context of the release have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original public release.

1.7. Competent Person statement

The information contained in this announcement that relates to Exploration Results is based on information compiled or reviewed by Mr Robert Seed, who is an employee and security holder of the Company. Mr Seed is a member of the AusIMM and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Seed has given consent to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

Directors' report

Your Directors present their report on the Company, Ozz Resources Limited (**Ozz Resources** or **the Company**) for the financial year ended 30 June 2022.

Ozz Resources is listed on the Australian Securities Exchange (ASX:OZZ).

1. Directors

The names of Directors in office at any time during or since the end of the year are:

David Wheeler	Non-Executive Director	*(Appointed 30 May 2022)*
Joe Graziano	Non-Executive Director	*(Appointed 30 May 2022)*
Brian McNab	Non-Executive Director	
Alan Lockett	Non-Executive Chairman	*(Resigned 30 May 2022)*
Jonathan Lea	Managing Director	*(Resigned 30 May 2022)*

(collectively **the Directors** or **the Board**)

Directors have been in office since the start of the period to the date of this report unless otherwise stated.

2. Company secretary

The following person held the position of company secretary at the end of the financial year:

- Stuart Usher

Qualifications	B.Bus, CPA, Grad Dip CSP, MBA, FGIA, FCIS
Experience	Mr Usher is a CPA, Chartered Secretary and Chartered Governance Professional with over 25 years of extensive experience in the management and corporate affairs of public listed companies. He holds an MBA from the University of Western Australia. He has extensive experience across many industries focusing on Corporate and Financial Management, Strategy and Planning, Mergers and Acquisitions, and Investor Relations and Corporate Governance. His experience ranges from Financial Services, Mineral Exploration, Healthcare, Biotech, Information Technology, Mining support services, Construction and Manufacturing. Stuart's experience is well utilised across all areas of a company where they complement the financial, operational and strategic plans.
Interest in options	250,000

3. Dividends paid or recommended

There were no dividends paid or recommended during the financial year ended 30 June 2022.

4. Significant Changes in the state of affairs

There have been no significant changes in the state of affairs of the Company during the financial year ended 30 June 2022 other than disclosed elsewhere in this Annual Report.

5. Operating and financial review

5.1. Nature of Operations Principal Activities

The Company is an early-stage mining exploration company with a focus on mining tenements in Western Australia prospective for gold.

Being an early-stage exploration company, the Company does not expect to make money or generate income in the short term. Our proposed business objectives and strategies include:

a. conducting exploration on the Company's projects to identify economic gold deposits for development by:
   (1) conducting drill testing of key targets at Mt Davis and Pinnacle Well to potentially define JORC 2012 compliant Mineral Resources:
   (2) accessing and compiling all existing drilling and other geological information, including structural, geochemical and geophysical data;
   (3) conducting further geological reconnaissance, geochemical and geophysical programmes to identify the location of favourable structures and associated indicators of mineralisation in order to create a pipeline of potential drill targets;
   (4) progressively collecting additional information such as metallurgical or geotechnical data to assist further Ore Reserve estimation; and
   (5) conducting optimisation studies including financial models to assess potential mineable ore reserves;

Directors' report

b. focusing on areas with existing infrastructure that provide the opportunity for toll treatment of ores; and

c. identifying and acquiring new gold exploration tenements with a focus in Western Australia if the Directors consider that they will add additional value to the Company at the time.

5.2. Operations Review

Refer to the detailed *Operations review* on page 1 of the Annual Report.

5.3. Financial Review

a. ***Operating results***

For the year 30 June 2022 the Company delivered a loss before tax of $4,378,574 (2021: $3,126,920 loss) and a net operating cash out-flow of $3,572,013 (2021: $449,618 out-flow).

b. ***Financial position***

The net assets of the Company have decreased from incorporation to $480,853 at 30 June 2022 (2021: $4,368,929).

As at 30 June 2022, the Company's cash and cash equivalents decreased to $784,480 (2021: 5,013,272) and it had a working capital position of $428,454 (2021: $4,319,539 working capital).

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

The Directors are satisfied that the going concern basis of preparation is appropriate based upon the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

5.4. Key Business Risks

The Company is subject to various risk factors. Some of these are specific to its business activities while others are of a more general nature. Individually, or in combination, these risk factors may affect the future operating and financial performance of the Company.

a. ***Occupational health and safety risks***

The Company seeks to ensure that it provides a safe workplace to minimise risk of harm to its employees and contractors. It achieves this through an appropriate safety culture, safety systems, training, and emergency preparedness

b. ***Exploration risk***

Exploration and Mineral Resource development incorporates a high degree of technical and geological risk. The natural endowment of the ground being explored is the limiting factor and there always remains a risk of insufficient natural endowment to make an economic discovery.

Detailed planning of exploration programs, with external consultant input where required, ensures the highest quality exploration targets are tested. The Board approves all exploration programs and budgets to achieve outcomes in the Company's (and shareholders) best interests, with regular reporting provided to the Board of the results of exploration programs.

The Company undertakes business development activities to source new projects for the Company with the objective of acquiring assets with a high potential for exploration success.

c. ***Supplier risk***

Current economic climate has impacted both the cost and availability of key suppliers (drill contractors, analytical laboratories, labour hire, consultants etc.) to allow the Company to conduct exploration activity in a timely manner.

d. ***Mineral resources***

Mineral resources for the Company's projects are estimates only. No assurance can be given that they will be realised.

e. ***Government charges***

The mining industry is subject to a number of Government taxes, royalties and charges. Changes to the rates of taxes, royalties and charges can impact on the future profitability of the Company. The Company maintains communications with relevant parties to mitigate potential increases.

f. ***Environmental***

The Company has environmental risks associated with its tenements which arise as a consequence of its operations. The Company monitors its ongoing environmental obligations and risks and implements rehabilitation and corrective actions as appropriate.

Directors' report

g. **Impact of COVID-19 Coronavirus**

The COVID-19 coronavirus global pandemic has caused significant disruption and restrictions to the movement of people and goods throughout the world. During the height of the pandemic, The Company was incorporated subsequent to the declaration of the pandemic and has implemented prudent business continuity measures which allowed it to continue to develop and establish an exploration Company.

h. **Community and social risks**

The Company operates in different jurisdictions with varying community, heritage and social laws and cultural practices. Community expectations are continually evolving and are managed through the development of robust strategies, maintaining strong relationships with communities and delivering on its commitments.

i. **Financial risks**

The Company recognises the importance of maintaining a strong balance sheet that enables flexibility to pursue strategic objectives. The Company maintains policies which define appropriate financial controls and governance which seek to ensure financial risks are recognised, managed and recorded in a manner consistent with generally accepted industry practice and governance standards.

j. **Regulatory and compliance risk**

New or evolving regulations and standards are outside the Company's control and are often complex and difficult to predict. The potential development of opportunities can be jeopardised by changes to fiscal or regulatory regimes, adverse changes to tax laws, or changes to existing political, judicial or administrative policies and changing community expectations.

5.5. Events Subsequent to Reporting Date

There are no other significant after balance date events that are not covered in this Directors' Report or within the financial statements as disclosed in note 9 *Events subsequent to reporting date* on page 52.

5.6. Future Developments, Prospects and Business Strategies

Other likely developments, future prospects, and business strategies of the operations of the Company and the expected results of those operations, not otherwise disclosed in this report, have not been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Company.

5.7. Environmental Regulations

The Company's exploration assets and operations have not yet been established and are therefore not subject to any significant environmental regulations in the jurisdiction it operates in.

6. Information relating to the Directors

Mr David Wheeler	■ Non-Executive Director *(Appointed 30.05.2022)* Independent
Qualifications and Experience	■ Mr Wheeler has more than 30 years of executive management, directorship and corporate advisory experience. He is a foundation director and partner of Pathways Corporate, a boutique corporate advisory firm that undertakes assignments on behalf of family offices, private clients and ASX listed companies. Mr Wheeler has successfully engaged in business projects in the USA, UK, Europe, NZ, China, Malaysia, Singapore and the Middle East. Mr Wheeler is a Fellow of the Australian Institute of Company Directors and serves on public and private company boards currently holding a number of directorships and advisory positions with ASX listed companies.
Interest in Company equity	■ Nil

Directors' report

Directorships held in other listed entities during the prior three years prior	Athena Resources Limited	*Non-Executive Director*
	Avira Resources Ltd	*Non-Executive Chairman*
	Cradle Resources Limited	*Non-Executive Director*
	ColorTV Limited	*Non-Executive Director*
	Cycliq Group Limited	*Non-Executive Director*
	Delecta Limited	*Non-Executive Director*
	Health House International Limited	*Non-Executive Chairman*
	Protean Energy Limited	*Non-Executive Chairman*
	PVW Resources Limited	*Non-Executive Chairman*
	Ragnar Metals Limited	*Non-Executive Director*
	Tyranna Resources Limited	*Non-Executive Director*
	Former directorships	
	Syntonic Ltd	*Non-Executive Director, resigned 23.05.2022*
	Blaze Limited	*Non-Executive Chairman, resigned 30.11.2021*
	Antilles Oil and Gas NL	*Non-Executive Director, resigned 13.11.2018*
	Ultracharge Limited	*Non-Executive Director, resigned 27.08.2019*

Mr Joe Graziano
- Non-Executive Director *(Appointed 30.05.2022)*
  Independent

Qualifications and Experience
- Mr Graziano is a Chartered Accountant with corporate and company secretarial experience. He has over 28 years' experience providing a wide range of business, financial and strategic advice to small capital unlisted and listed public companies and privately - owned businesses in Western Australia's resource-driven industries.

  Since 2014 he has been focused on corporate advisory, company secretarial and strategic planning with listed corporations including Mergers & Acquisitions, Capital Raisings, Corporate Governance, ASX compliance and structuring. He is currently a director of Pathways Corporate Pty Ltd, a specialised Corporate Advisory business.

Interest in Company equity
- Nil

Directorships held in other listed entities during the prior three years prior	Kin Mining NL	*Non-Executive Chairman*
	Tyranna Resources Limited	*Non-Executive Director*
	Syntonic Limited	*Non-Executive Director*
	Former directorships	
	PVW Resources Limited	*Non-Executive Director, resigned 1.02.2021*

Mr Brian McNab
- Non-Executive Director
  Independent

Qualifications
- B.Sc. Extractive Metallurgy, MAusIMM CP(Met)

Experience
- Mr McNab is a chartered AusIMM professional with over 30 years of experience in mineral process engineering, project economic assessment and operations.

  Mr McNab has worked on over 60 significant local and international mineral project studies (scoping, prefeasibility and definitive feasibility) and has a sound technical understanding of mineral processing, project economics and the various stages of the mineral project cycle. He has been a full-time employee of Wood (formerly Minproc Engineers Limited) for 17 years, working as a Principal Process Engineer in their Mining and Minerals division.

Interest in Company equity
- 2,000,000 Options

Directorships held in other listed entities during the prior three years prior
- Nil

Directors' report

Former directors

Mr Alan Lockett	■	Non-Executive Chairman *(Resigned 30.05.2022)* Non-independent
Qualifications and Experience	■	Mr Lockett has 25 years of experience in the exploration and mining industry. Formerly the founder and Managing Director of Olympia Resources Limited and credited with the discovery of the Harts Range Garnet deposit in Northern Territory which became an operating producer of garnet. Mr Lockett was also the founder and Executive Chairman of Northern Mining Limited which discovered the George's Reward gold deposit 30km south-east of Kalgoorlie (which has since mined in excess of 100,000 oz of gold in conjunction with the Canon deposit by Metals X), as well as the Keysbrook Mineral Sands deposit south of Perth which has since commenced production. Mr Lockett has a track record of finding commercial deposits of Australian natural Resources.
Interest in Company equity	■	**Direct** 431,250 Ordinary Shares *(at date of resignation 30.05.2022)* 474,375 Unlisted Options *(at date of resignation 30.05.2022)* 143,750 Listed Options *(at date of resignation 30.05.2022)* **Indirect** 4,600,000 Ordinary Shares *(at date of resignation 30.05.2022)* 4,600,000 Unlisted Options *(at date of resignation 30.05.2022)* 1,533,334 Listed Options *(at date of resignation 30.05.2022)*
Directorships held in other listed entities during the prior three years prior	■	Nil
Mr Jonathan Lea	■	Managing Director *(Resigned 30.05.2022)*
Experience	■	Mr Lea is a mining industry executive with over 35 years of expertise in all aspects of the mineral industry. After commencing as a geologist, recent roles for junior mineral exploration and development companies at the Managing Director level have focused on all aspects of resource company development, project generation, corporate management and capital raising. Mr Lea achieved particular success with Polaris Metals following the discovery and initial development of the Carina iron ore deposit leading to a takeover producing significant shareholder benefits. Mr Lea has an extensive project development and production experience, with a particular focus on gold, in a number of commodities including iron ore and base metals in both open cut and underground settings mainly in Western Australia but also elsewhere in Australia and overseas.
Interest in Company equity	■	**Direct** 3,500,000 Options *(at date of resignation 30.05.2022)* **Indirect** 517,500 Ordinary Shares *(at date of resignation 30.05.2022)* 517,500 Unlisted Options *(at date of resignation 30.05.2022)* 172,501 Listed Options *(at date of resignation 30.05.2022)*
Directorships held in other listed entities during the prior three years prior	■	Nil

7. Meetings of Directors and committees

During the financial year,twelve meeting of Directors (including committees of Directors) were held and five circular resolutions. Attendances by each Director during the year are stated in the following table.

	DIRECTORS' MEETINGS		REMUNERATION AND NOMINATION COMMITTEE		FINANCE AND OPERATIONS COMMITTEE		AUDIT COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
David Wheeler	2	2	*At the date of this report, the Audit, Nomination, and Finance and Operations Committees comprise the full Board of Directors. The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of these separate committees. Accordingly, all matters capable of delegation to such committees are considered by the full Board of Directors.*					
Joe Graziano	2	2						
Brian McNab	12	12						
Alan Lockett	10	10						
Jonathan Lea	10	10						

8. Indemnifying officers or auditor

8.1. Indemnification

The Company has paid premiums to insure each of the current and former Directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or Officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The Company has not given any further indemnity or entered into any other agreements to indemnify, or pay or agree to pay insurance premiums.

No indemnities have been given or insurance premiums paid, during or since the end of the period, for any person who is or has been an auditor of the Company

8.2. Insurance premiums

The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

9. Options

9.1. Unissued shares under option

At the date of this report, the unissued ordinary shares of the Company under option (listed and unlisted) are as follows:

Grant Date	Date of Expiry	Exercise Price $	Number under Option	Vested & Exercisable
02.10.2020	05.07.2023	0.25	6,511,875	-
27.10.2020	05.07.2023	0.25	4,025,000	3,714,500
18.06.2021	18.06.2023	0.25	5,500,000	-
18.06.2021	18.06.2024	0.25	2,800,000	-
18.06.2021	18.06.2025	0.25	2,600,000	-
25.10.2021	25.10.2024	0.25	17,945,851	17,945,851
24.11.2021	25.10.2024	0.25	850,000	850,000
18.03.2025	18.03.2025	0.25	1,750,000	1,750,000
			41,982,726	24,260,351

No person entitled to exercise the option has or has any right by virtue of the option to participate in any share issue of any other body corporate.

9.2. Shares issued on exercise of options

No ordinary shares have been issued by the Company during the financial year as a result of the exercise of options.

10. Non-audit services

During the year, Hall Chadwick WA Audit Pty Ltd (**Hall Chadwick**), provided non-audit services in respect to an taxation compliance services $1,600 (2021: $6,000 for investigating accountant services), in addition to their statutory audits. Details of remuneration paid to the auditor can be found within the financial statements at note 13 *Auditor's Remuneration* on page 54.

If non-audit services are provided by Hall Chadwick, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the *Corporations Act 2001* (Cth). These procedures include:

- non-audit services will be subject to the corporate governance procedures adopted by the Company and will be reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- ensuring non-audit services do not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

11. Proceedings on behalf of the Company

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

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Directors' report

12. Remuneration report (audited)

This report outlines the remuneration arrangements in place for Directors and key management personnel of the Company for the year ended 30 June 2022. The information in this remuneration report has been audited as required by s308(3C) of the *Corporations Act 2001* (Cth).

12.1. Key management personnel (KMP)

This 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 Company and the Company, directly or indirectly, including any director (whether Executive or otherwise) of the parent company, and includes those Executives in the Parent and the Company receiving the highest remuneration. KMP comprise the Directors of the Company and key executive personnel:

- David Wheeler — Non-Executive Director — *(Appointed 30.05.2022)*
- Joe Graziano — Non-Executive Director — *(Appointed 30.05.2022)*
- Brian McNab — Non-Executive Director
- *Other KMP:*
  - Stuart Usher — Chief Financial Officer and Company Secretary
- *Former KMP included in current and/or comparative information:*
  - Alan Lockett — Non-Executive Chairman — *(Resigned 30.05.2022)*
  - Jonathan Lea — Managing Director — *(Resigned 30.05.2022)*
  - Kurt Kozyrski — Non-Executive Director — *(Resigned 14.12.2020)*

12.2. Principles used to determine the nature and amount of remuneration

a. Remuneration Policy

The remuneration policy of Ozz Resources Limited has been designed to align director and management objectives with shareholder and business objectives by providing a fixed remuneration component, and offering specific long-term incentives, based on key performance areas affecting the Company's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best management and directors to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the Board.

All remuneration paid to Directors and executives is valued at the cost to the Company and expensed.

The Board policy is to remunerate non-executive Directors at the lower end of market rates for comparable companies for time, commitment, and responsibilities. The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at the Annual General Meeting (**AGM**). Fees for non-executive Directors are not linked to the performance of the Company.

b. Performance Conditions Linked to Remuneration

The Company seeks to establish and maintain Ozz Resources Limited Performance Rights Plan (**Plan**) to provide ongoing incentives to any full time or part time employee, consultant or any person nominated by the Board (including director or company secretary of the Company who holds salaried employment with the Company on a full or part time basis) (**Eligible Participants**) of the Company.

The Board adopted the Plan to allow Eligible Participants to be granted Performance Rights to acquire shares in the Company.

The objective of the Plan is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of Eligible Participants in achieving specified performance milestones within a specified performance period. The Board will ensure that the performance milestones attached to the securities issued pursuant to the Plan are aligned with the successful growth of the Company's business activities.

c. Remuneration structure

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive compensation is separate and distinct.

12. Remuneration report (audited)

(1) Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The Board considers advice from external consultants when undertaking the annual review process.

(2) Executive remuneration

Senior executives, including Executive Directors, are engaged under the terms of individual employment contracts. Such contracts are based upon standard terms drafted by the Company's lawyers. Executive Directors do not receive any directors' fees in addition to their remuneration arrangements. Base salary/consulting fees are set to reflect the market salary for a position and individual of comparable responsibility and experience. Base salary/consulting fees are regularly compared with the external market and during recruitment activities generally. It is the policy of the Company to maintain a competitive salary structure to ensure continued availability of experienced and effective management and staff.

Executives are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

Details of the nature and amount of each element of each Director, including any related company and each KMP are set out below.

d. Employment Details of Members of KMP

(1) Managing Director Engagement Agreement – Jonathan Lea (resigned 30.05.2022)

The Company entered into a Managing Director Engagement Agreement with Mr Lea with key terms as follows:

(A) Mr Lea's term as the Managing Director will commence on the date on which the Company is admitted to the Official List and the employment will continue (subject to earlier termination as provided in the agreement) until terminated in accordance with the engagement agreement.

(B) The Company or Mr Lea may at any time terminate the employment by giving the other six months' notice in writing.

(C) The Company will pay Mr Lea $262,800 per annum (including statutory superannuation).

(D) Mr Lea may be entitled to participate in the Company's employee incentive plan as agreed by the Board (subject to Shareholder approval as required under the Listing Rules).

(E) The Company will pay or reimburse Mr Lea for reasonable travel and out of pocket expenses incurred in the performance of his duties and properly substantiated with receipts and approved by the Company.

The agreement otherwise contains leave entitlements, intellectual property, confidentiality provisions and other general provisions considered standard for an agreement of this nature.

(2) Non-executive Director Appointment Letters – Mr Alan Lockett (resigned 30.05.2022) and Mr Brian McNab

Alan Lockett and Brian McNab have signed a letter of appointment with the Company with normal terms and conditions customary for directors' appointment in Australia, including:

(A) The Company will pay Mr Lockett $60,000 per annum and Mr McNab $36,000 per annum (including statutory superannuation);

(B) minimum time commitment (at least 15 hours a quarter);

(C) compliance with the *Corporations Act 2001* (Cth), the Company's corporate governance plans and policies, and the Company's constitution;

(D) the requirement to disclose directors' interests and any matter which affects directors' independence;

(E) maintain confidentiality unless otherwise required by the Listing Rules or any applicable laws; and

(F) right to access all corporate information of the Company during the term of their appointment.

e. Voting and comments made at the Company's Annual General Meeting (**AGM**)

At the AGM held on 12 January 2022, on a poll the Company received 8,284,855 (99.46%) *For* votes and 45,250 (0.54%) *Against* votes and 50,000 abstentions on its remuneration report for the 2021 financial year. The Company did not employ a remuneration consultant during the year.

Directors' report

12. Remuneration report (audited)

12.3. Performance-based remuneration

The following table provides employment details of persons who were, during the financial year, members of KMP of the Company. The table also illustrates the proportion of remuneration that was performance based and the proportion of remuneration received in the form of options.

KMP	Position Held as at 30 June 2022 and any change during the year	Contract Commencement / Termination Date	Proportions of Elements of Remuneration Related to Performance			Proportions of Elements of Remuneration Not Related to Performance		
			Non-salary Cash-based Incentives %	Shares / Units %	Options / Rights %	Fixed Salary/ Fees – cash based %	Fixed Salary/ Fees – share based %	Total %
David Wheeler	Non-Executive Director	Appt. 30.05.2022	-	-	-	100	-	-
Joe Graziano	Non-Executive Director	Appt. 30.05.2022	-	-	-	100	-	-
Brian McNab	Non-Executive Director	Appt. 1.12.2020	-	-	-	100	-	-
Alan Lockett	Non-Executive Chairman	Appt. 27.08.2020 Res. 30.05.2022	-	-	-	100	-	-
Jonathan Lea	Managing Director	Appt. 27.08.2020 Res. 30.05.2022	-	-	-	100	-	-
Stuart Usher	CFO and Company	Appt. 27.08.2020			11	89		
Kurt Kozyrski	Non-Executive Director	Appt. 30.09.2020 Res. 14.12.2020	-	-	-	100	-	-

a. **Statutory performance indicators**

The Company aims to align our executive remuneration to our strategic and business objectives and the creation of shareholder wealth. Reported below are measures of the Company's financial performance over the last five years as required by the *Corporations Act 2001* (Cth). However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	2022	2021	2020#
Loss for the year attributable to owners of the Company ($)	(4,378,574)	(3,126,920)	N/A
Basic earnings per share (cents)	(9.32)	(30.28)	-
Dividend payments ($'000)	Nil	Nil	-
Dividend payout ratio (%)	N/A	N/A	-
Share price§	0.09	0.165	-
Increase/(decrease) in share price (%)	(45.45)	N/A	-

The Company was incorporated on 27 August 2020, consequently there are no comparative for periods prior to FY2021.

§ *The Company listed on 5 July 2020. The closing price for this date has been used for comparison purposes*

12.4. Directors and KMP remuneration

Details of the nature and amount of each element of the remuneration of each of the KMP of the Company (the Directors) for the year ended 30 June 2022 are set out in the following tables:

There were no cash bonuses paid during the year and there are no set performance criteria for achieving cash bonuses (2021: nil).

The following table of benefits and payments represents the components of the current year and comparative year remuneration expenses for each member of KMP of the Company. Such amounts have been calculated in accordance with Australian Accounting Standards.

Directors' report

12. Remuneration report (audited)

2022	Short-term benefits				Post-employment benefits	Long-term benefits	Termination benefits	Equity-settled share-based payments		Total
KMP	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	Super-annuation	Other		Equity / Perf. Rights	Options	
	$	$	$	$	$	$	$	$	$	$
David Wheeler[1]	3,333	-	-	-	-	-	-	-	-	3,333
Joe Graziano[1]	3,333	-	-	-	-	-	-	-	-	3,333
Brian McNab	36,260	-	-	-	3,639	-	-	-	-	39,899
Alan Lockett[2]	110,434	-	-	-	5,541	-	-	-	-	115,975
Jonathan Lea[2]	240,000	-	-	-	23,568	-	-	-	-	263,568
Stuart Usher[3][4]	-	-	-	79,404	-	-	-	-	9,379	88,783
	393,360	-	-	79,404	32,748	-	-	-	9,379	514,891

(1) Messrs Wheeler and Graziano were appointed 30 May 2022

(2) Messrs Lockett and Lea resigned 30 May 2022

(3) Geneva Partners Pty Ltd, a company jointly controlled by Mr Usher, provides financial services and Company Secretarial services to company. These services are provided directly and indirectly by Mr Usher and have only been included to the extent attributable to Mr Usher. These amounts are before costs.

(4) Mr Usher 250,000 unlisted options to employees, as detailed in note *Share-based payments* 16.2.1a.

2021 – Group	Short-term benefits				Post-employment benefits	Long-term benefits	Termination benefits	Equity-settled share-based payments		Total
Group KMP	Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	Super-annuation	Other		Equity	Options	
	$	$	$	$	$	$	$	$	$	$
Alan Lockett	4,566	-	-	-	434	-	-	-	-	5,000
Jonathan Lea	20,000	-	-	-	1,900	-	-	-	284,616	306,516
Brian McNab[1]	2,740	-	-	-	260	-	-	-	162,638	165,638
Kurt Kozyrski[2]	-	-	-	-	-	-	-	-	-	-
Stuart Usher[3]	-	-	-	10,800	-	-	-	-	-	10,800
	27,306	-	-	10,800	2,594	-	-	-	447,254	487,954

(1) Appointed 1 December 2020

(2) Resigned 14 December 2020

(3) Geneva Partners Pty Ltd, a company jointly controlled by Mr Usher, provides financial services and Company Secretarial services to company. These services are provided directly and indirectly by Mr Usher and have only been included to the extent attributable to Mr Usher.

12.5. Share-based compensation

The Company believes that encouraging its directors and executives to become shareholders is the best way of aligning their interests with those of its shareholders. The Company has an active employee share option plan.

The Company issued 5,500,000 options as share-based compensation during the 2021 year to Messrs Lea and McNab (refer note 16 Share-based payments).

There were no equity instruments issued during the year to Directors as a result of options exercised that had previously been granted as compensation.

Directors' report

12. Remuneration report (audited)

a. Securities received that are not performance-related

2022 Nil

2021 Messrs Lea and McNab were granted 5,500,000 options as detailed in note as detailed note 16 *Share-based payments*. No other members of KMP are entitled to receive securities that are not performance-based as part of their remuneration package.

b. Options and Rights granted as remuneration

2022 In accordance with the Company's Employee Incentive Plan, the Company issued Mr Usher 250,000 unlisted options to employees, as detailed in note 16 *Share-based payments*.

2021 3,500,000 options were granted to Mr Lea and 2,000,0000 to Mr McNab as detailed note 16 *Share-based payments*.

12.6. **KMP equity holdings**

a. Fully paid ordinary shares of Ozz Resources Limited held by each KMP

The number of ordinary shares of Ozz Resources Limited held, directly, indirectly or beneficially, by each KMP, including their personally-related entities for the year ended 30 June 2022 is as follows

2022 *KMP*	Balance at start of year or appointment No.	Received during the year as compensation No.	Received during the year on the exercise of options No.	Other changes during the year No.	Balance at end of year or resignation No.
David Wheeler[(1)]	-	-	-	-	-
Joe Graziano[(1)]	-	-	-	-	-
Brian McNab	-	-	-	-	-
Alan Lockett[(2)]	5,031,250	-	-	-	5,031,250
Jonathan Lea[(2)]	517,500	-	-	-	517,500
Stuart Usher	-	-	-	-	-
	5,548,750	-	-	-	5,548,750

(1) Messrs Wheeler and Graziano were appointed 30 May 2022

(2) Messrs Lockett and Lea resigned 30 May 2022

b. Options in Ozz Resources Limited held by each KMP

The number of options over ordinary shares in Ozz Resources Limited held, directly, indirectly or beneficially, by each KMP, including their personally-related entities for the year ended 30 June 2022 is as follows:

2022 *KMP*	Balance at start of year or appointment No.	Granted as Remuneration during the year No.	Exercised during the year No.	Other changes during the year No.	Balance at end of year or resignation No.	Vested and Exercisable No.	Not Vested No.
David Wheeler[(1)]	-	-	-	-	-	-	-
Joe Graziano[(1)]	-	-	-	-	-	-	-
Brian McNab	2,000,000	-	-	-	2,000,000	-	2,000,000
Alan Lockett[(2)]	5,074,375	-	-	1,677,084	6,751,459	-	6,751,459
Jonathan Lea[(2)]	4,017,500	-	-	172,501	4,190,001	-	4,190,001
Stuart Usher[(4)]	-	250,000	-	-	250,000	-	250,000
	11,091,875	250,000	-	1,849,585	13,191,460	-	13,191,460

(1) Messrs Wheeler and Graziano were appointed 30 May 2022

(2) Messrs Lockett and Lea resigned 30 May 2022

(3) Other changes related to listed

(4) 250,000 unlisted options were issue to Mr Usher, as detailed in note *Share-based payments* 16.2.1a.

Directors' report

12. Remuneration report (audited)

12.7. Other Equity-related KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above relating to options, rights, and shareholdings.

12.8. KMP Loans

There are no loans to or from KMP as at 30 June 2022 (2021: nil).

12.9. Other transactions with KMP and or their Related Parties

Some Directors or former Directors of the Company hold or have held positions in other companies, where it is considered they control or significantly influence the financial or operating policies of those entities. During the year, the following entities provided professional and corporate services to the Company.

Entity	Nature of transactions	KMP	Total Transactions		Payable Balance	
			2022 $	27 Aug 2020 to 30 June 2021 $	2022 $	27 Aug 2020 to 30 June 2021 $
Dragon Pty Ltd	Consulting fees and subscription refund	Alan Lockett	-	32,000	-	-
Kazal Pty Ltd	Corporate Advisory	Alan Lockett	-	5,000	5,000	5,000
Kokoda Holdings Pty Ltd	Consulting fees and reimbursement	Alan Lockett	-	12,000	-	-
Lea Consulting	Consulting Fees	Jonathan Lea	-	44,721	5,278	-

Fees for the above entities and related KMP for 2022, have been included in the remuneration table 12.4 above, due to the nature of services provided.

There have been no other transactions in addition to those described in the tables or as detailed in note 12 *Related party transactions*.

END OF REMUNERATION REPORT

13. Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Ozz Resources support and have substantially adhered to the best practice recommendations set by the ASX Corporate Governance Council. For a detailed analysis of the Company's Corporate Governance Policies, visit the corporate governance section of our website at www.ozzresources.com.au/corporate-governance/.

14. Auditor's independence declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the year ended 30 June 2022 has been received and can be found on page 29 of the annual report.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors made pursuant to section 298(2) of the *Corporations Act 2001* (Cth).

BRIAN McNAB
Director
Dated this Thursday, 29 September 2022

HALL CHADWICK

To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Director for the audit of the financial statements of OZZ Resources Limited for the financial year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully,

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis
MARK DELAURENTIS CA
Director

Dated this 29th day of September 2022

Statement of profit or loss and other comprehensive income

for the year ended 30 June 2022

	Note	2022 $	27 Aug 2020 to 30 Jun 2021 $
Continuing operations			
Administration expenses	1.1	(67,025)	(61,883)
Compliance costs		(113,563)	(46,688)
Employment costs	1.2	(175,234)	(512,117)
Interest and finance costs (net)		(2,201)	(1,305)
Mineral exploration and evaluation costs	1.4	(3,353,901)	(2,309,420)
Professional and consulting costs	1.3	(666,650)	(195,507)
Loss before tax		(4,378,574)	(3,126,920)
Income tax expense	2.1	-	-
Net loss for the period		(4,378,574)	(3,126,920)
Other comprehensive income, net of income tax			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income attributable to members of the parent entity		(4,378,574)	(3,126,920)
Earnings per share:		¢	¢
Basic and diluted loss per share (cents per share)	14.4	(9.317)	(30.282)

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

Statement of financial position

as at 30 June 2022

	Note	2022 $	2021 $
Current assets			
Cash and cash equivalents	3.1	784,480	5,013,272
Trade and other receivables	3.2.1	132,291	68,816
Total current assets		916,771	5,082,088
Non-current assets			
Property, plant, and equipment	4.1	52,399	49,390
Total non-current assets		52,399	49,390
Total assets		969,170	5,131,478
Current liabilities			
Trade and other payables	3.3.1	464,303	631,581
Borrowings	3.4.1	24,014	130,968
Total current liabilities		488,317	762,549
Total liabilities		488,317	762,549
Net assets		480,853	4,368,929
Equity			
Issued capital	5.1.1	6,772,935	6,463,320
Reserves	5.4	1,213,412	1,032,529
Accumulated losses		(7,505,494)	(3,126,920)
Total equity		480,853	4,368,929

The statement of financial position is to be read in conjunction with the accompanying notes.

Statement of changes in equity

for the year ended 30 June 2022

	Note	Issued capital $	Accumulated Losses $	Share-based Payment Reserve $	Total equity $
Balance on incorporation 27 August 2020		2	-	-	2
Loss attributable to owners of the parent		-	(3,126,920)	-	(3,126,920)
Other comprehensive income attributable to the owners of the parent		-		-	-
Total comprehensive income attributable to the owners of the parent		-	(3,126,920)	-	(3,126,920)
Transaction with owners, directly in equity					
Shares issued (net of costs)	5.1.1	6,463,318	-	-	6,463,318
Options granted	16.1	-	-	1,032,529	1,032,529
Balance at 30 June 2021		6,463,320	(3,126,920)	1,032,529	4,368,929
Balance at 1 July 2021		6,463,320	(3,126,920)	1,032,529	4,368,929
Loss attributable to owners of the parent		-	(4,378,574)	-	(4,378,574)
Other comprehensive income attributable to the owners of the parent		-	-	-	-
Total comprehensive income attributable to the owners of the parent		-	(4,378,574)	-	(4,378,574)
Transaction with owners, directly in equity					
Equity issued	5.1.1	491,060	-	75,259	566,319
Options granted	16.1	-	-	105,624	105,624
Performance shares granted	16.1	-	-	72,240	72,240
Conversion of performance shares	5.1.1	72,240		(72,240)	-
Equity issue costs	5.1.1	(253,685)			(253,685)
Balance at 30 June 2022		6,772,935	(7,505,494)	1,213,412	480,853

The statement of changes in equity is to be read in conjunction with the accompanying notes.

Statement of cash flows

for the year ended 30 June 2022

	Note	2022 $	27 Aug 2020 to 30 Jun 2021 $
Cash flows from operating activities			
Payments to suppliers and employees		(793,616)	(284,746)
Payments for exploration and evaluation		(2,776,196)	(164,872)
Interest and borrowing cost		(2,201)	-
Net cash used in operating activities	3.1.2	(3,572,013)	(449,618)
Cash flows from investing activities			
Purchase of property, plant and equipment		(78,809)	(1,000)
Net cash used in investing activities		(78,809)	(1,000)
Cash flows from financing activities			
Proceeds from issue of equity		75,259	5,390,127
Share issue costs		(506,192)	(26,237)
(Repayment of) / Proceeds from borrowings		(147,037)	100,000
Net cash provided by financing activities		(577,970)	5,463,890
Net increase in cash and cash equivalents held		(4,228,792)	5,013,272
Cash and cash equivalents at the beginning of the period		5,013,272	-
Cash and cash equivalents at the end of the period	3.1	784,480	5,013,272

The statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the financial statements

for the year ended 30 June 2022

In preparing the 30 June 2022 financial statements, Ozz Resources Limited has grouped notes into sections under four key categories:

Significant accounting policies specific to each note are included within that note. Accounting policies that are determined to be non-significant are not included in the financial statements.

The presentation is supported by the IASB's Disclosure Initiative. As part of this project, the AASB made amendments to AASB 101 *Presentation of Financial Statements* which have provided preparers with more flexibility in presenting the information in their financial reports.

The financial statements are presented in Australian dollars, except where otherwise stated.

The registered office of the Company is:

Street: C/ - Geneva Partners Pty Ltd
Level 1, 247 Oxford Street

Postal: PO Box 52
West Perth WA 6872

The principal place of business of the Company is:

Street: Suite 9, 186 Hay Street
SUBIACO WA 6008

Postal: PO Box 8014
Subiaco East WA 6008

Notes to the financial statements

for the year ended 30 June 2022

SECTION A. HOW THE NUMBERS ARE CALCULATED

This section provides additional information about those individual line items in the financial statements that the Directors consider most relevant in the context of the operations of the entity, including:

(a) accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not deal with a particular type of transaction.

(b) analysis and sub-totals.

(c) information about estimates and judgements made in relation to particular items.

Note 1 Loss before income tax	**Note**	2022 $	27 Aug 2020 to 30 Jun 2021 $
The following significant revenue and expense items are relevant in explaining the financial performance:			
1.1 Administration expenses			
Computers and communications		8,332	43,756
Travel expenses		35,454	12,700
Other		23,239	5,427
		67,025	61,883
1.2 Employment costs *(excluding mineral exploration and evaluation, note 1.4)*			
Salaries and wages		-	48,333
Superannuation		9,181	5,286
Directors' fees		98,361	7,306
Share-based payments	16.1	65,653	447,254
Other		2,039	3,938
		175,234	512,117

1.2.1 ***Accounting Policy***

a. *Short-term benefits*

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay at the reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

b. *Other long-term benefits*

The Group's obligation in respect of long-term employee benefits other than defined benefit plans, such as long service leave, is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the Reserve Bank of Australia's cash rate at the report date that have maturity dates approximating the terms of the Company's obligations. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

c. *Retirement benefit obligations: Defined contribution superannuation funds*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions onto a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred.

Notes to the financial statements
for the year ended 30 June 2022

Note 1 Loss before income tax (cont.)

d. *Termination benefits*

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of: (a) the date when the Group can no longer withdraw the offer for termination benefits; and (b) when the Group recognises costs for restructuring pursuant to AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured based on the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

e. *Equity-settled compensation*

The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes pricing model, considering the terms and conditions upon which the options were granted. The amount recognised is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to market conditions not being met.

1.3 Professional and consulting costs	Note	2022 $	27 Aug 2020 to 30 Jun 2021 $
Accounting and company secretary fees		122,001	31,796
Legal fees and corporate advisory		306,690	103,231
Other consultants		237,959	60,480
		666,650	195,507

1.4 Mineral exploration and evaluation costs		Note	2022 $	27 Aug 2020 to 30 Jun 2021 $
Cumulative spending at the beginning of the period			2,309,420	-
Recognised in profit and loss for the period:				
Acquisition costs:	*Cash-based*		314,149	227,697
	Share-based	16.1	461,300	1,923,177
Contractors and consultants			866,806	7,377
Field expenses			667,260	7,991
Geological consulting			116,998	123,188
Heritage and native title			83,284	-
Mineral surveys			24,652	15,000
Rates and rent			47,927	4,990
Staff costs			728,609	-
Other			42,916	-
Mineral exploration and evaluation costs expense during the period			3,353,901	2,309,420
Cumulative Mineral exploration and evaluation costs to date			*5,663,321*	*2,309,420*

1.4.1 *Accounting Policy*

a. *Exploration and evaluation expenditure*

Exploration and evaluation costs, including the costs of acquiring licenses, are expensed as exploration and evaluation expenditure as incurred.

Notes to the financial statements

for the year ended 30 June 2022

Note 2	Income tax		2022 $	27 Aug 2020 to 30 Jun 2021 $
2.1	**Income tax expense**			
	Current tax		-	
	Deferred tax		-	
			-	
	Deferred income tax expense included in income tax expense comprises:			
	■ Increase / (decrease) in deferred tax assets	2.5	(15,720)	(14,817)
	■ (Increase) / decrease in deferred tax liabilities	2.6	15,720	14,817
			-	-
2.2	**Reconciliation of income tax expense to prima facie tax payable**			
	The prima facie tax payable/(benefit) on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:			
	Accounting loss before tax		(4,378,574)	(3,126,920)
	Prima facie tax on operating loss at 30.0%		(1,313,572)	(938,076)
	Add / (Less) tax effect of:			
	□ Other non-deductible expenses / (non-assessable income)		176,640	711,130
	□ Timing differences		(69)	(30,700)
	□ Deferred tax asset not brought to account		1,137,001	257,646
	Income tax expense/(benefit) attributable to operating loss		-	-
			%	%
2.3	The applicable weighted average effective tax rates attributable to operating profit are as follows:		-	-
2.4	Balance of franking account at year end of the parent		nil	nil

Notes to the financial statements

for the year ended 30 June 2022

Note 2	Income tax (cont.)	2022 $	2021 $
2.5	**Deferred tax assets**		
	Tax losses	1,279,721	257,646
	Deductible temporary differences	140,044	93,530
		1,419,765	351,176
	Set-off deferred tax liabilities	(15,720)	(14,817)
	Net deferred tax assets	1,404,045	336,359
	Less deferred tax assets not recognised	(1,404,045)	(336,359)
	Net deferred tax assets	-	-
2.6	**Deferred tax liabilities**		
	Plant and equipment	15,720	14,817
		15,720	14,817
	Set-off deferred tax assets	(15,720)	(14,817)
	Net deferred tax liabilities	-	-
2.7	**Tax losses and deductible temporary differences**		
	Unused tax losses and deductible temporary differences for which no deferred tax asset has been recognised, that may be utilised to offset tax liabilities:		
	■ Tax losses	1,279,721	257,646
		1,279,721	257,646

Potential deferred tax assets attributable to tax losses have not been brought to account at 30 June 2022 because the Directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

i. the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;

ii. the Company continues to comply with conditions for deductibility imposed by law; and

iii. no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the loss.

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates consider both the financial performance and position of the Company as they pertain to current income taxation legislation, and the Directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions.

The Company has accumulated tax losses of $4,265,737 which are expected to be available indefinitely for offset against future taxable profits of the Company in which the losses arose. The recoupment of these losses is subject to assessment of the Australian Taxation Office.

Notes to the financial statements

for the year ended 30 June 2022

Note 2 Income tax (cont.)

2.8 Accounting policy

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

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

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

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

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

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

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

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

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

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Where the Company receives the Australian Government's Research and Development Tax Incentive, the Company accounts for the refundable tax offset under AASB 112. Funds are received as a rebate through the parent company's income tax return.

Notes to the financial statements
for the year ended 30 June 2022

Note 3 Financial assets and financial liabilities

3.1 Cash and cash equivalents	2022 $	2021 $
Cash at bank	283,234	5,013,272
Term deposits	501,246	-
	784,480	5,013,272

3.1.1 The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 6 *Financial risk management*.

3.1.2 *Cash Flow Information*		2022 $	27 Aug 2020 to 30 Jun 2021 $
a. *Reconciliation of cash flow from operations to loss after income tax*			
Loss after income tax		(4,378,574)	(3,126,920)
Cash flows excluded from loss attributable to operating activities:		-	-
Net Interest and *finance* costs			
Non-cash flows in loss from ordinary activities:			
Depreciation and amortisation		22,067	640
Net share-based payments recognised in profit and loss	16.1	654,453	2,370,431
Insurance funding		40,083	30,968
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:			
(Increase) in trade and other receivables		(63,475)	(68,816)
Increase in trade and other payables		153,433	344,079
Cash flow used in operations		(3,572,013)	(449,618)

b. *Reconciliation of liabilities arising from financing activities*

			Non-cash changes		
	27 Aug 2020 $	Cash flows $	Acquisitions $	Other Changes(1) $	2021 $
Short-term borrowings	-	100,000	-	30,968	130,968
Total liabilities from financing activities	-	100,000	-	30,968	130,968

(1) Other changes relate to insurance premium funding.

			Non-cash changes		
	2021 $	Cash flows $	Acquisitions $	Other Changes(1) $	2022 $
Short-term borrowings	130,968	(147,037)	-	40,083	24,014
Total liabilities from financing activities	130,968	(147,037)	-	40,083	24,014

(1) Other changes relate to insurance premium funding.

Notes to the financial statements
for the year ended 30 June 2022

Note 3 Financial assets and financial liabilities (cont.)

3.1 Cash and cash equivalents (cont.)

3.1.3 ***Accounting policy***

Cash comprises cash at bank and on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

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

3.2 Trade and other receivables

	2022 $	2021 $
3.2.1 ***Current***		
Goods and Services Tax receivable	101,589	38,192
Other receivables	30,702	30,624
	132,291	68,816

3.2.2 The Company's exposure to credit rate risk is disclosed in note 6 *Financial risk management*.

3.2.3 ***Accounting policy***

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from prepaid or cash on delivery to 60 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms.

The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

3.3 Trade and other payables

	2022 $	2021 $
3.3.1 ***Current***		
Unsecured		
Trade payables	301,811	471,339
Sundry payables and accrued expenses	106,174	137,518
Employee related	56,318	22,724
	464,303	631,581

3.3.2 Trade payables are non-interest bearing and usually settled within the lower of terms of trade or 30 days.

3.3.3 The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 6 *Financial risk management*.

3.3.4 ***Accounting policy***

a. *Trade and other payables*

Trade other payables are recognised initially at fair value and subsequently at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Amounts are unsecured, non-interest bearing, and usually settled within the lower of terms of trade or 60 days.

Notes to the financial statements
for the year ended 30 June 2022

Note 3 Financial assets and financial liabilities (cont.)

3.4 Borrowings	Note	2022 $	2021 $
3.4.1 *Current*			
Short-term loans	3.4.1a	-	100,000
Premium funding	3.4.1b	24,014	30,968
		24,014	130,968

a. In the prior period, short-term loans, provided for ASX listing fees, carried finance cost of $5,000, and were repaid upon listing.

b. Premium funding was provided for the Company's insurances, for a term of 10 months, with total interest of $1,721 paid over the term.

3.4.2 ***Assets pledged as security***

Nil

3.4.3 ***Accounting policy***

a. *Borrowings*

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

b. *Leases*

Lease are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

3.5 Other Significant Accounting Policies related to Financial Assets and Liabilities

3.5.1 ***Investments and other financial assets***

a. *Classification*

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (**FVOCI**).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Notes to the financial statements
for the year ended 30 June 2022

Note 3 Financial assets and financial liabilities (cont.)

3.5 Other Significant Accounting Policies related to Financial Assets and Liabilities (cont.)

b. ***Recognition and derecognition***

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

c. ***Measurement***

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (**FVPL**), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

i. **Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- *Amortised cost*: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- *FVOCI*: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- *FVPL*: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

ii. **Equity instruments**

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

d. ***Impairment***

The Company assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Notes to the financial statements
for the year ended 30 June 2022

Note 4 Non-financial assets and financial liabilities

4.1 Property, plant, and equipment

	2022 $	2021 $
Plant and equipment – at cost	6,298	-
Accumulated depreciation	(1,621)	-
	4,677	-
Motor vehicles at cost	68,807	50,030
Accumulated depreciation	(21,085)	(640)
	47,722	49,390
Total plant and equipment	52,399	49,390

4.1.1 *Movements in Carrying Amounts*

	Plant and Equipment $	Motor vehicles $	Total $
Carrying amount 27 August 2020	-	-	-
Additions	-	50,030	50,030
Depreciation expense	-	(640)	(640)
Carrying amount at 30 June 2021	-	49,390	49,390
Carrying amount 1 July 2021	-	49,390	49,390
Additions	6,298	18,777	25,075
Depreciation expense	(1,621)	(20,445)	(22,066)
Carrying amount at 30 June 2022	4,677	47,722	52,399

4.1.2 *Accounting policy*

a. *Recognition and measurement*

Items of plant and equipment are measured on the cost basis and carried at cost less accumulated depreciation (see below) and impairment losses (see accounting policy 4.2.1 *Impairment of non-financial assets*).

Cost includes expenditure directly attributable to the acquisition of the asset. Costs of self-constructed assets include the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads. Cost includes the cost of replacing parts eligible for capitalisation when the cost is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Where considered material, the carrying amount of property, plant, and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows are not discounted to their present values in determining recoverable amounts.

Where parts of an item of property, plant, and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

b. *Subsequent costs*

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. Any costs of the day-to-day servicing of plant and equipment are recognised in the income statement as an expense as incurred.

Notes to the financial statements
for the year ended 30 June 2022

Note 4 Non-financial assets and financial liabilities (cont.)

4.1 Property, plant, and equipment (cont.)

c. *Depreciation*

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on either a straight-line basis or diminishing balance basis, whichever is considered most appropriate, over their useful lives to the Company commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the remaining term of the lease.

Depreciation rates and methods are reviewed annually for appropriateness and are as follows:

	2022 %	2021 %
Office furniture and fittings	33	nil
Motor vehicle	33	33

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected

net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

d. *Derecognition and disposal*

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and is recognised net within other income/other expenses in profit or loss. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

4.2 Other Significant Accounting Policies related to Non-Financial Assets and Liabilities

4.2.1 ***Impairment of non-financial assets***

The carrying amounts of the Company's non-financial assets, other than deferred tax assets (see accounting policy at note 2.8) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

Notes to the financial statements
for the year ended 30 June 2022

Note 5 Equity

5.1 Issued capital	Note	2022 No.	2021 No.	2022 $	2021 $
Fully paid ordinary shares at no par value		49,486,877	45,136,877	6,772,935	6,463,320

5.1.1 Ordinary shares	Note	2022 No.	27 Aug 2020 to 30 Jun 2021 No.	2022 $	27 Aug 2020 to 30 Jun 2021 $
At the beginning of the period		45,136,877	-	6,463,320	-
Shares issued during the period:					
27.08.20 Incorporation issue		-	2	-	2
02.10.20 Promoter issue		-	11,325,000	-	10,125
27.10.20 Seed capital issue		-	7,000,000	-	350,000
Sub-total		-	18,325,002	-	-
Effect of consolidation 2.3:4		-	(7,788,125)	-	-
Shares after consolidation		-	10,536,877	-	-
18.06.21 Promoter shares		-	1,500,000	-	30,000
18.06.21 Vendor shares	16.2.2b.i	-	8,100,000	-	1,620,000
18.06.21 IPO shares		-	25,000,000	-	5,000,000
14.10.21 Corporate adviser shares	16.2.1b	750,000	-	127,500	
24.11.21 Vendor shares	16.2.1c.i	800,000	-	104,000	-
14.01.22 Vendor shares *(granted 10.01.22)*	16.2.1c.i	1,000,000	-	125,000	-
04.03.22 Vendor Shares *(granted 3.03.22)*	16.2.1c.i	960,000	-	82,560	-
26.05.22 Conversion of vendor performance equity	5.3	840,000	-	72,240	-
Unissued deferred consideration shares	16.2.1c.i	-	-	52,000	-
Transaction costs related to shares issued		-	-	(253,685)	(546,807)
At reporting date		49,486,877	45,136,877	6,772,935	6,463,320

5.1.2 Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

5.1.3 ***Accounting policy***

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 ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration. Ordinary issued capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

Notes to the financial statements
for the year ended 30 June 2022

Note 5 Equity (cont.)

5.2 Options

	Note	2022 No.	2021 No.	2022 $	2021 $
Options		41,982,726	21,436,875	1,213,412	1,032,529

	Note	2022 No.	27 Aug 2020 to 30 Jun 2021 No.	2022 $	27 Aug 2020 to 30 Jun 2021 $
At the beginning of the period		21,436,875	-	1,032,529	-
Options movement during the period:					
02.10.20 Promoter issue		-	11,325,000	-	-
27.10.20 Seed capital issue		-	7,000,000	-	-
Sub-total		-	18,325,000	-	-
Effect of share consolidation 2.3:4		-	(7,788,125)	-	-
Options after consolidation		-	10,536,875	-	-
18.06.21 Director Options	16.2.2a	-	5,500,000	-	447,254
18.06.21 Lead Manager Options	16.2.2c	-	2,800,000	-	282,098
18.06.21 Vendor Options	16.2.2b.ii	-	2,600,000	-	303,177
25.10.21 Listed options (ASX: OZZO)	5.2.1	15,045,851	-	75,259	-
25.10.21 Underwriter options	16.2.1d	2,900,000	-	14,471	-
24.11.21 Consultants options	16.2.1c.ii	850,000	-	25,500	-
18.03.22 Employee options	16.2.1a	1,750,000	-	65,653	-
At reporting date		41,982,726	21,436,875	1,213,412	1,032,529

5.2.1 Listed options are exercisable on or before 25 October 2024 at an exercise price of $0.25.

5.3 Performance equity

	Note	2022 No.	2021 No.	2022 $	2021 $
Performance equity		500,000	-	-	-

5.3.1 **Performance equity movement**	Note	2022 No.	2021 No.	2022 $	2021 $
At the beginning of the period		-	-	-	-
Performance equity changes during the period:					
14.01.22 Vendor consideration	16.2.1c.iii	500,000		-	
04.03.22 Vendor consideration	16.2.1c.iii	840,000	-	72,240	-
26.05.22 Conversion of vendor performance equity	5.3.2	(840,000)	-	(72,240)	-
At reporting date		500,000	-	-	-

5.3.2 The performance shares were converted following the completion of rehabilitation obligations from the small-scale mining activities that were completed by United Mines over the past few years. Now that the rehabilitation has been satisfied, the established camp will be vacated in June. The camp will form the base from which the substantial exploration plans for gold and base metal mineralisation will be conducted in 2022 and beyond.

5.3.3 Performance shares will vest and convert into ordinary shares on a one for one basis on achievement of the milestones described at note 16.2.1c.iii. If a milestone is not achieved by the applicable date, the relevant performance shares will automatically lapse

Notes to the financial statements
for the year ended 30 June 2022

Note 5 Equity (cont.)

5.4 Reserves	Note	2022 $	2021 $
Share-based payment reserve:			
Performance shares	5.3	-	-
Options	5.2	1,213,412	1,032,529
		1,213,412	1,032,529

5.4.1 ***Share-based payment reserve***

The share-based payment reserve records the value of options and performance shares or rights issued by the Company to its employees or consultants.

Notes to the financial statements
for the year ended 30 June 2022

SECTION B. RISK

This section of the notes discusses the Company's exposure to various risks and shows how these could affect the Company's financial position and performance.

Note 6 Financial risk management

This note presents information about the Company's exposure to each of the above risks, its objectives, policies and procedures for measuring and managing risk, and the management of capital.

The Company's financial instruments consist mainly of deposits with banks, and accounts payable and receivable.

The Company does not speculate in the trading of financial instruments or derivative instruments.

A summary of the Company's financial assets and liabilities, measured in accordance with AASB9 *Financial Instruments* as detailed in the accounting policies, is shown below:

	Floating Interest Rate $	Fixed Interest Rate $	Non-interest Bearing $	2022 Total $	Floating Interest Rate $	Fixed Interest Rate $	Non-interest Bearing $	2021 Total $
Financial Assets								
Cash and cash equivalents	784,480	-	-	784,480	5,013,272	-	-	5,013,272
Trade and other receivables	-	-	132,291	132,291	-	-	68,816	68,816
Total Financial Assets	784,480	-	132,291	916,771	5,013,272	-	68,816	5,082,088
Financial Liabilities								
Financial liabilities at amortised cost								
Trade and other payables	-	-	464,303	464,303	-	-	631,581	631,581
Borrowings	-	-	24,014	24,014	-	30,968	100,000	130,968
Total Financial Liabilities	-	-	488,317	488,317	-	30,968	731,581	762,549
Net Financial Assets / (Liabilities)	784,480	-	(356,026)	428,454	5,013,272	(30,968)	(662,765)	4,319,539

6.1 Financial Risk Management Policies

The Boards overall risk management strategy seeks to assist the Company in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board on a regular basis. These include the credit risk policies and future cash flow requirements. Senior executives meet on a regular basis to analyse financial risk exposure in the context of the most recent economic conditions and forecasts. The overall risk management strategy seeks to assist the Company in meeting its financial targets, while minimising potential adverse effects on financial performance.

6.2 Specific Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate, foreign currency risk and equity price risk. However, the sole material risk at the present stage of the Company is liquidity risk.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board adopts practices designed to identify significant areas of business risk and to effectively manage those risks in accordance with the Company's risk profile. This includes assessing, monitoring and managing risks for the Company and setting appropriate risk limits and controls. The Company is not of a size nor is its affairs of such complexity to justify the establishment of a formal system for risk management and associated controls. Instead, the Board approves all expenditure, is intimately acquainted with all operations and discuss all relevant issues at the Board meetings. The operational and other compliance risk management have also been assessed and found to be operating efficiently and effectively.

Notes to the financial statements

for the year ended 30 June 2022

Note 6 Financial risk management (cont.)

6.2.1 ***Credit risk***

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

Due to the current nature of the Company, being a pre-IPO exploration entity, the Company is not exposed to material credit risk.

6.2.2 ***Liquidity risk***

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

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

Typically, the Company ensures that it has sufficient cash to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The financial liabilities of the Company include trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 30 days of the reporting date.

Contractual Maturities

The following are the contractual maturities of financial assets and liabilities of the Company:

	Within 1 Year		Greater Than 1 Year		Total	
	2022 $	2021 $	2022 $	2021 $	2022 $	2021 $
Financial liabilities due for payment						
Trade and other payables	464,303	631,581	-	-	464,303	631,581
Borrowings	24,014	130,968	-	-	24,014	130,968
Total contractual outflows	488,317	762,549	-	-	488,317	762,549
Financial assets						
Cash and cash equivalents	784,480	5,013,272	-	-	784,480	5,013,272
Trade and other receivables	132,291	68,816	-	-	132,291	68,816
Total anticipated inflows	916,771	5,082,088	-	-	916,771	5,082,088
Net (outflow) / inflow on financial instruments	428,454	4,319,539	-	-	428,454	4,319,539

Cash flows realised from financial instruments reflect management's expectation as to the timing of realisation timing may therefore differ from that disclosed. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

6.2.3 ***Market risk***

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Due to the nature of the Company, being a exploration entity, the Company is not exposed to material credit risk.

Note 6 Financial risk management (cont.)

6.2.4 ***Sensitivity Analyses***

Due to the nature of the Company, being exploration entity, the Company is not exposed to material financial risk sensitivities.

6.2.5 ***Net Fair Values***

a. *Fair value estimation*

The fair values of financial assets and financial liabilities are presented in the table at the start of note 6 and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values as the carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

Financial instruments whose carrying value is equivalent to fair value due to their nature include:

- Cash and cash equivalents;
- Trade and other receivables; and
- Trade and other payables.

The methods and assumptions used in determining the fair values of financial instruments are disclosed in the accounting policy notes specific to the asset or liability.

Note 7 Capital Management

7.1 Capital

The Directors' objectives when managing capital are to ensure that the Company can maintain a capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the availability of liquid funds in order to meet its short-term commitments. It does this by ensuring that its current ratio (current assets divided by current liabilities) remains in excess of 1:1.

	2022	2021
Current ratio	1.88	6.66

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The Company is not subject to externally imposed capital requirements.

7.2 Working Capital

The working capital position of the Company was as follows:	Note	2022 $	2021 $
Cash and cash equivalents	3.1	784,480	5,013,272
Trade and other receivables	3.2	132,291	68,816
Trade and other payables	3.3	(464,303)	(631,581)
Borrowings	3.4	(24,014)	(130,968)
Working capital position		428,454	4,319,539

Notes to the financial statements
for the year ended 30 June 2022

SECTION C. UNRECOGNISED ITEMS

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

Note 8 Contingent liabilities

The Company has no contingent liabilities as at 30 June 2022.

Note 9 Events subsequent to reporting date

9.1 Pinnacle Well – Deferred consideration share issue

On 29 July 2022, as part of the acquisition of the Pinnacle Well project, the Company issued 400,000 shares as the second tranche of shares as consideration for the project as follows. These shares were recorded as deferred consideration as at 30 June 2022.

9.2 Advisory services share issue

On 29 July 2022, in lieu of cash payment the Company issued 500,000 shares in full settlement of advisory services.

9.3 Cyber-crime scam

The Company was a victim of a cyber-crime on 25 July 2022 resulting in the Company being scammed $199,208. The Company has been working with the Commonwealth Bank of Australia (CBA) and National Australia Bank, who have frozen the destination account. The Company is optimistic that all funds will be returned in due course and is in regular communication with banks. The CBA has to resolve this in no later than 8 weeks, in line with banking best practice.

9.4 Exploration services share issue

On 23 September 2022, the Company issued 569,448 shares for drilling services provided in lieu of cash payment.

There has not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

Note 10 Commitments	2022 $	2021 $
10.1 Exploration expenditure commitments payable:		
Within one year	375,948	163,880
After one year but not more than five years	755,366	-
After five years	-	-
Total Exploration tenement minimum expenditure requirements	1,131,314	163,880

The Company will continue to assess each tenement annually and has the option to relinquish, sell, or divest a tenement should it not meet the expectations of the Company. The Company may apply for exemptions from expenditure if necessary.

Notes to the financial statements

for the year ended 30 June 2022

SECTION D. OTHER INFORMATION

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

Note 11 Key Management Personnel (KMP)

The names and positions of KMP are as follows:

- David Wheeler Non-Executive Director *(Appointed 30.05.2022)*
- Joe Graziano Non-Executive Director *(Appointed 30.05.2022)*
- Brian McNab Non-Executive Director
- *Other KMP:*
  - Stuart Usher Chief Financial Officer and Company Secretary
- *Former KMP included in current and/or comparative information:*
  - Alan Lockett Non-Executive Chairman *(Resigned 30.05.2022)*
  - Jonathan Lea Managing Director *(Resigned 30.05.2022)*
  - Kurt Kozyrski Non-Executive Director *(Resigned 14.12.2020)*

Information regarding individual Directors and executives' compensation and some equity instruments disclosures as required by the Corporations Regulations 2M.3.03 is provided in the *Remuneration report* table on page 26.

	2022 $	27 Aug 2020 to 30 Jun 2021 $
Short-term employee benefits	472,764	38,106
Post-employment benefits	32,748	2,594
Share-based payments	9,379	447,254
Other long-term benefits	-	-
Termination benefits	-	-
Total	514,891	487,954

Note 12 Related party transactions

The Company may enter into agreements for services rendered with individuals (or an entity that is associated with the individuals) during the ordinary course of business.

A number of entities associated with the Directors and select technical staff have consulting agreements in place which have resulted in transactions between the Company and those entities during the year.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Details of transactions between the Company and other related parties are disclosed below.

Entity	Nature of transactions	KMP	Total Transactions 2022 $	Total Transactions 27 Aug 2020 to 30 June 2021 $	Payable Balance 2022 $	Payable Balance 27 Aug 2020 to 30 June 2021 $
Dragon Pty Ltd	Consulting fees and subscription refund	Alan Lockett	-	32,000	-	-
Kazal Pty Ltd	Corporate Advisory	Alan Lockett	-	5,000	5,000	5,000
Kokoda Holdings Pty Ltd	Consulting fees and reimbursement	Alan Lockett	-	12,000	-	-
Lea Consulting	Consulting Fees	Jonathan Lea	-	44,721	5,278	-

Fees for the above entities and related KMP for 2022, have been included in the remuneration note 11 above, due to the nature of services provided.

Notes to the financial statements

for the year ended 30 June 2022

Note 13 Auditor's remuneration	2022 $	27 Aug 2020 to 30 Jun 2021 $
Remuneration of the auditor, Hall Chadwick WA Audit Pty Ltd for:		
Assurance services:		
■ Auditing or reviewing the financial reports	29,000	3,500
Non-Assurance Services:		
■ Independent accountant's report	-	6,000
■ Taxation compliance services	1,600	-
	30,600	9,500

Note 14 Earnings per share (EPS)	Note	2022 $	27 Aug 2020 to 30 Jun 2021 $
14.1 Reconciliation of earnings to profit or loss			
Loss for the period		(4,378,574)	(3,126,920)
Loss used in the calculation of basic and diluted EPS		(4,378,574)	(3,126,920)

	Note	2022 No.	27 Aug 2020 to 30 Jun 2021 No.
14.2 Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS		46,993,260	10,325,955
Weighted average number of dilutive equity instruments outstanding	14.5	N/A	N/A
14.3 Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS		46,993,260	10,325,955

14.4 Earnings per share	Note	2022 ¢	27 Aug 2020 to 30 Jun 2021 ¢
Basic EPS (cents per share)	14.5	(9.317)	(30.282)
Diluted EPS (cents per share)	14.5	N/A	N/A

14.5 As at 30 June 2022, the Group has 41,982,726 unissued shares under options (2021: 21,436,875) and 500,000 performance shares on issue (30 June 2021: nil). No performance rights have vested. Unvested options and performance rights are not considered to be dilutive. In addition, the Group does not report diluted EPS on losses. During the 2021 year, the Group's unissued shares under option and performance shares were anti-dilutive.

14.6 Accounting policy

Basic EPS is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit attributable to the Company, adjusted for costs of servicing equity (other than dividends) and preference share dividends; the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Notes to the financial statements

for the year ended 30 June 2022

Note 15 Operating segments

15.1 Identification of reportable segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Company is managed primarily on the basis of business category and geographical areas. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics. The Company considers that it has only operated in one segment, being the exploration business, located wholly in Western Australia.

15.2 Basis of accounting for purposes of reporting by operating segments

15.2.1 ***Accounting policies adopted***

The accounting policies used by the Company in reporting segments are in accordance with the measurement principles of Australian Accounting Standards.

15.2.2 ***Inter-segment transactions***

All such transactions are eliminated on consolidation of the Company's financial statements.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

15.2.3 ***Segment assets***

During the year ended 30 June 2022, all assets were in the same business segment, which is the Company's exploration business.

15.2.4 ***Segment liabilities***

During the year ended 30 June 2022, all liabilities were in the same business segment, which is the Company's exploration business.

15.3 Revenue by geographical region

There is no revenue attributable to external customers for the year ended 30 June 2022.

15.4 Assets by geographical region

During the year ended 30 June 2022, all reportable segment assets are located in Western Australia, with the financial assets located in Western Australia.

Note 16 Share-based payments

	Note	2022 $	2021 $
16.1 Share-based payments:			
■ Recognised in profit and loss:		-	-
☐ *Director options*	16.2.2a	-	447,254
☐ *Employee options*	16.2.1a	65,653	-
☐ *Professional and consulting costs*	16.2.1b	127,500	-
☐ *Mineral exploration and evaluation costs:*			
▪ *Vendor shares*	16.2.1c.i,16.2.2b.i	363,560	1,620,000
▪ *Vendor options*	16.2.1c.ii,16.2.2b.ii	25,500	303,177
▪ *Vendor performance shares*	16.2.1c.iii	72,240	-
		654,453	2,370,431
■ Recognised in equity – *Transaction costs*	16.2.1d,16.2.2c	14,471	282,098
Gross share-based payments		668,924	2,652,529

Notes to the financial statements
for the year ended 30 June 2022

Note 16 Share-based payments (cont.)

16.2 Share-based payment arrangements in effect during the period

16.2.1 ***Issued during the period***

a. ***Employee options***

In accordance with the Company's Employee Incentive Plan, the Company issued 1,750,000 unlisted options to employees, as detailed below, and valued at $65,653, in accordance with note 16.5:

Number under Option	Date of Expiry	Consideration	Exercise Price $	Vesting Terms
1,750,000	18 Mar 2025	nil	0.25	Immediately upon issue

b. ***Professional and consulting costs: CPS Capital Group Pty Ltd (CPS)***

In accordance with a Short Form Prospectus lodged on 22 September 2021 (the **Prospectus**), CPS agreed to provide ad hoc corporate advisory services to the Company for a period of 12 months. The Company has agreed, pursuant to the Lead Manager Mandate, to issue CPS 750,000 Shares in lieu of corporate advisory fees payable to CPS for these services. These Shares were issued under the Prospectus on 15 October 2021.

Consultant	Shares No.	Value per Share $	Total $
CPS Capital Group Pty Ltd	750,000	0.17	127,500

c. ***Vendor equity issues***

i. *Vendor shares*

A. During the period, as part of the acquisition of the Pinnacle Well project, the Company issued two tranches of shares as consideration for the project as follows:
- 350,000 quoted fully paid ordinary shares
- 400,000 quoted fully paid ordinary shares to be issued on 4 July 2022 (deferred consideration)

B. In addition, 250,000 fully paid ordinary shares were be issued to Cadmon Advisory Services for providing corporate advice and services to facilitate the agreement. The Company also acquired an additional tenement in the Mt Davis project. As part consideration the Company issued 200,000 quoted fully paid ordinary shares.

C. As part of the expansion of the Pinnacle Well project, the Company issued Anglo Australian Resources NL 1,000,000 shares as part consideration for the project

D. As part consideration for the Linger and Die project, the Company issued United Mines Pty Ltd 960,000 shares.

Vendor	Project	Shares No.	Market Value per Share $	Total $
Alan Pellegrini	Pinnacle Well	350,000	0.130	45,500
Alan Pellegrini	Pinnacle Well	*Deferred*	0.130	52,000
Tanvanth Singh Sandhu	Mt Davis	200,000	0.130	26,000
Cadmon Advisory Services	Pinnacle Well	250,000	0.130	32,500
Anglo Australian Resources NL	Pinnacle Well	1,000,000	0.125	125,000
United Mines Pty Ltd	Linger and Die	960,000	0.086	82,560
		2,760,000		363,560

ii. *Vendor options*

In addition, 850,000 quoted options were issued to Cadmon Advisory Services for providing corporate advice and services to facilitate the agreement in accordance with note 16.5:

Vendor	Project	Option No.	Expiry Date	Consideraiton $	Exercise Price $	Vesting Terms
Cadmon Advisory Services	Pinnacle Well	850,000	25 Oct 2024	nil	$0.25	Immediately upon issue

Notes to the financial statements

for the year ended 30 June 2022

Note 16 Share-based payments (cont.)

iii. *Vendor performance shares*

A. As part of the expansion of the Pinnacle Well project, the Company issued Anglo Australian Resources NL 500,000 performance shares as part consideration for the project. These performance rights have been valued at $nil and have issued on terms as detailed below and in note 16.3.

B. As part consideration for the Linger and Die project, the Company issued United Mines Pty Ltd 840,000 performance shares as part consideration for the project. These performance rights have been valued at $72,240 and have issued on terms as detailed below and in note 16.3. The rights subsequently converted into ordinary shares.

Vendor	Performance Condition	Performance rights No.	Milestone Date	Expiry Date	Probability of milestones met %	Performance Condition Satisfied
Anglo Australian Resources NL	A JORC compliant gold resource of greater than 50,000 ounces at a minimum grade of 0.5g/t gold is defined or when commercial mining commences within 5 years	500,000	10 Jan 2027	10 Jan 2027	0	No
United Mines Pty Ltd	All rehabilitation obligations, to normal industry standards, of any areas disturbed by mining.	840,000	30 Nov 2022	30 Nov 2022	100	Yes

d. ***Equity-settled transaction costs***

In accordance with a *Short Form Prospectus* lodged on 22 September 2021 (the **Prospectus**), CPS agreed to underwrite the offer. Under the underwriting agreement the Company agreed to pay CPS an underwriting fee of 6% (plus any applicable GST) of the total gross proceeds raised under Prospectus and to issue to CPS 2,900,000 options on the same terms as the options to be issued under the Prospectus for providing these services.

Lead Manager	Number under Option	Date of Expiry	Consideration	Exercise Price	Vesting Terms
CPS Capital Group Pty Ltd	2,900,000	25 October 2024	nil	$0.25	Immediately upon issue

16.2.2 ***Issued in prior year, remaining in effect***

a. ***Director options***

During the prior period 5,500,000 unlisted options were issued to the directors, Mr Jonathan Lea and Mr Brian McNab, as detailed below, and valued at $447,254:

Director	Number under Option	Date of Expiry	Consideration	Exercise Price	Vesting Terms
Jonathan Lea	3,500,000	5 July 2023	nil	$0.25	Immediately upon issue
Brian McNab	2,000,000				

Notes to the financial statements
for the year ended 30 June 2022

Note 16 Share-based payments (cont.)

b. ***Vendor equity issued fees***

During the period, in consideration for the acquisition of the Rabbit Bore project, Wardarbie South project, and Maguires Reward project, the Company issued the following equity to the respective vendors of the projects:

i. *Vendor shares*

Vendor	Project	Shares No.	Valued per Share $	Total $
Diversified Asset Holdings Pty Ltd	Rabbit Bore	1,150,000	0.20	230,000
Gelignite Resources Pty Ltd	Wardarbie South	1,450,000	0.20	290,000
Diane Kaye Finlay	Maguires Reward	5,500,000	0.20	1,100,000
		8,100,000		1,620,000

ii. *Vendor options*

During the period, in consideration for the acquisition of the Rabbit Bore project and Wardarbie South project, the Company issued 2,600,000 unlisted options to the respective vendors of the projects, as detailed below, and valued at $303,177:

Vendor	Project	Number under Option	Date of Expiry	Consideration	Exercise Price	Vesting Terms
Diversified Asset Holdings Pty Ltd	Rabbit Bore	1,150,000	18 June 2025	nil	$0.25	Immediately upon issue
Gelignite Resources Pty Ltd	Wardarbie South	1,450,000				

c. ***Equity-settled transaction costs***

During the period, in consideration for the Joint Lead Manager services, the Company issued 2,800,000 unlisted options to the respective Lead Manager of the projects, as detailed below, and valued at $282,098 in accordance with note 16.5, and recognised in transaction costs:

Lead Manager	Number under Option	Date of Expiry	Consideration	Exercise Price	Vesting Terms
Cadmon Advisory Pty Ltd	1,400,000	5 July 2024	nil	$0.25	Immediately upon issue
CPS Capital Group Pty Ltd	1,400,000				

16.3 Fair value of performance rights granted

The fair value of the performance shares granted to vendors is deemed to represent the value of the consideration for the acquisition of tenements.

Note reference	*16.2.1c.iii.A*	*16.2.1c.iii.B*	
Grant date:	10 January 2022	3 March 2022	
Grant date share price:	$0.125	$0.086	
Milestone date	10 January 2027	30 November 2022	
Performance shares conversion price:	$nil	$nil	
Number of Performance shares issued:	500,000	840,000	
Remaining life (years):	4.53	*converted*	
Value per right	$0.125	$0.086	
Probability of milestone being met (%):	0	100	
Fair values:			Total
Total fair value	$nil	$72,240	$72,240
Recognised in the period	$nil	$72,240	$72,240

Notes to the financial statements

for the year ended 30 June 2022

Note 16 Share-based payments (cont.)

16.4 Movement in share-based payment arrangements during the period

A summary of the movements of all Company options issued as share-based payments is as follows:

	2022		2021	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at the beginning of the period	10,900,000	$0.25	-	-
Options movement during the period:				
Granted	5,500,000	$0.25	10,900,000	$0.25
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at period-end	16,400,000	$0.25	10,900,000	$0.25
Exercisable at period-end	16,400,000	$0.25	10,900,000	$0.25
Reconciliation to total Company options				
Non share-based payment options outstanding at the beginning of the period	10,536,875		-	
Options issued to shareholders	15,045,851		10,536,875	
Total Company options on issue	41,982,726		21,436,875	

a. No options were exercised during the period.

b. The weighted average remaining contractual life of options outstanding at year end was 1.953 years (2021: 2.702 years).

c. The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period.

16.5 Fair value of options granted during the year

The fair value of the options granted to employees is deemed to represent the value of the employee services received over the vesting period.

The weighted average fair value of options granted during the year was $0.019. Listed options were valued using the closing option price on that date of issue, less any subscription fees. Unlisted option values were calculated using the Black-Scholes option pricing model. Both valuations applied the following inputs to options issued this year:

Note reference	16.2.2c *Listed Options*	16.2.2b.ii *Listed Options*	16.2.1a *Unlisted Options*	
Grant date:	25 October 2021	24 November 2021	18 March 2022	
Grant date share price:	N/A	N/A	$0.105	
Option exercise price:	$0.25	$0.25	$0.25	
Number of options issued:	2,900,000	850,000	1,750,000	
Remaining life (years):	2.32	2.32	2.72	
Expected share price volatility:	N/A	N/A	86.00	
Risk-free interest rate:	N/A	N/A	0.66%	
Value per option	$0.00499	$0.030	$0.037516	
Fair values:				Total
Total fair value	$14,471	$25,500	$65,653	$105,624
Recognised in the period	$14,471	$25,500	$65,653	$105,624

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

Note 16 Share-based payments (cont.)

16.6 Accounting policy

The Company has provided payment to service providers and related parties in the form of share-based compensation whereby services are rendered in exchange for shares or rights over shares, *equity-settled transactions*. The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value is determined using an appropriate valuation model for services provided by employees or where the fair value of the goods or services received cannot be reliably estimated.

For goods and services received where the fair value can be determined reliably the goods and services and the corresponding increase in equity are measured at that fair value. The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable.

At each balance date, the entity revises its estimates of the number of options with non-market vesting conditions that are expected to become exercisable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant parties become fully entitled to the award, *vesting date*.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

16.7 Key estimate

Share-based payments

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instrument at the date at which they are granted. The fair value of options granted is measured using the Black-Scholes option pricing model. The model uses assumptions and estimates as inputs. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 16.5.

Note 17 Statement of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the periods presented, unless otherwise stated.

17.1 Basis of preparation

17.1.1 ***Reporting Entity***

Ozz Resources Limited (**Ozz Resources** or the **Company**) is a listed public company limited by shares, domiciled and incorporated in Australia. These are the financial statements and notes of Ozz Resources and controlled entities (collectively the Company). The financial statements comprise the financial statements of the Company. For the purposes of preparing the financial statements, the Company is a is a for-profit entity and is primarily involved in the exploration, development, and mining of minerals.

17.1.2 ***Basis of accounting***

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (**AAS Board**) and International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**), and the *Corporations Act 2001* (Cth).

Australian Accounting Standards (**AASBs**) set out accounting policies that the AAS Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

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

Notes to the financial statements
for the year ended 30 June 2022

Note 17 Statement of significant accounting policies (cont.)

17.1.3 ***Going Concern***

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

The Company incurred a loss for the year of $4,378,574 (2021: $3,126,920 loss) and a net cash out-flow from operating activities of $3,572,013 (2021: $449,618 out-flow). As at 30 June 2022, the Company working capital of $428,454 (2021: $4,319,539 working capital), as disclosed in note 7.2 of the Capital Management note.

These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from debt or equity markets and managing cash flow in line with available funds.

The Directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report.

Based on the cash flow forecast and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Company be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

17.1.4 ***New and Amended Standards Adopted by the Company***

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2021:

- AASB 2020-8 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*
- *AASB 2021-3 Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions beyond 30 June 2021*

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

17.2 Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the statement of financial position.

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

17.3 Use of estimates and judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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 and in any future periods affected.

Judgements made by management in the application of AASBs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 17.3.1.

Notes to the financial statements
for the year ended 30 June 2022

Note 17 Statement of significant accounting policies (cont.)

17.3.1 ***Critical Accounting Estimates and Judgments***

Management discusses with the Board the development, selection and disclosure of the Company's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a. Key estimate – Taxation

Refer note 2 *Income Tax*.

b. Key estimate – share-based payments

Refer note 16 *Share-based payments*.

17.3.2 ***Coronavirus (COVID-19) pandemic***

Judgement has been exercised in considering the impacts that the Coronavirus (**COVID-19**) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the supply chain, staffing and geographic region in which the Company operates. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the entity unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

17.4 Fair Value

17.4.1 ***Fair Value of Assets and Liabilities***

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

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

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

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

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

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

17.4.2 ***Fair value hierarchy***

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

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

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

Notes to the financial statements
for the year ended 30 June 2022

Note 17 Statement of significant accounting policies (cont.)

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

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

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

17.4.3 ***Valuation techniques***

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

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

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

Directors' declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 30 to 63, are in accordance with the *Corporations Act 2001* (Cth) and:

   (a) comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

   (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in notes to the financial statements; and

   (c) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Company.

   (d) the Directors have been given the declarations required by s.295(5)(a) of the *Corporations Act 2001* (Cth);

2. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

Brian McNab

BRIAN McNAB
Director
Dated this Thursday, 29 September 2022

HALL CHADWICK

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF OZZ RESOURCES LIMITED

Report on the Audit of the Financial Report

Opinion

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

In our opinion:

a. the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

    (i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the period then ended; and

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

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 17.1.

Basis for Opinion

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

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

HALL CHADWICK

Material Uncertainty Related to Going Concern

We draw attention to Note 17.1.3 in the financial report which indicates that the Company incurred a net loss of $4,378,574 during the year ended 30 June 2022. As stated in Note 17.1.3, these events or conditions, along with other matters as set forth in Note 17.1.3, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Key Audit Matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
Accounting for share based payments As disclosed in note 16.1 to the financial statements, during the period ended 30 June 2022 the Company incurred share based payments of $668,924 of which $654,453 was recognised in the profit and loss and $14,471 was recognised as capital raising costs within equity. Share based payments are considered to be a key audit matter due to • the value of the transactions; • the complexities involved in the recognition and measurement of these instruments; and • the judgement involved in determining the inputs used in the valuations. Management used the Black-Scholes option valuation model to determine the fair value of the options granted. This process involved significant estimation and judgement required to determine the fair value of the equity instruments granted.	Our procedures amongst others included: • Analysing agreements to identify the key terms and conditions of share based payments issued and relevant vesting conditions in accordance with AASB 2 Share Based Payments; • Evaluating management's Black-Scholes Valuation Models and assessing the assumptions and inputs used; • Assessing the amount recognised during the period in accordance with the vesting conditions of the agreements; and • Assessing the adequacy of the disclosures included in Note 16.1 to the financial statements.

HALL CHADWICK

Key Audit Matter	How our audit addressed the Key Audit Matter
Exploration and evaluation expenditure As disclosed in note 1.4, the Company incurred exploration expenditure of $3,353,901 during the period. Exploration expenditure is a key audit matter due to the significance to the statement of profit or loss and other comprehensive income.	Our audit procedures included but were not limited to: • Testing exploration expenditure for the period by evaluating a sample of recorded expenditure for consistency to underlying records (including acquisition agreements), the requirements of the Company's accounting policy and the requirements of *AASB 6 Exploration for and Evaluation of Mineral Resources*; and • Assessing the Company's rights to tenure by corroborating to government registries. • Assessing the adequacy of the disclosures included in Note 1.4 to the financial statements.

Other Information

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

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

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

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

HALL CHADWICK

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 17.1, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a

HALL CHADWICK

going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the period ended 30 June 2022. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of the Company, for the period ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated this 29th day of September 2022

Corporate governance statement

The Board is responsible for establishing the Company's corporate governance framework. In establishing its corporate governance framework, the Board has referred to the 4th edition of the ASX Corporate Governance Councils' *Corporate Governance Principles and Recommendations*.

The Corporate Governance Statement discloses the extent to which the Company follows the recommendations. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

The Company's governance-related documents can be found on its website at www.ozzresources.com.au/corporate-governance/

Additional information for listed public companies

The following additional information is required by the Australian Securities Exchange in respect of listed public companies.

1 Capital as at 26 September 2022

a. **Ordinary share capital**

50,956,323 ordinary fully paid shares held by 480 shareholders.

b. **Options over Unissued Shares**

Number of Options	Exercise Price $	Expiry Date	ASX Status
6,511,875	0.25	05 July 2023	Unlisted
4,025,000	0.25	05 July 2023	Unlisted
5,500,000	0.25	18 June 2023	Unlisted
2,800,000	0.25	18 June 2024	Unlisted
2,600,000	0.25	18 June 2025	Unlisted
17,945,851	0.25	25 October 2024	Listed
850,000	0.25	25 October 2024	Listed
1,750,000	0.25	18 March 2025	Unlisted
41,982,726			

c. **Performance shares over Unissued Shares**

Class of performance share	Performance Condition	Performance shares No.	Milestone Date	Expiry Date
OZZAH	A JORC compliant gold resource of greater than 50,000 ounces at a minimum grade of 0.5g/t gold is defined or when commercial mining commences within 5 years	500,000	10 January 2027	10 January 2027
		500,000		

d. **Voting Rights**

The voting rights attached to each class of equity security are as follows:

- **Ordinary shares**: Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.
- **Options**: Options do not entitle the holders to vote in respect of that equity instrument, nor participate in dividends, when declared, until such time as the options are exercised or performance shares convert and subsequently registered as ordinary shares.
- **Performance share**: A performance share:
  - Does not entitle a Holder to vote on resolutions proposed at a general meeting of shareholders of the Company.
  - Does not entitle a Holder to any dividends.
  - Does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up of the Company.
  - Is not transferable.

e. **Substantial Shareholders as at 26 September 2022**

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
Diane Kaye Finlay	5,500,000	10.79
Kazal Pty Ltd <The Mining Asset A/C>	4,600,000	9.03
Gold Geological Consulting Pty Ltd	3,861,105	7.58

Additional information for listed public companies

f. Distribution of Shareholders as at 26 September 2022

Category (size of holding)	Total Holders	Number Ordinary	% Held of Issued Ordinary Capital
1 – 1,000	17	1,803	0.00
1,001 – 5,000	64	235,969	0.46
5,001 – 10,000	83	655,427	1.29
10,001 – 100,000	242	9,807,949	19.25
100,001 – and over	74	40,255,175	79.00
	480	**50,956,323**	**100.00**

g. Unmarketable Parcels as at 26 September 2022.

There were 95 shareholders who held less than a marketable parcel of shares, holding 5,747 shares.

h. On-Market Buy-Back

There is no current on-market buy-back.

i. Restricted Securities

The Company has the following restricted securities:

- 16,080,750 Shares *Restricted to 24 months from the date of quotation (5 July 2023)*
- 17,722,375 Options *Restricted to 24 months from the date of quotation (5 July 2023)*

j. 20 Largest Shareholders — Ordinary Shares as at 26 September 2022

Rank	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	Diane Kaye Finlay	5,500,000	10.79
2.	Kazal Pty Ltd <The Mining Asset A/C>	4,600,000	9.03
3.	Gold Geological Consulting Pty Ltd	3,861,105	7.58
4.	Lesamourai Pty Ltd	1,500,000	2.94
5.	Gelignite Resources Pty Ltd	1,450,000	2.85
6.	Mr Ziheng Tang	1,365,139	2.68
7.	Cityscape Asset Pty Ltd <Cityscape Family A/C>	1,350,000	2.65
8.	Winthrop Nominees Pty Ltd <RDL Super Fund A/C>	1,150,000	2.26
9.	Diversified Asset Holdings Pty Ltd	1,150,000	2.26
10.	Mr Le Zhao	1,036,414	2.03
11.	Anglo Australian Resources NL	1,000,000	1.96
12.	Mr Alan Archibald Pellegrini	750,000	1.47
13.	Sunset Capital Management Pty Ltd <Sunset Superfund A/C>	659,016	1.29
14.	Mr Rodney Max Grillmeier	620,000	1.22
15.	Cautious Pty Ltd <The Reserve A/C>	575,000	1.13
16.	Jaek Holdings Pty Ltd <The Hannaford Family A/C>	575,000	1.13
17.	K-Drill Pty Ltd	569,448	1.12
18.	United Mines Pty Ltd	550,000	1.08
19.	Celtic Capital Pty Ltd <Income A/C>	525,000	1.03
20.	Exchange Capital Advisory Pty Ltd	500,000	0.98
	Total	**29,286,122**	**57.48**

Additional information for listed public companies

k. **20 Largest Option holders (OZZO)— Listed Option as at 26 September 2022.**

Rank	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	Kazal Pty Ltd <The Mining Asset A/C>	3,985,858	21.21
2.	Winthrop Nominees Pty Ltd <Rdl Super Fund A/C>	2,500,000	13.30
3.	Cig (Wa) Pty Ltd <The Clark Family A/C>	1,900,000	10.11
4.	Bowman Gate Pty Ltd <The Discovery A/C>	1,833,334	9.75
5.	Jaek Holdings Pty Ltd <Hannaford Family A/C>	1,238,333	6.59
6.	Cautious Pty Ltd <The Reserve A/C>	870,000	4.63
7.	Alan Kevin Lockett	500,000	2.66
8.	Dercole Nominees Pty Ltd <The Dercole Super A/C>	500,000	2.66
9.	Jonathan Lea + Julia Gleeson <The Gleason Family A/C>	383,334	2.04
10.	Benjormaddy Investments Pty Ltd	218,150	1.16
11.	Kmc Automation Pty Ltd	211,834	1.13
12.	Lisa Wang	191,667	1.02
13.	Jonathan Lea + Julia Gleeson <Alice Jackson Super Fund A/C>	191,667	1.02
14.	Australian Trade Access Pty Ltd <Ata Superannuation Fund A/C>	175,000	0.93
15.	Traditional Securities Group Pty Ltd <Lpr Family A/C>	143,750	0.76
16.	Mr Karl Schroeder	134,167	0.71
17.	Kazal Pty Ltd <The Mining Asset A/C>	116,667	0.62
18.	Winthrop Nominees Pty Ltd <Rdl Super Fund A/C>	105,000	0.56
19.	Cig (Wa) Pty Ltd <The Clark Family A/C>	100,000	0.53
20.	Bowman Gate Pty Ltd <The Discovery A/C>	100,000	0.53
	TOTAL	**15,398,761**	**81.92**
	TOTAL LISTED OPTIONS (OZZO)	**18,795,851**	**100.00**

l. **Unquoted Securities Holders Holding More than 20% of the Class as at 26 September 2022**

- *Unlisted Options (Exercise price $0.05, Expiry date: 25.06.23)*

Name	Number of Unquoted Securities	% Held of Unquoted Security Class
Kazal Pty Ltd <The Mining Asset A/C>	4,600,000	100.00
TOTAL	**4,600,000**	**100.00**
TOTAL UNLISTED OPTIONS (EXERCISE PRICE $0.25, EXPIRY DATE: 25.06.23)	**4,600,000**	

- *Unlisted Options (Exercise price $0.25, Expiry date: 18.06.25)*

Name	Number of Unquoted Securities	% Held of Unquoted Security Class
Gelignite Resources Pty Ltd	1,450,000	55.77
Diversified Asset Holdings Pty Ltd	1,150,000	44.23
TOTAL	**2,600,000**	**100.00**
TOTAL UNLISTED OPTIONS (EXERCISE PRICE $0.25, EXPIRY DATE: 18.06.25	**2,600,000**	

Additional information for listed public companies

- *Unlisted Options (Exercise price $0.25, Expiry date: 5.07.24)*

Name	Number of Unquoted Securities	% Held of Unquoted Security Class
Furinkazan Capital Pty Ltd	1,400,000	50.00
Celtic Capital Pty Ltd <Income A/C>	687,764	24.56
TOTAL	**2,087,764**	**74.56**
TOTAL UNLISTED OPTIONS (EXERCISE PRICE $0.25, EXPIRY DATE: 5.07.24)	**2,800,000**	

- *Unlisted Options (Exercise price $0.25, Expiry date: 18.06.23)*

Name	Number of Unquoted Securities	% Held of Unquoted Security Class
Jonathan Lea	3,500,000	63.64
Brian McNab	2,000,000	36.36
TOTAL	**5,500,000**	**100.00**
TOTAL UNLISTED OPTIONS (EXERCISE PRICE $0.25, EXPIRY DATE: 18.06.23)	**5,500,000**	

- *Performance Shares*

Name	Number of Unquoted Securities	% Held of Unquoted Security Class
Anglo Australian Resources NL	500,000	16.67
Total	**500,000**	**16.67**
Total Performance Shares	**3,000,000**	

2 The Company Secretary is Stuart Usher.

3 Principal registered office

As disclosed in the *Notes to the financial statements* on page 34 of this Annual Report.

4 Registers of securities

As disclosed in the *Corporate directory* on page i of this Annual Report.

5 Stock exchange listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited, as disclosed in the *Corporate directory* on page i of this Annual Report.

Tenement report
as at 30 June 2022

Tenement ID	Holder	Date Granted	Expiry Date	Project Area (Ha)	% Ownership
Maguires Reward					
P20/2318	Ozz Resources Limited	29/03/2018	28/03/2026	200	100%
Rabbit Bore					
E51/1671	Diversified Asset Holding Pty Ltd	7/04/2016	6/04/2026	2390	100%
Wardarbie South					
P51/3025	Gelignite Resources Pty Ltd	3/07/2019	2/07/2023	200	100%
P51/3026	Gelignite Resources Pty Ltd	3/07/2019	2/07/2023	200	100%
P51/3027	Gelignite Resources Pty Ltd	3/07/2019	2/07/2023	200	100%
Mt Davis					
P37/8633	Tanvanth Singh Sandhu 20% OZZ 80%	15/08/2016	14/08/2024	189	80%
P37/8634	Tanvanth Singh Sandhu	15/08/2016	14/08/2024	195	100%
P37/8635	Tanvanth Singh Sandhu	15/08/2016	14/08/2024	200	100%
P37/8636	Tanvanth Singh Sandhu	15/08/2016	14/08/2024	181	100%
P37/8637	Tanvanth Singh Sandhu	15/08/2016	14/08/2024	200	100%
P37/8638	Tanvanth Singh Sandhu	15/08/2016	14/08/2024	90	100%
P37/9349	Tanvanth Singh Sandhu	8/04/2021	7/04/2025	181	100%
P37/9552	Ozz Resources Limited	18/03/2022	17/03/2026	169	100%
P37/9553	Ozz Resources Limited	18/03/2022	17/03/2026	180	100%
Peterwangy					
E70/5114	Provident Mining Pty Ltd	14/12/2018	13/12/2023	2390	100%
E70/5691	Ozz Resources Limited	24/02/2021	23/02/2026	2050	100%
Pinnacle Well					
E37/1246	PELLEGRINI, Alan Archibald	5/07/2016	4/07/2026	9,562	100%
E37/1287	Astral Resources NL	6/04/2017	5/04/2022	2,731	100%
E37/1355	Astral Resources NL	8/02/2019	7/02/2024	4,439	100%
E37/1234	United Mines Pty Ltd	13/01/2016	12/01/2026	341	100%
E37/1235	United Mines Pty Ltd	13/01/2016	12/01/2026	341	100%
P37/8523	United Mines Pty Ltd	5/11/2015	4/11/2023	149	100%
P37/9139	United Mines Pty Ltd	31/10/2018	30/10/2022	19	100%
Vickers Well					
E38/3732	Ozz Resources Ltd	*On application*		9,219	100%
E38/3733	Ozz Resources Ltd	*On application*		19,120	100%

OZZ RESOURCES
LIMITED

www.ozzresources.com.au