ABN 68 650 116 153

ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2022

VERTEX MINERALS LIMITED

ABN 68 650 116 153

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VERTEX MINERALS LIMITED

ABN 68 650 116 153

Corporate Directory

Directors
Roger Jackson
Executive Chairman

Tully Richards
Technical Director

Declan Franzmann
Non-Executive Director

Company Secretary
Alex Neuling

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Peppermint Grove WA 6011

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Email: info@vertexminerals.com.au
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Auditors
William Buck
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181 William Street
Melbourne WA 3000

Bankers
National Australia Bank

Securities Exchange Listing
Australian Securities Exchange

Home Exchange: Perth, Western Australia
Code: VTX

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

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Chairman's Report

It's my pleasure to present the 2022 Annual report for Vertex Minerals Limited ('Vertex', 'Company'), our first as a publicly listed company.

FY22 has been a very busy year, and one of significant progress which laid the foundations for Vertex's IPO and listing on the Australian Securities Exchange (ASX) on 17 January 2022. With the successful completion of its $5.5m IPO, Vertex remains very well positioned to execute its exploration and development strategy across the core project portfolio, led by its flagship Hill End gold project in NSW along with a prospective suite of WA-based Nickel, Iron and Gold tenements.

I am proud to say the Company has a very robust Board, including directors Declan Franzmann and Tully Richards who are widely experienced practitioners in gold exploration, development and mining, with a particular expertise in the ground we have under tenure.

The Directors are of the view Hill End is a large high-grade gold system that can be looked at as a larger system and mined by either surface and or underground means. In addition, the symmetries of the lodes are likely to be amenable to larger 'stoping' techniques which gives Vertex an efficient and effective means of mining the high grade repetitive gold orebodies. The Directors have in place a robust, resource-defining drill program to increase the gold inventory, together with a forward plan for mining and processing the large gravity recoverable gold corridor at Hill End given Vertex now has +30kms of strike under tenure.

As we look ahead to FY23, Vertex occupies a unique growth space in the ASX gold sector as an aspiring producer with a significant, long-life development asset at Hill End. Operationally, the diamond rig will continue drilling at Red Hill following the receipt in June of a drilling permit by the NSW Department of Mines, before moving onto Mares Nest. We will also be resourcing Red Hill and Reward and taking Red Hill and Hargraves to a Mining Lease status. Given Vertex already has a permitted gravity plant and tails dam, the company is working diligently towards production by systematically building up its gravity-recoverable gold inventory.

Over the coming year, we also expect to make important progress towards exploring and developing our WA project suite – comprising the Taylors Rock nickel/iron/gold project and the Pride of Elvire gold/iron project – with knowledge that these tenements are sitting within some of the most prospective Nickel and Lithium rocks in Australia.

Further to the operational priority Vertex gives to its Safety Management Systems, the Company is also pleased to announce it has adopted an Environmental, Social and Governance (ESG) framework with 21 core metrics and disclosures created by the World Economic Forum (WEF). Our team is working on an impact measurement plan for each sustainability area which includes, but is not limited to, governance, anti-corruption practices, ethical behaviour, human rights, carbon emissions, land use, ecological sensitivity, water consumption, diversity and inclusion, pay equality and tax payments. To ensure that Vertex

Chairman's Report

can measure, monitor, and report on its ESG progress, the Company has engaged impact monitoring technology platform Socialsuite to streamline the outcomes measurement and ongoing ESG reporting process.

I would like to take this opportunity to thank our hard-working management team, Board of Directors and our geological and administrative staff. Thanks also to our loyal shareholders for their ongoing support, and I look forward to providing more exciting updates as the 2023 financial year progresses.

Roger Jackson

Executive Chairman

Directors' Report

The Directors of Vertex Minerals Ltd (the Company) submit herewith the annual report of the Company for the financial year ended 30 June 2022. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names and particulars of the Directors of the Company during or since the end of the financial year are:

Roger Jackson - *Executive Chairman (appointed 1 June 2021)*

Mr Roger Jackson has been actively involved in the mining industry for over 30 years as a mine operator, services contractor and explorer. He is a qualified geologist with a strong knowledge of gold exploration and mining.

Mr Jackson was a founding director of privately owned Central Gold Mines and Bracken Resources, which refurbished and re-started the Georgetown and Hillgrove gold plants. He was also the founding director of Hellyer Gold Mines and driver behind the recommissioning of the Hellyer polymetallic concentrator. He is a long-standing Member of the Australian Institute of Company Directors, Member of the Australian institute of Geoscientists, Fellow of the Geological Society of London and Fellow of the Australasian Institute of Mining and Metallurgists.

Mr Jackson is currently a director of Ark Mines Limited (ASX:AHK) since 2010, QX Resources (ASX:QXR) since 2020. Mr Jackson was previously a director of Pan Asia Metals (ASX:PAM) from October 2020 to June 2022 and a director of NQ Minerals PLC from 2016 to May 2021.

At the date of this report, Mr Jackson holds an interest in 422,000 ordinary shares and 1,500,000 performance rights.

Tully Richards - *Technical Director (appointed 1 June 2021)*

Mr Richards is an experienced copper / gold geologist based in Orange, NSW. For the last 10 years, Tully has operated his own geological consulting business (Central West Scientific Pty Ltd) focused on NSW and in particular the Lachlan Fold belt. Tully has a wonderful depth and breadth of experience in exploration in the Lachlan Fold district. A graduate in geology from Sydney University in 1993, initially he worked with Hargraves Resources on the Browns Creek mine and associated tenements, followed by four years in Western Australia from 1996-99 mining nickel and gold with Western Mining Corp. then Lion Ore.

Directors' Report (continued)

Mr Richards then worked for Newcrest Mining at Cadia Valley until 2005 before working for two years with Rangott Mineral Exploration to 2007. Since that time, Tully has also held the Exploration Manager position with Gold and Copper Resources.

At the date of this report, Mr Richards holds an interest in 1,500,000 performance rights.

Declan Franzmann -*Non-Executive Director (appointed 1 June 2021)*

Mr Franzmann is a mining engineer with over 29 years of experience ranging from exploration programs, feasibility and other technical studies, mine construction and mine management through to mine closure. His experience includes open pit and underground metalliferous mining across Australia, Asia, Africa and South America.

Most recently, Declan was VP of Operations for Black Mountain Metals Pty Ltd. He has also held positions as President, Chief Executive Officer & Director at African Gold Group, Inc, listed on the TSX (May 2014-June 2017), and has been a director of Lachlan Star Ltd (ASX:LSA) from 2007 to 2018. Declan is a Fellow of the AusIMM and holds statutory mine management qualifications for Western Australia, Queensland and New South Wales

At the date of this report, Mr Franzmann holds an interest in 150,000 ordinary shares and 1,500,000 performance rights.

Oonagh Jane Malone -*Non-Executive Director (1 June 2021- 12 January 2022)*

Oonagh Malone is a principal of a corporate advisory firm which provides company secretarial and administrative services. As well as a number of previous ASX non-executive directorships, she has over 10 years' experience in administrative and company secretarial roles for listed companies.

Company Secretary

Alex Neuling *(appointed 1 June 2021)*

Mr Neuling is a Chartered Accountant and chartered company secretary with over 20 years corporate and financial experience, including 10 years as company secretary, CFO &/or a Director of various ASX listed companies in the Oil & Gas, Mineral Exploration, Biotech Mining Services sectors. Prior to these roles, Mr Neuling worked at Deloitte in London and in Perth.

Mr Neuling is currently a non-executive director of PetroNor E&P Limited (listed on Oslo Axess:PNOR) (from April 2020).

Directors' Report (continued)

As at the date of this report Mr Neuling has an interest in 300,000 fully paid ordinary shares and 1,250,000 options.

Principal activities

The principal activity of the Company during financial year was mineral exploration in New South Wales and Western Australia.

Dividends

The Directors resolved that no dividend be paid for the year.

Significant changes in the state of affairs

There have been no changes in the state of the affairs of the Company during the financial year.

Subsequent events

On 1 July 2022, the Company announced that it had commenced drilling at the Red Hill Gold Project at Hill End NSW.

On 13 July 2022, the Company announced that it had successfully renewed Exploration Licence 6996 at the Hargraves Project, NSW for a further 2 year period.

On 9 August 2022, the Company announced the further successful renewal of Exploration Licence 5868 at the Hill End Project, NSW for a further 2 year period.

On 25 August 2022, the Company announced that drilling had recommenced at the Red Hill Gold Project with diamond drilling now being undertaken.

On 21 September 2022, the Company announced that visible gold and sheeted veining had been intersected following the diamond drilling at Hill End.

Other than as noted above, no matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Directors' Report (continued)

Future developments

Disclosure of information regarding likely developments in the Company's operations in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

Environmental Regulations

The operations of the Company are subject to State and Federal laws and regulations concerning the environment. The Board of Directors (**Board**) monitors performance and compliance with respect to the Company's environmental obligations. No significant or material environmental breaches have been notified by any government agency during the year ended 30 June 2022.

Shares under option or issued on exercise of options

At the date of this report, the Company has the following interests under option:

Expiry date	Exercise price	Number of options
25 January 2025	$0.30	4,000,000

No ordinary shares have been issued upon the exercise of options during or since the end of the financial year.

Indemnification of Officers and Auditors

The Company has indemnified, to the extent permitted by law, the Directors and officers of the Company against any liability incurred by a Director or officer in or arising out of the conduct of the business of the Company or in or arising out of the discharge of that officer's duties. No amount was paid pursuant to these indemnities during the financial year, nor to the date of this report.

Directors' Report (continued)

Directors' Meetings

The number of meetings of the Company's Board and of each Board committee held during the year ended 30 June 2022, and the number of meeting attended by each director were:

	Board of Directors	
Directors	**Eligible to attend**	**Attended**
Roger Jackson	2	2
Tully Richards	2	2
Declan Franzmann	2	2
Oonagh Malone	-	-

Audit and Non-audit Services

The Board is responsible for the maintenance of audit independence. Specifically, the Risk Charter ensures the independence of the auditor is maintained by:

- limiting the scope and nature of non-audit services that may be provided; and
- requiring that permitted non-audit services must be pre-approved by the Chairman of the Board.

During the year William Buck, the Company's auditor, has performed certain other services in addition to the audit and review of the financial statements. The Board has considered the non-audit services provided during the year by the auditor and in accordance with the advice provided by the Board, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) as they did not involve reviewing or auditing the auditors 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.

Details of amounts paid or payable to the auditor during the year are outlined in note 18 to the financial statements.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 45 of the financial statements.

Directors' Report (continued)

Review of operations

STRATEGIC FOCUS

- Clear Strategy set for Hill End
    1. To explore and resource the high-grade, large scale gold system/s within the Hill End Corridor
    2. To take the existing resources and near surface mineralisation to production utilising gravity gold recovery methods
- Capitalise on the highly prospective Taylors Rock and Pride Elvire – battery metals
- Earn a robust Safety , Environmental, Social and Governance (ESG) reputation.

HIGHLIGHTS

- The company developed a clear strategy to build gold ounces and move to gold production
- Commenced drilling Red Hill
- Pulled together a first-class gold exploration team
- Renewed the following Exploration Leases
    1. EL 5868 Hill End
    2. EL 6996 Hargraves
- Acquired the Following Exploration Leases
    1. EL 9247 (contiguous with Hill End) Randwick
- Granted the Following Exploration Leases
    1. EL 8289 Chambers Creek
    2. EL 9413 Sawpit Gully
- Applied for an Exploration Lease over ML's recently cancelled by the Resource Regulator; MLs 309 and ML 310 which were entirely inside EL6996
- 34km of strike along the highly prospective Hill End Anticline (refer to fig 2)
- Granted permission to drill at Red Hill
- Granted permission to drill Mares Nest
- Drilling is ongoing at Red Hill and will move to Mares Nest in coming weeks
- Commenced disclosing Environmental, Social, and Governance (ESG) metrics
- Disclosures are made using the World Economic Forum Stakeholder Capitalism ESG framework
- Engagement of Socialsuite technology platform ESG Go for disclosing and monitoring progress

Directors' Report (continued)

- Refurbished the Gold Plant (less than $50k cost), now on a scheduled care and maintenance program
- Undertook restoration works to historic structures of heritage value including the Flying Fox cable frame

OPERATIONS

Vertex projects

- **Hill End**: *Au* - comprising of 5 granted exploration tenements, one gold lease and ten mining leases
- **Hargraves**: *Au* - comprising a granted exploration tenement
- **Taylors Rock**: *Au Fe Ni* - comprising of one granted exploration tenement, and
- **Pride of Elvire**: *Au Fe* - comprising one granted tenement

NSW Tenements

Table 1 Hill End Tenements

Tenement	Project	Registered Holder/ Applicant	Application/ Grant Date	Expiry Date	Status	Area
EL 5868	Hill End	Vertex Minerals Limited	18/06/2001	18/06/2024	Current	16 Units
EL 6996	Hargraves	Vertex Minerals Limited	21/12/2007	21/12/2023	Current	6 Units
EL 8289	Chambers Creek	Peak Minerals Limited	20/08/2014	20/08/2023	Current	1 Unit
EL 9247	Randwick	Vertex Minerals Limited	05/08/2021	05/08/2027	Current	2 Units
EL 9413	Sawpit Gully	Vertex Minerals Limited	31/05/2022	31/05/2028	Current	1 Unit
EL 9434	Hill End South	Vertex Minerals Limited	12/07/2022	13/07/2028	Current	30 Units
ELA 6528	**TBC**	Vertex Minerals Limited	25/08/2022	-	Application Pending	1 Unit
GL 5846	Switchback	Vertex Minerals Limited	15/02/1968	07/12/2024	Current	2.044 ha
ML 49	Consolidated West	Vertex Minerals Limited	30/07/1975	07/12/2024	Current	1.618 ha
ML 50	West Nuggetty Gully	Vertex Minerals Limited	30/07/1975	07/12/2024	Current	3.02 ha
ML 315	South Star	Vertex Minerals Limited	08/12/1976	07/12/2024	Current	6.671 ha
ML 316	South Star	Vertex Minerals Limited	08/12/1976	07/12/2024	Current	8.846 ha

Directors' Report (continued)

Tenement	Project	Registered Holder/ Applicant	Application/ Grant Date	Expiry Date	Status	Area
ML 317	South Star	Vertex Minerals Limited	08/12/1976	07/12/2024	Current	7 ha
ML 913	Consolidated - Amalgamated	Vertex Minerals Limited	20/01/1981	19/01/2023	Renewal Pending	22 ha
ML 914		Vertex Minerals Limited	20/01/1981	19/01/2023	Renewal Pending	21.69 ha
ML 915	Goldconda	Vertex Minerals Limited	04/02/1981	03/02/2023	Renewal Pending	13.27 ha
ML 1116	Fosters	Vertex Minerals Limited	28/03/1984	16/10/2024	Current	15.71 ha

WA Tenements

Table 2 WA Tenements

Tenement	Project	Registered Holder/ Applicant	Application/ Grant Date	Expiry Date	Status	Area
E63/2058	Taylors Rock	Vertex Minerals Limited	22/04/2021	21/04/2026	Current	19 Units
E77/2651	Pride of Elvire	Vertex Minerals Limited	12/02/2021	12/02/2026	Current	17 Units

"Vertex Minerals has a clear focus on increasing resources for the combined Hargraves and Hill End projects by growing the resource base to over one million ounces and to commence gold production with significant scale and profitability."

Figure 1 Diamond rig collared on a hole on the Red Hill Gold resource

Directors' Report (continued)

Hill End Project

The Hill End Project is the flagship project of Vertex, located approximately 50km north of Bathurst in central New South Wales (NSW). The Hill End Project comprises five granted exploration licences (EL 5868, 8289, 9247, 9413 and 9247), one gold lease (GL 5846) and ten mining leases (ML 49, 50, 315, 316, 317, 913, 914, 915, 1116 and 1541), (together the "Hill End Tenement") which cover a total area of ~51.408ha in the highly prospective Eastern Lachlan Fold Belt in New South Wales (NSW).

Between 1870 and 1872 Hawkins Hill yielded very rich deposits at depths of 40-50m. The deepest workings on Hawkins Hill went down to about 240m. The Beyers and Holtermann nugget, the largest single piece of reef gold ever discovered in the world, was found in the Star of Hope mine on Hawkins Hill on 19 October 1872. It weighed about 286kg and was worth at least £12 000 at the time. Production from Hawkins Hill declined during 1873 and no new ore bodies of comparable size or quality have been found since then. During the boom years of 1871-1874, about 8 000 people lived at Hill End and Tambaroora. The total recorded production for the district is over 50 tonnes (1.8m ozs) of gold, 12.4 tonnes from Hawkins Hill alone. Hawkins Hill yielded 435,000ozs at a grade of 309 g/t. After 1874, mines closed down and prospectors moved to other fields, leaving only isolated mining of old reef workings and alluvial diggings.

Directors' Report (continued)

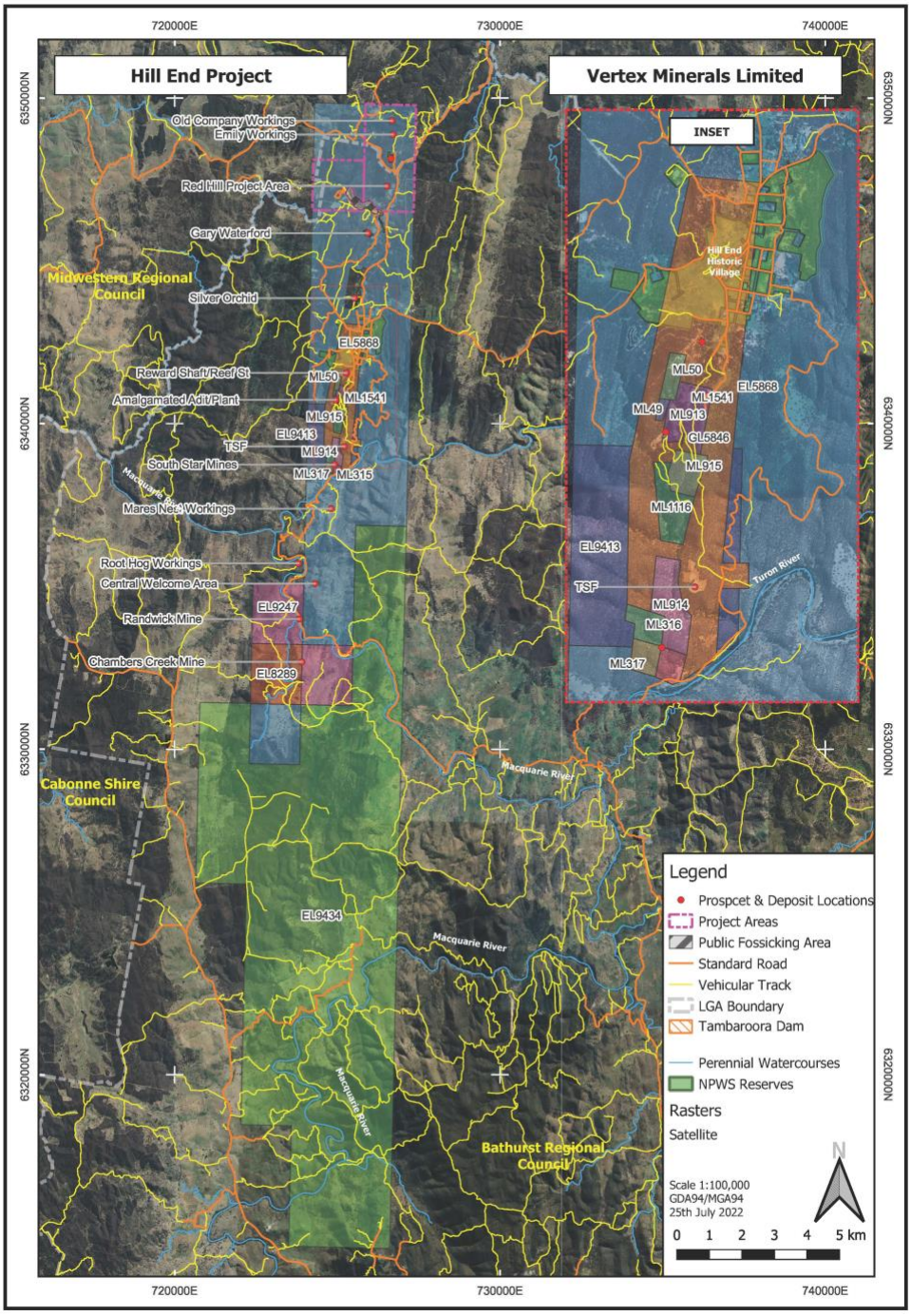

Figure 2 Contiguous Hill End tenements in the Vertex group along the Hill End Anticline. Vertex now holding 34km of the Hill End Anticline

Directors' Report (continued)

The Hill End Project is hosted within the mid-Silurian to mid-Devonian Hill End Trough of the Palaeozoic Lachlan fold belt. The Projects occur within the Hill End Trough, a north-trending elongated pull-apart basin containing sedimentary and volcanic rocks of the Silurian and Devonian ages.

The historically productive areas of high-grade gold mineralisation along the Hill End Anticline from Red Hill–Valentine south to Chambers Creek are almost exclusively located within a narrow "mineralised corridor" on the Hill End Anticline.

The Hill End Fault and associated second-order folds along the axial crest of the regional Hill End Anticlinorium and the high-grade gold mineralisation of the Hill End-Tambaroora goldfield are interpreted as Carboniferous age and associated with the Kanimblan orogenic period. These structures contain high-grade gold in quartz veins that extends north and south of Hill End's various mining leases on the Hill End tenements.

Mineral resources have been estimated for the Red Hill deposit within the tenement. An exploration target has been evaluated for the Rewards deposit based on the pre-2012 historical mineral resource. The property remains relatively underexplored with limited modern exploration. Various drill targets have been identified that could add to the resource inventory of the tenement. Diamond drilling is underway at Red Hill. The program is expected to undertake 1500m of coring to a maximum down hole depth of 120m.

Directors' Report (continued)

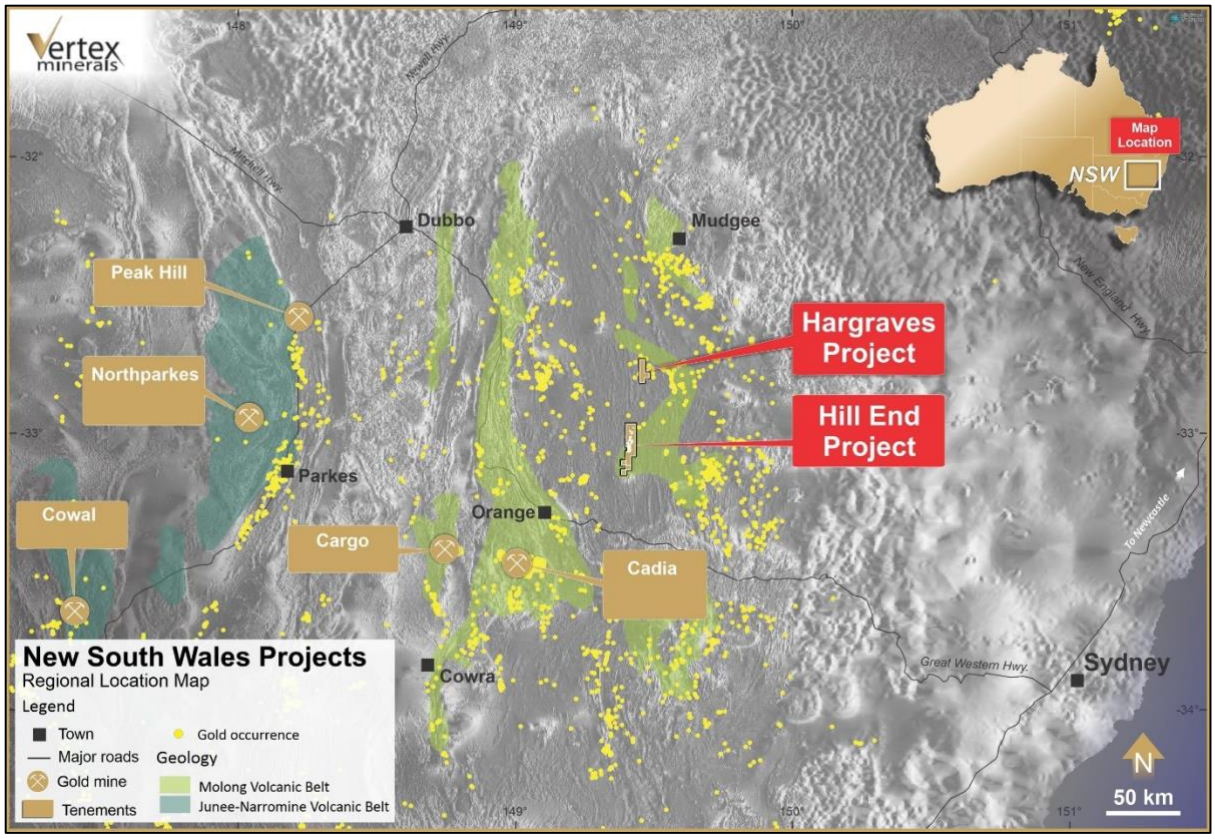

Figure 3 Hill End Tenements in perspective with other Lachlan Fold Belt Mines

Red Hill

The Red Hill deposit forms part of the Hill End Project and is located 30km to the south of Hargraves along a sealed road. Red Hill contains continuous mineralisation distribution and simple processing characteristics as the other Hargraves and Hill End deposits.

Red Hill Deposit – Mineral Resource

The most recent JORC 2012 Mineral Resource Estimates on the Red Hill Deposit was developed internally by Hill End Gold Ltd. (Munroe and Bruce, 2015 and PUA ASX release 30 November 2015).

The Red Hill system lies within a mineralised corridor on the east limb of the Hill End Anticline. The mineralised corridor generally parallels the axis of the Hill End Anticline, which strikes 020° and plunges gently to the north with a relatively broad, regular axial crest.

Directors' Report (continued)

A series of bedding-parallel NNW-striking, moderately east dipping gold mineralised shoots on the east limb of the Hill End Anticline are a single linked system of bedding-parallel quartz veins that carry shoots of high-grade Au mineralisation where they intersect a zone of low displacement faults that strike NNE and dip steeply east. Bedding dips relatively steeply (65°-90° east) within the mineralised zone at Red Hill, which is steeper than is expected for the local fold geometry (dip 45°-60° east).

At the local scale, individual bedding-parallel veins strike north (000°) and step north - east. Major veins are often 0.1-0.4m thick and 30-100m in strike. At a larger scale, mineralised shoots are organised as en-echelon segments of vein sets about 500m in strike that trend 010° and step north - east.

A 30g/t cut-off was employed to limit the impact of outlier grades. The cut was derived statistically from investigation of composited grade population statistics and sensitivity testing of different cut-offs. No bottom-cut was required as it would have interfered with dilution of grade within the model. Zero grades were applied where sampling was absent, due to selective procedures.

Red Hill Mineral Resource

Table 3 Mineral Resource for Red Hill Deposit (reported 30 November 2015)

Category (0.5 g/t Cut Off)	Oxidation	Tonnes	Gold Grade (g/t)	Contained Gold (oz)
Indicated	*Oxide*	*228,000*	*1.3*	*9,300*
	Transition	*77,000*	*1.3*	*3,300*
	Fresh	*107,000*	*1.8*	*6,000*
Total Indicated		**413,000**	**1.4**	**18,600**
Inferred	*Oxide*	*180,000*	*1.6*	*9,200*
	Transition	*212,000*	*1.7*	*11,400*
	Fresh	*671,000*	*1.9*	*40,700*
Total Inferred		**1,063,000**	**1.8**	**61,400**
Total Resource		**1,475,000**	**1.7**	**80,000**

Source: Hill End Gold ASX Announcement 30 November 2015

Directors' Report (continued)

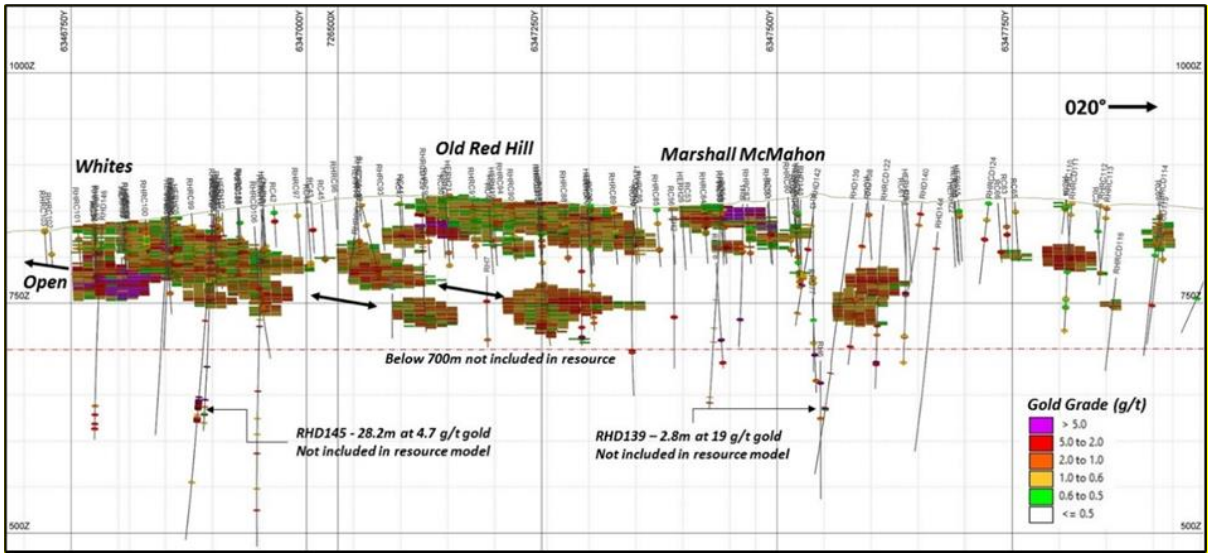

Figure 4 Red Hill Long section

Source: PUA ASX Announcement 30 November 2015

RED Hill Mining and Metallurgical Methods and Parameters

Vertex plan to mine the upper part of the resource by way of open pit mining. Establishment of open pit workings is also likely to augment access to the deeper resource amenable to underground mining methods. It is assumed that a mineralized zone equivalent to the block size is recoverable in both an open pit and underground mining scenario although no mine plan has been finalized at this stage.

The Mineral Resource has been reported at a cut-off of 0.5 ppm Au. This value reflects the anticipated open pit mining method and mineralisation continuity.

In 2004, 4 samples of RC drill cuttings were tested for gold recovery by gravity and cyanide leach at a nominal grind size of 150 µm. 2 of the 4 samples were of oxide material, 1 was of transitional material and the other of fresh material to emulate the rock types and weathering profile of an expected open pit operation. Gold recovery by Knelson gravity concentration and amalgamation ranged from 65-89% and is independent of rock oxidation state. Tails leach recoveries range from 9-32% with low cyanide consumption resulting in overall gold recoveries of 97-99%. As a result of the metallurgical test work, it is assumed that high recovery of gold is possible by gravity methods. Vertex is undertaking gravity metallurgical work to optimise the gravity recovery.

Directors' Report (continued)

Figure 5 Hill End gold is highly amenable to gravity recovery

Mares Nest
The Mares Nest prospect is a 4km zone of gold workings of up to 150m width, which is located about 5km to the south of Hill End. Initial surveys have identified a 1.2km long zone that is targeted for drilling. The Mares Nest area has excellent attributes for open pit mining and is located in amenable topography for a stand-alone project.

Prince Alfred Hill
Prince Alfred Hill has recently been reviewed and field accessed by the directors. The area has significant surficial quartz reefs both easterly dipping reefs as well as saddle reefs. It will be costeaned and drilled as it has a high potential of being amenable to open cut mining given it sits on a Mining Lease and looks to have reef material at surface over some 300m strike.

Hawkins Hill Reward – Exploration Potential
"Hawkins Hill yielded 435,000ozs at a grade of 309 g/t. over strike of less than 500m."

The resource geological model was developed during 2010 for the Reward deposit based on the data gained from the drilling, underground development and mining of portions of the Hawkins Hill – Reward deposit over a strike length of 500m.

A mineral resource estimate (JORC 2004) was prepared and reported during October 2010 for the Hawkins Hill/Reward Deposit beneath the old workings and identified stacked vein system which remains open along strike and at depth. Vertex is rerunning the resource estimation with the report due out in October 2022.

Directors' Report (continued)

Reward Prospect – Representative Cross Section

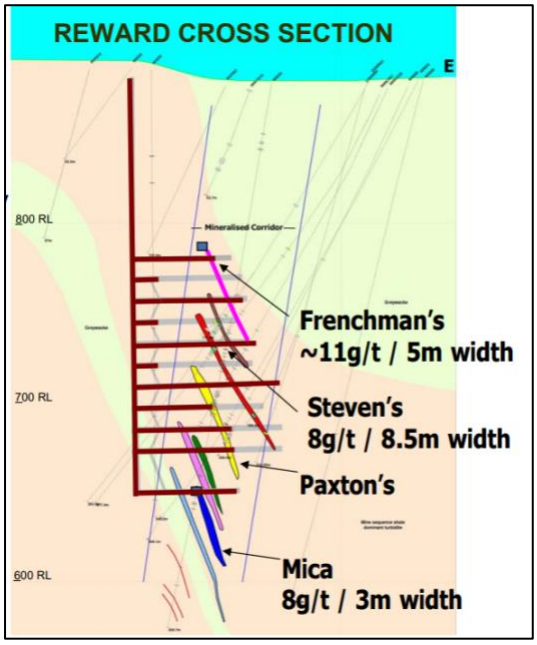

Figure 6 Reward Prospect - Cross section

Infrastructure

Significant capital has been spent on project development and facilities in the area. Access road improvements were completed and surface infrastructure facilities for the Reward Gold Mine were installed during November 2003. There is gravity plant, utility shaft into reward, two core yards, offices and a lay down yard at Hill End.

Underground re-development and fresh development totalling 1052m was completed until June 2010 when underground operations were suspended to establish further funding and to extend resources by additional exploration from surface drilling.

A pilot scale (35 kt/a) processing plant was designed and constructed in 2008 (which was upgraded to a continuous plant in 2009 with more throughput) at the Hill End Project on the western side of Hawkins Hill and adjacent to the amalgamated level adit in the Hawkins Hill – Reward deposit. Plant includes jaw crusher, spiral and Knelson concentrators. There are other plant components being stored in the lay down yard. These were planned to be added to the existing plant.

Directors' Report (continued)

Hill End Project – Small Scale Gravity Concentrator Plant

Figure 7 Hill End Gravity Plant

Figure 8 Gold being poured at the Hill End Gold room

Directors' Report (continued)

Hargraves Project

The Hargraves Project is located approximately 35 km north of the Hill End Project and is approximately 20 km southwest of Mudgee and approximately 250 km from Sydney. The Hargraves Project comprises a granted exploration licence (EL 6996) (the "Hargrave Tenement") which covers a total area of ~18km^2 in the highly prospective Eastern Lachlan Fold Belt in NSW. Two small, independently owned mining claims are located within EL6996 tenement - MCL309 and MCL310. These claims intersect the project area and form a region referred to as the 'Joalbar Gap'. MCL309 extends to 30 m depth, and MCL310 is deeper, reaching 150 m. The MLs have been cancelled and Vertex has applied for an exploration license across them. If the application is successful, it is anticipated that this will have a positive effect on the Mineral Resource estimation of the Hargraves project, as it will now be contiguous.

The Hargraves Project located in the highly prospective Eastern Lachlan Fold Belt is prospective for slate-belt style orogenic gold deposits associated with quartz reefs, which are often centred on the hinge zones of mineralised anticlines, including the Big Nugget Hill (BNH) anticline and the Tuckers Hill anticline. The BNH and other mineralised folds at the Hargraves Project are the northern continuation of the Hill End Anticline with thin interbedded sandstone units of the Cunningham Formation and are exposed along the anticline axis at Hargraves.

The BNH anticline has been drilled over a strike length of 1,500m and to a maximum depth of 400m below the surface. The extent of drilling and mineralisation only limits the current mineral resource at South and Central Zones of BNH and is open to the along strike to the north and south and at depth. Initial resource drill holes on the BNH anticline were drilled across the structure to locate the axis, then the majority of drilling was done down and relatively close to the axially centred mineralisation controls in order to intersect the numerous bedded quartz vein 'saddle' reefs down the system.

The intensive gold mineralisation also occurs proximal to feeder fault zones in the limbs of the BNH anticline and other folds (similar to Hawkins Hill-Reward at Hill End), such as along the Meroo Trend. Limited regional exploration in the Hargraves area has been undertaken along the Meroo Trend, a 6km long zone that is parallel to the BNH structure and located approximately 1km to the east. Four centres of old workings have been located along the Meroo Trend: Eldorado, Hampden Hill, Homeward Bound and Great Western workings. There are also many parallel mineralised structures adjacent to the BNH Anticline and in the area that are yet to be explored with modern techniques.

Directors' Report (continued)

Hargraves Project Tenement EL6996

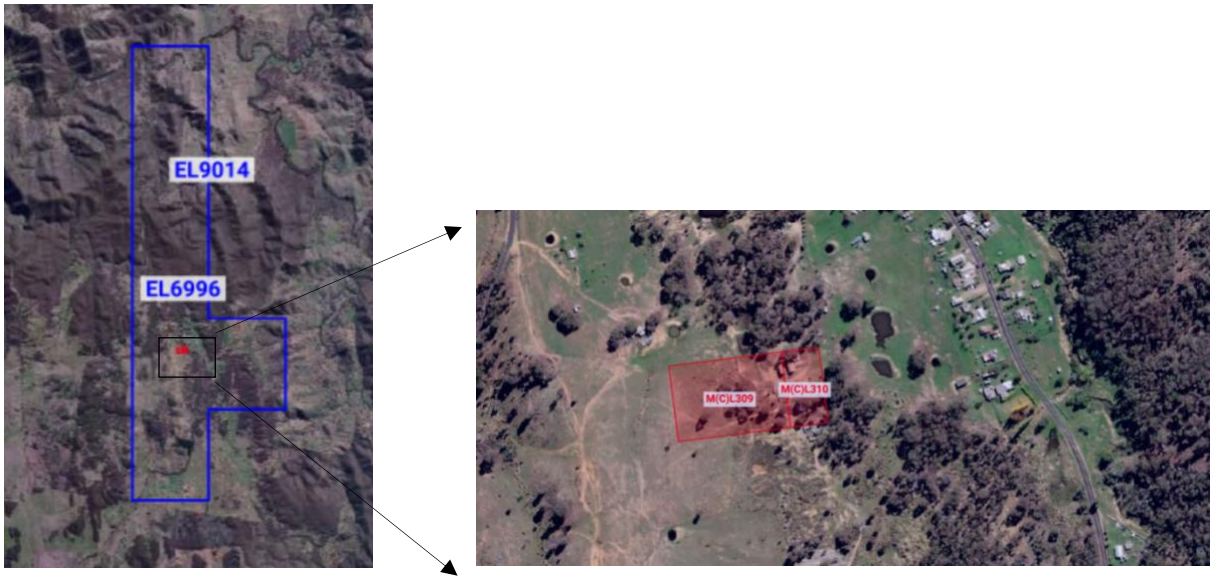

Figure 9 The Mining Licences in red have been cancelled which has offered the opportunity for Vertex to apply for this area and to pull together the Hargraves resource into a contiguous section.

Mineral Resource

The most recent JORC 2012 Mineral Resource Estimates on the Hargraves Project were conducted by SRK Consulting (Australia) Pty Ltd. (Willetts, 2020 and PUA ASX release 29 May 2020).

Gold mineralisation is hosted within quartz saddle reefs, cleavage-parallel veins and steeply west-dipping fault zones within the axial region of the locally dominant Big Nugget Hill anticline. Mineralisation association with quartz veining was confirmed; however, multiple phases of quartz occur and not all were mineralised.

Narrow, low-displacement faults, striking parallel to the axis of the anticline and westerly-dipping, are referred to as feeder structures and may represent former conduits for auriferous fluids. High gold grades are associated with the intersection of feeder structures with bedding parallel veins. Fault zones are up to 10 metres wide in fold hinge zones and may extend along strike for up to 100m.

Directors' Report (continued)

Mineral Resource for Big Nugget Deposit at Hargraves Project (29 May 2020)

Table 4 Hargraves Mineral Resource

Category (0.8 g/t Cut Off)	Tonnes	Gold Grade (g/t)	Contained Gold (oz)
Indicated	1,108,651	2.7	97,233
Inferred	1,210,335	2.1	80,419
Total Resource	**2,318,986**	**2.4**	**177,652**

Source: PUA ASX Announcement 29 May 2020

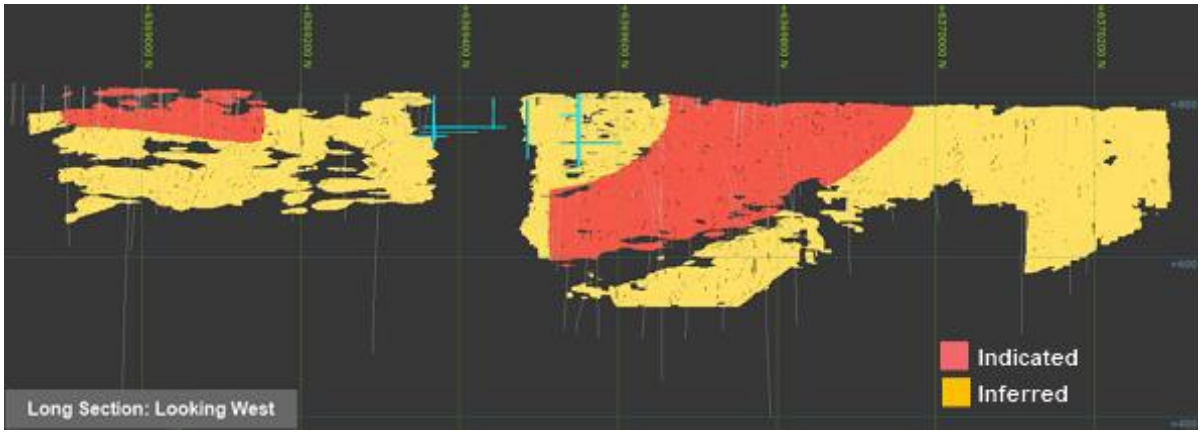

Figure 10 Hargraves Long section. Note the area previous owned by others now under application by Vertex

Mining and Metallurgical Methods and Parameters

Both open-cut and underground potential mining strategies have been proposed historically for Hargraves. SRK considers an underground mining strategy is more plausible, given the size of the Mineral Resource and environmental issues associated with the proximity of the potential mine site to the Hargraves historical village.

The Mineral Resource has been reported at a cut-off of 0.8 ppm Au. This value reflects the anticipated underground mining method and mineralisation continuity.

Bench-scale test work demonstrated gold is readily gravity-recoverable from Hargraves samples. Exceptionally high recoveries were achieved, indicating recoveries over 90% should be feasible in a simple, low-cost gravity recovery process plant.

There are no deleterious elements associated with Hargraves mineralisation. Visual estimates of the sulphide content of the Hargraves mineralisation range from 0-3% which would be expected to be recovered in gravity concentrates and not report to the waste dump or tails.

Directors' Report (continued)

Exploration Potential

The Hargraves Project is prospective for slate-belt style orogenic gold deposits associated with quartz reefs, which are often centred on the hinge zones of mineralised anticlines, including the BNH anticline and the Tuckers Hill anticline. The BNH and other mineralised folds at the Hargraves Project are the northern continuation of the Hill End Anticline with thin interbedded sandstone units of the Cunningham Formation exposed along the anticline axis at Hargraves.

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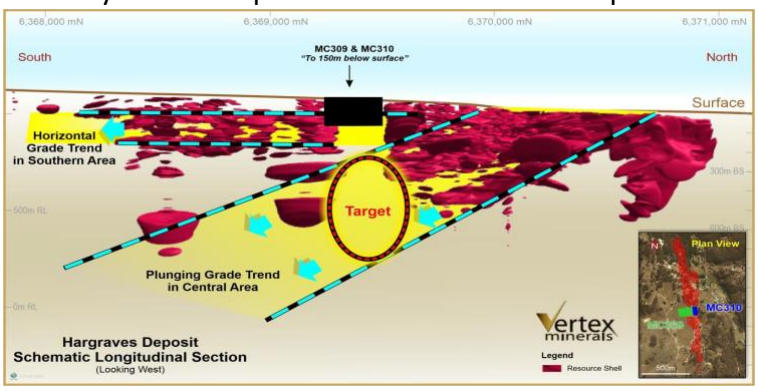


Figure 11 Hargrave targets

Vertex also plans to conduct a geotechnical and hydrological assessment along with feasibility studies for the Hargraves Project.

Directors' Report (continued)

Taylors Rock Project

The Taylor Rock Project is located 80km West-Southwest of Norseman in the Southern Goldfields region of Western Australia (WA). Maggie Hays Nickel Mine is located 50km NW of the Project.

The Taylor Rock tenement is located on the very poorly explored far south eastern margin of the Archaean Lake Johnston greenstone belt. The Taylor Rock area was targeted on the basis of a distinct magnetic high, present adjacent to the interpreted Koolyanobbing Shear Zone on the eastern limb of the Mt Gordon Anticline.

Mapping and rock chip sampling confirmed the presence of chert/BIF and silica cap-rock developed over an ultramafic substrate. The magnetic anomaly was found to consist of a greenstone sequence approximately 600 metres wide and extending over 6 km to the south before narrowing.

Bedrock geology is dominated by mafic amphibolites. However, two distinct ultramafic units have been identified, a western ultramafic dominated by tremolite-chlorite assemblages and an eastern, high-MgO ultramafic marked by near-surface siliceous caprock. A thin sedimentary chert/BIF unit separates the two ultramafic units. Prior to the December 2010 drilling, there was no verified occurrence of magmatic sulphide mineralisation in the known ultramafic units on the Taylor Rock Tenement. In contrast, the assayed intersections in 10NLJC0132, 12NLJC0004 and 12NLJC0005 at the Eliza May Prospect have been examined petrographically using a combination of conventional optical microscopy (reflected and transmitted light) and SEM-EDAX analysis and have been found to contain unequivocally magmatic sulphides.

The possibility of buried greenstone remains open. An investigation of this, including conducting ground magnetic surveys to assist in the modelling of the magnetic features, should be carried out, followed by a round of deep drilling to test potential targets.
The northern magnetic features should also be assessed, including ground magnetic traverses, to determine whether the anomalies can be adequately explained from drilling results.

Regional Geology
The Taylor Rock tenement is located on the very poorly explored far south eastern margin of the Archaean Lake Johnston greenstone belt.

The Lake Johnston greenstone belt is a narrow, north-northwest trending belt, approximately 110km in length. It is located near the south margin of the Yilgarn Craton, midway between the southern ends of the Norseman-Wiluna and the Forrestania-Southern Cross greenstone belts. The eastern and northern limits of the Lake Johnston greenstone belt are defined by

Directors' Report (continued)

the large northwest-trending Koolyanobbing shear zone. To the west the greenstones are bound by granitoids and gneissic rocks which extend some 70km west to the Forrestania-Southern Cross greenstone belt. To the south the greenstones appear to pinch out in granites but a weak magnetic signature and data in a minor open file report suggest there is continuity of mafic rocks south towards Lake Tay (Figure 12).

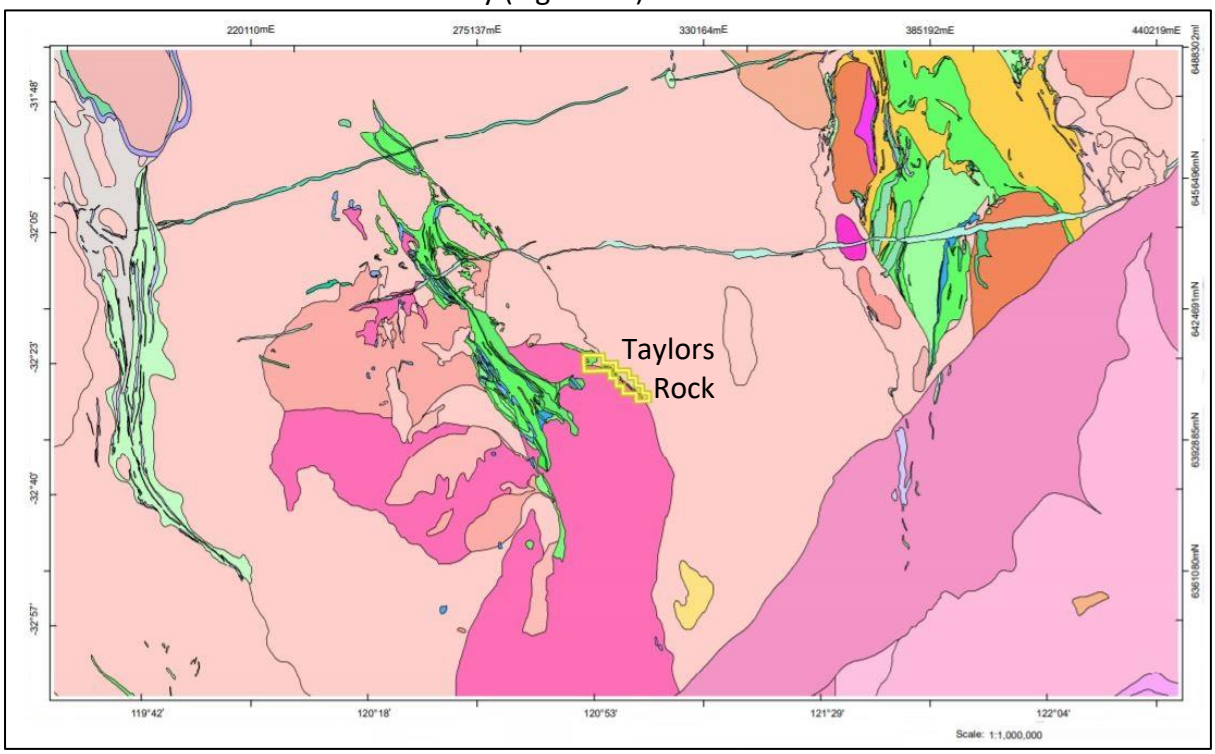


Figure 12 Taylors Rock 500k Geology

Source: WA GeoView

To the northwest and west of the greenstone belt proper a number of small isolated remnants of greenstone rocks are contained within the granitoids. Due to the continuous extent of banded iron formations (BIF), and a similar metamorphic grade, the Lake Johnston greenstone belt is thought to have more similarities to the Forrestania-Southern Cross greenstone belt than to the Norseman - Wiluna greenstone belt. Limited radiometric dating also provides evidence of similar ages for the Lake Johnston and the Forrestania belts both of which appear older than the dates from the Norseman area. Notwithstanding this, the GSWA in the 1970 vintage geological interpretation of the Lake Johnston area (1:250,000 scale GSWA explanatory notes) correlate the southern end of the Lake Johnston belt with the southern end of the Norseman belt of mafic and felsic volcanics, some sediment horizons, including BIF, and three ultramafic units. The volcanics and sediments are flanked and intruded by granitic rocks, which disrupt continuity of the greenstone belt. Pegmatitic and doleritic dykes are common. The sequence is extensively faulted, and gently inclined, north- and south-plunging folds have been recognised.

Directors' Report (continued)

The boundaries of the greenstone belt are thought to largely be defined by strike parallel shears and faults. The overall structure has been interpreted by earlier workers as a complementary north plunging antiform (the Golden Anticline) which closes in the north at Roundtop Hill and a north plunging synform (the Burmeister Syncline) with a closure 50km southeast of Maggie Hays. Recent work in the area has emphasised the significance of early thrust faulting which has complicated the age relationships between rock units. This may significantly replicate the occurrence of favourable contacts and therefore enhance exploration possibilities. In some areas, the BIF may have served as a favourable surface for thrusting. Subsequent to thrusting the belt has been affected by folding and faulting at a high angle to the strike of the belt.

The bedrock geology is widely masked by lateritic duricrust, deep oxidation and transported material. The average thickness of the regolith and weathered bedrock is 60 to 80m. Weathering of ultramafic rock types is often intense with widespread development of silica-rich "cap-rock" in the saprolite zone.

Understanding of the detailed geology of the greenstone belt is taken from the Emily Ann – Maggie Hays area where geological information is most detailed. Three ultramafic units are recognised in this area; the Western Ultramafic (WUU), the Central Ultramafic (CUU) and the Eastern Ultramafic (EUU). The CUU is the thickest and contains a succession of ultramafic differentiates with basal olivine peridotite which is a typical host for nickel sulphide mineralisation. The EUU consists of thin discontinuous volcanic flows and may also host minor nickel sulphide mineralisation. The WUU is thicker and more persistent than the EUU and typical nickel sulphide host rock types have been identified. The stratigraphic relationships between the three ultramafics are not certain because of the early thrust faulting.

The northern end of the eastern limb of the Lake Johnston belt is covered by the Brian's Bluff and the Lake Percy project areas. Limited exploration indicates that these areas contain cumulate ultramafic units, mafic volcanic rocks and chemical sediments including sulphidic BIF and cherts. Unlike the western limb of the belt which faces west, greenstone rocks along the eastern margin of the belt are interpreted to face to the east. The change in facing direction is in line with the GSWA interpretation that the granitoid intrusions along the spine of the greenstone belt are occupying the core of a large anticlinorium.

Local Geology

The Taylor Rock area was targeted based on a distinct magnetic high, present adjacent to the interpreted Koolyanobbing Shear Zone on the eastern limb of the Mt Gordon Anticline. Amphibolite had been mapped in this area, and further mapping and rock chip sampling confirmed the presence of chert/BIF and silica cap-rock developed over an ultramafic substrate. Following the initial 2004-2005 drilling campaigns, the magnetic anomaly was

Directors' Report (continued)

found to consist of a greenstone sequence approximately 600 metres wide and extending over 6km to the south before narrowing.

Bedrock geology is dominated by mafic amphibolites. However, two distinct ultramafic units have been identified, a western ultramafic dominated by tremolite-chlorite assemblages and an eastern, high-MgO ultramafic marked by near-surface siliceous caprock. A thin sedimentary chert/BIF unit extends over the three northernmost lines and separates the two ultramafic units. Limited outcrop of the BIF indicates the sequence dips moderately to the west. To the south, where the greenstone sequence thins, only amphibolites have been intersected in drilling. At the Polly Jean prospect located at the northern end of the tenement, a feature suggesting a greenstone sequence in both limbs of a plunging fold can be seen in the regional magnetic image

Mineralisation

Sulphide nickel mineralisation in Western Australia typically occurs on basal contacts in ultramafic rocks, often in embayment's and often in massive style. Disseminated sulphides also occur in the ultramafics. Both styles of mineralisation have been located within the nearby Lake Johnston area. In addition, massive and stringer nickel sulphide has been located in areas without associated ultramafic rocks or in areas with only narrow discontinuous ultramafic units. This style of nickel mineralisation is thought to be related to the major deformation by remobilisation of sulphides during movement on the thrusts.

Nickel mineralisation in the Lake Johnston area is typically pentlandite (nickel iron sulphide) in association with other sulphides such as pyrite (iron sulphide), pyrrhotite (iron sulphide) and chalcopyrite (copper-iron sulphide). In the supergene zone, violarite (a secondary nickel iron sulphide) occurs as replacement to pyrrhotite and pentlandite.

Small showings of gold mineralization are also known from across the Lake Johnston area although no historical production has been recorded.

Most of the historical nickel exploration has focussed on the western margin of the greenstone belt around and along strike from the Maggie Hays and Emily Ann nickel sulphide deposits. Exploration has shown the geology to consist of a west facing succession of mafic and felsic volcanics, some sediment horizons, including BIF, and two, potentially three, ultramafic units. The volcanics and sediments are flanked and intruded by granitic rocks which disrupt the continuity of the greenstone belt. Pegmatitic and doleritic dykes are common. The sequence is extensively faulted, and gently inclined north- and south-plunging folds have been recognised. The boundaries of the greenstone belt are thought to be defined by strike parallel shears and faults.

Directors' Report (continued)

The overall structure has been interpreted by earlier works as a complementary north plunging antiform (the Golden Anticline) which closes in the north at Round Top Hill, and a north plunging synform (the Burmeister Syncline) with a closure 50km southeast of Maggie Hays. Recent work in the area has emphasised the significance of early thrust faulting which has complicated the age relationships between rock units. This may significantly replicate the occurrence of favourable contacts and enhance possibilities for exploration success. In some areas, the BIF may have served as a favourable surface for thrusting. Subsequent to thrusting the belt has been affected by folding and faulting at a high angle to the strike of the belt.

Previous Exploration

In 2004, LionOre Australia (Nickel) Limited (LionOre) conducted reconnaissance geological mapping, ground magnetic survey and 2,500m of Aircore (AC) and Rotary Air Blast (RAB) drilling in the southwestern area of the current tenement across 97 drill holes. The drilling was aimed at identifying the source of a linear magnetic anomaly interpreted to be potential greenstone stratigraphy (a69863). Subsequently, LionOre conducted drilling towards the northern portion of the tenement during 2005-2006. Only 17 AC holes were located on the current tenement. Drilling intersected predominately granite with minor amounts of amphibolite after mafic and rare sediment. The LionOre drilling identified anomalisim for Ni-Cu-PGE.

Norilsk Nickel Australia Ltd (Norilsk) conducted sixteen-line, 18 line-km surface Moving Loop Transient Electromagnetic (MLTEM) Survey program covering nickel sulphide prospective ultramafic sequences during the 2007-2008 period. Additional eight lines of in-fill MLEM were completed during the 2009-2010 period. Five anomalies were identified.

Nine RC holes were drilled by Norilsk during 2010-2011 period, totalling 1,524m at the Taylor Rock prospect to test previously defined MLTEM targets. Six of these holes were deeper than 200m. Drilling identified a thin (<16m) transported soil overlying of highly weathered mafic and ultramafic rocks. The base of oxidation is between 5 & 31m deep and fresh rock was intersected between 12 & 54m deep from surface.

A drill hole (10NLJC0132) at the Eliza May Prospect, completed in the 2010, contained a highly significant intersection of magmatic nickel sulphides, hosted in cumulate ultramafic rocks (Figure 13)

Directors' Report (continued)

Taylors Rock – Schematic cross-section Eliza May Prospect

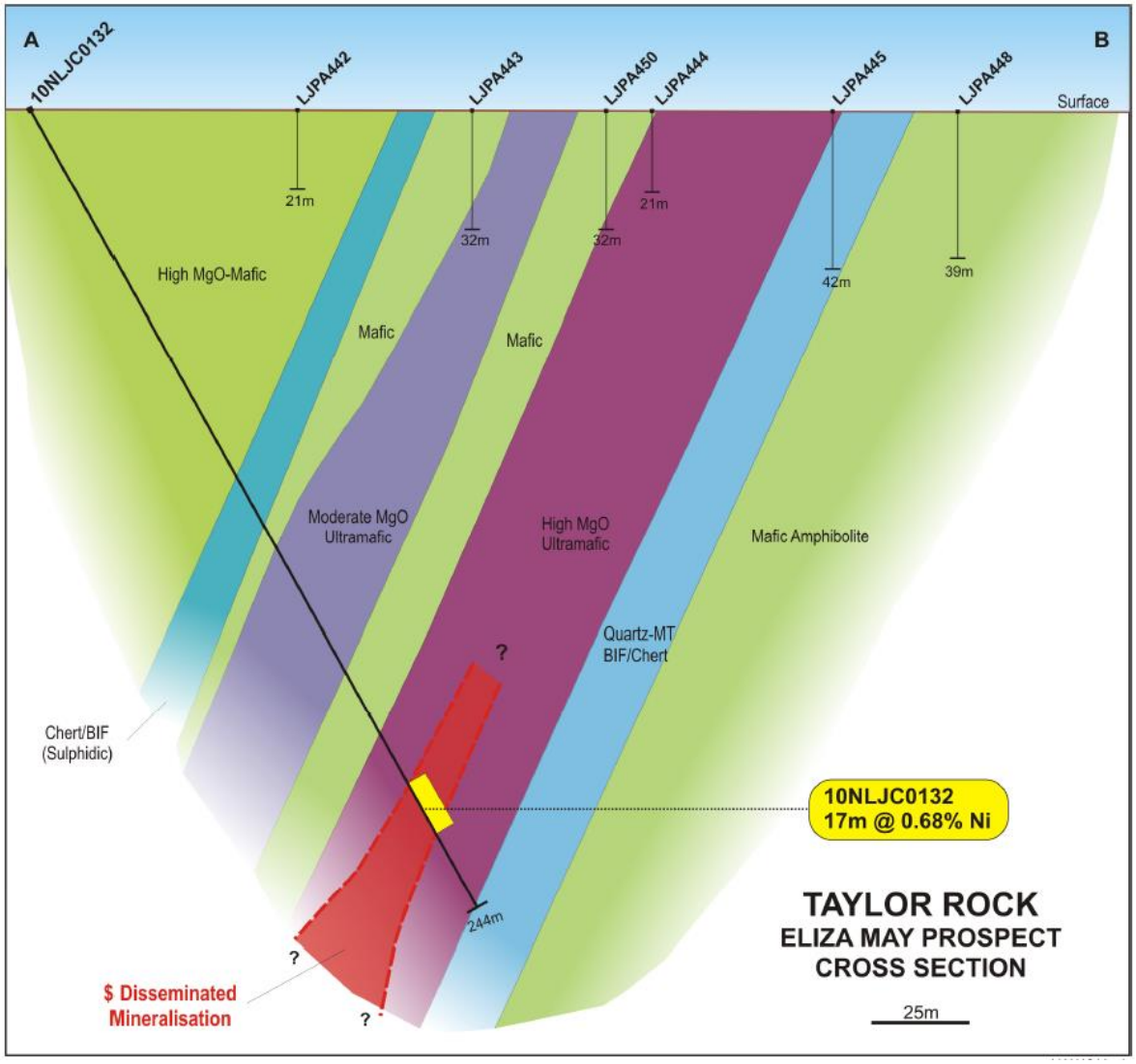


Figure 13 Taylors Rock Cross section showing the potential for Ni up and down di

The discovery of magmatic nickel sulphides in a high-MgO ultramafic package at the Eliza May Prospect has drastically upgraded the perspectivity of the project and prompted Norilsk to drill 7 additional RC holes during 2012-2013 period. Significant assays include:

- LJPR0084: 3m @ 0.65%Ni from 15m
- LJPA0145: 3m @ 9.84g/t Au from 42m, including 1m @45.4g/t Au from 44m
- LJPA0528: 6m @ 0.42% Ni from 15m

Directors' Report (continued)

- 10NLJC0132: 37m @ 0.48% Ni from 205m including 17m at 0.68% Ni from 205m and 1m at 1.02% Ni from 212m.
- 12NLJC0005: 10m @ 0.58% Ni from 200m including 2m @ 0.80% Ni from 202m
- 12NLJC0004: 4m @ 0.58% Ni from 248m including 2m @ 0.64% Ni from 250m.

Exploration Potential and Future Work

The Taylors Rock Project is an early-stage exploration project. The Taylor Rock area was targeted on the basis of a distinct magnetic high, present adjacent to the interpreted Koolyanobbing Shear Zone on the eastern limb of the Mt Gordon Anticline.

Mapping and rock chip sampling confirmed the presence of chert/BIF and silica cap-rock developed over an ultramafic substrate. Following the initial 2004-2005 drilling campaigns, the magnetic anomaly was found to consist of a greenstone sequence approximately 600 metres wide and extending over 6 km to the south before narrowing.

Bedrock geology is dominated by mafic amphibolites; however, two distinct ultramafic units have been identified, a western ultramafic dominated by tremolite-chlorite assemblages and an eastern, high-MgO ultramafic marked by near-surface siliceous caprock. A thin sedimentary chert/BIF unit separates the two ultramafic units. Limited outcrop of the BIF indicates the sequence dips moderately to the west. To the south, where the greenstone sequence thins, only amphibolites have been intersected in drilling.

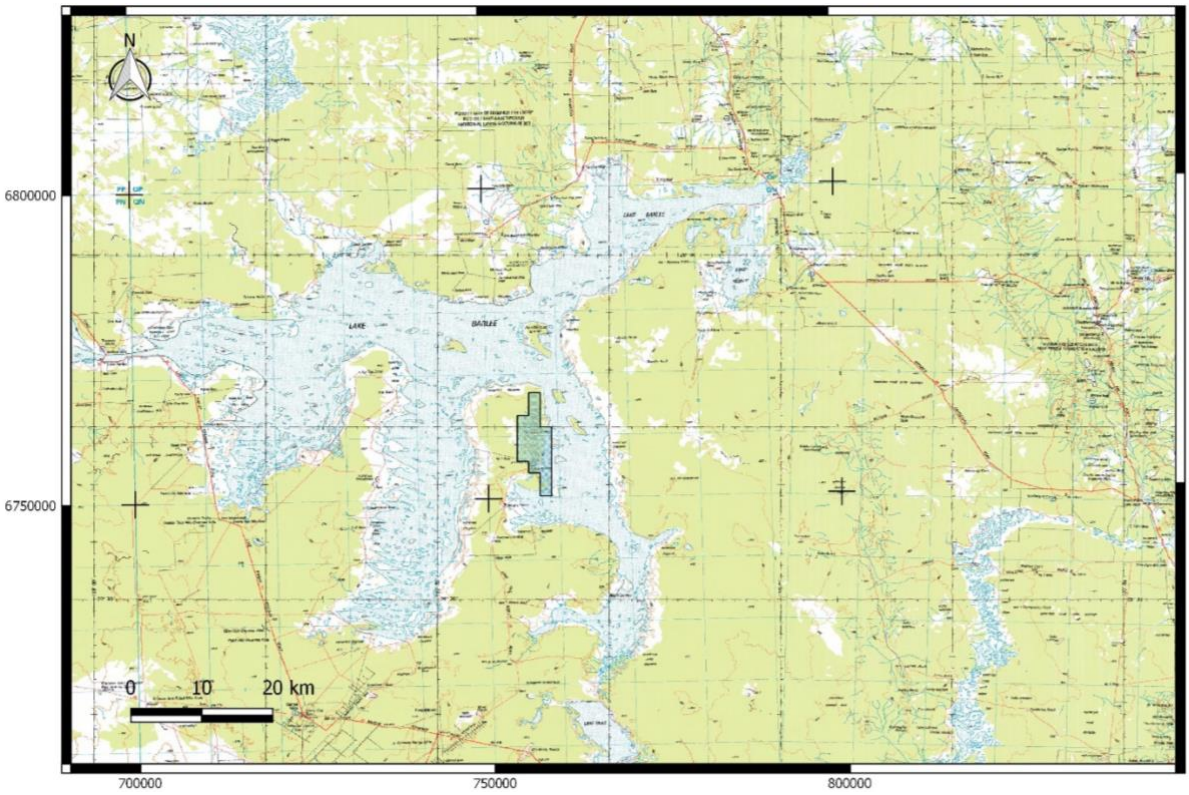
Prior to the December 2010 drilling, there was no verified occurrence of magmatic sulphide mineralisation in the known ultramafic units on the Taylor Rock Tenement. In contrast, the assayed intersections in 10NLJC0132, 12NLJC0004 and 12NLJC0005 at the Eliza May Prospect have been examined petrographically using a combination of conventional optical microscopy (reflected and transmitted light) and SEM-EDAX analysis,and have been found to contain unequivocally magmatic sulphides.

The possibility of a buried greenstone still remains and an investigation of this, including conducting ground magnetic surveys to assist in the modelling of the magnetic features should be carried out followed by a round of deep drilling to test potential targets.

Directors' Report (continued)

Pride of Elvire Project

The Pride of Elvire Tenement surround the Mt. Elvire homestead approximately 210km north of Southern Cross in WA. The Mt. Elvire Homestead is located approximately 100km north of the Mt. Dimer Gold Mine. The Pride of Elvire Project comprises one exploration licence (E 77/2651) (the "Pride of Elvire Tenement"), which cover a total area of ~51km^2 (17 graticular blocks) in the Mt. Elvire greenstone belt of WA.



The Pride of Elvire area is relatively under-explored, and a large portion of the tenement contains greenstone. Only a limited amount of gold and iron ore exploration has been completed in the past, principally aimed at discovering BIF hosted gold mineralisation similar to that at Mt. Magnet, Bullfinch and Nevoria.

Several structural and intrusive controlled targets for gold mineralisation have been identified from aeromagnetics and field mapping, which requires follow up exploration. Several anomalous rock chip samples taken by BHM in the mid-eighties have never been drill tested.

Directors' Report (continued)

Pride of Elvire Project – GSWA 500k Geology

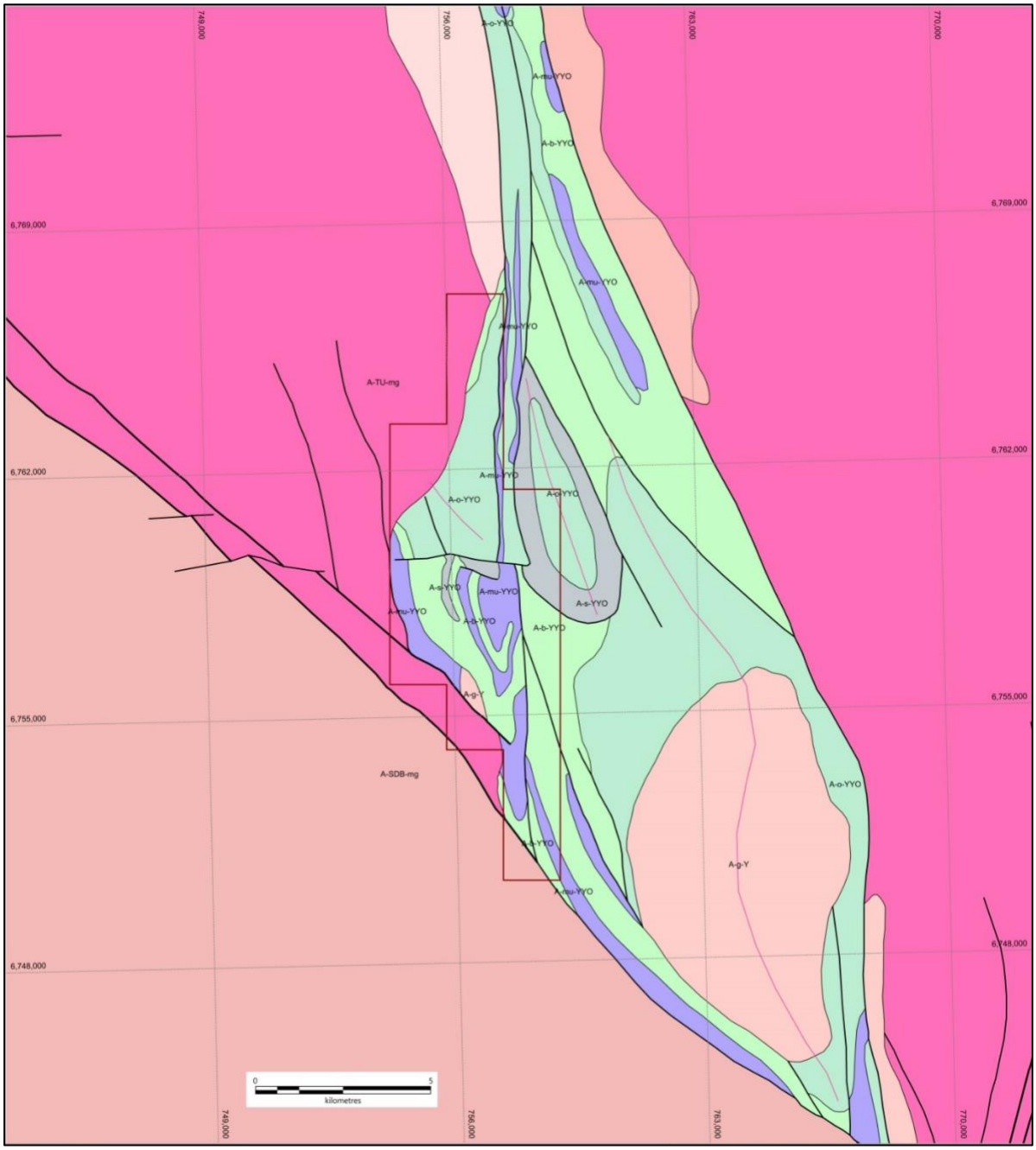


Figure 14 Pride of Elvire 500k Geological map

Source: WA GeoView

Directors' Report (continued)

Auriferous mineralisation within this area is confined to cross-cutting quartz veins within the BIF, pervasively disturbed throughout the eastern section of the project area Horizons of BIF are interbedded in places with metamorphosed basaltic rocks and talc schist, which indicates their close association with major volcanic cycles Deposition may have occurred within small basins during a period of relative tectonic stability. The Mt. Elvire area is dominated by a series of faults.

Three generations of dolerite dykes were interpreted on the basis of magnetic character and orientation, and several zones of demagnetization or magnetic reversals are outlined in the interpretation.

The following targets have been identified from this interpretation for their potential to host gold mineralisation:

1. A demagnetized zone in the greenstone adjacent to major Di and D2 shear zones and a cross-cutting dolerite dyke.
2. Greenstone immediately above the contact of the internal granitoid, especially in the hinges of shallow north plunging folds or adjacent to the north trending late faults cutting this contact.
3. Shearing and faulting in the greenstone adjacent to the eastern margin of the late tectonic granitoid.
4. Late (D4) cross-cutting fault structures adjacent to the southern margin of the internal granitoid.
5. D2 faulting within the greenstone proximal to the greenstone/external granitoid contact.
6. D4 faults cross-cutting the greenstone sequence at and to the north of Auriferous Island

Metamorphic facies are generally greenschist assemblage, but components of the low amphibolite facies occur across the central part of the belt, where the two synforms adjoin. Dips are steep – to overturned, except at fold hinges. Two phases of folding have taken place.

Mineralisation

This area has had some significant gold mining activity in early 1900s at various localities in the Barlee region. Most of the gold occurs in quartz carbonate veins in Magnesian Ultramafic talc chlorite Schist.

Most of the gold occurs associated with arsenopyrite at depth, beyond one hundred metres.

Directors' Report (continued)

Previous Exploration

Evidence of small-scale gold mining from last century exists in the form of two mine shafts developed on quartz veins in BIF near Mt. Elvire.

Broken Hill Metals NL (BHM) conducted gold exploration in the Mount Elvire and Lake Barlee area in the mid to late 1980s. BHM carried out stream, soil and rock chip sampling, RAB drilling (8 vertical holes), RC drilling (13 inclined holes), detailed geological mapping on a 1:10,000 scale, geophysics, aerial photo interpretation, and ground magnetics and magnetic induced polarisation surveys (Hewson 1997 and Zapata 1985). Some promising results were reported from rock-chip sampling (up to 200 g/t) and RAB drilling (Figure 6:4).

Significant drilling results includes:

- ME 30: 10m @ 23.2g/t Au from 17m
- ME 22: 2.5m @ 9.29g/t Au from 0m
- ME 21: 2.1m @ 1.77g/t Au from 0m
- ME 20: 1.2m @ 1.28g/t Au from 17.7m
- ME 08: 3m @ 0.63g/t Au from 0m
- MEP 101: 1m @ 1g/t Au from 41m
    - 1m @ 1g/t Au from 53m

The best intersection of 10m at 23.2 g/t from 17m depth in hole ME30 was beneath an old gold working from a northerly trending anomalous zone associated with foliated and altered ultramafic rocks and fractured BIF.

Rock chip sample location and significant results are included in Table 6 of Appendix E. All drill collar locations and significant drilling results (>0.2 g/t Au) are included in Table 7 of Appendix E.

Directors' Report (continued)

Total Magnetic Intensity (left), Rock Chips Sample (black triangles) and Significant Drill Locations (red circles) (right)

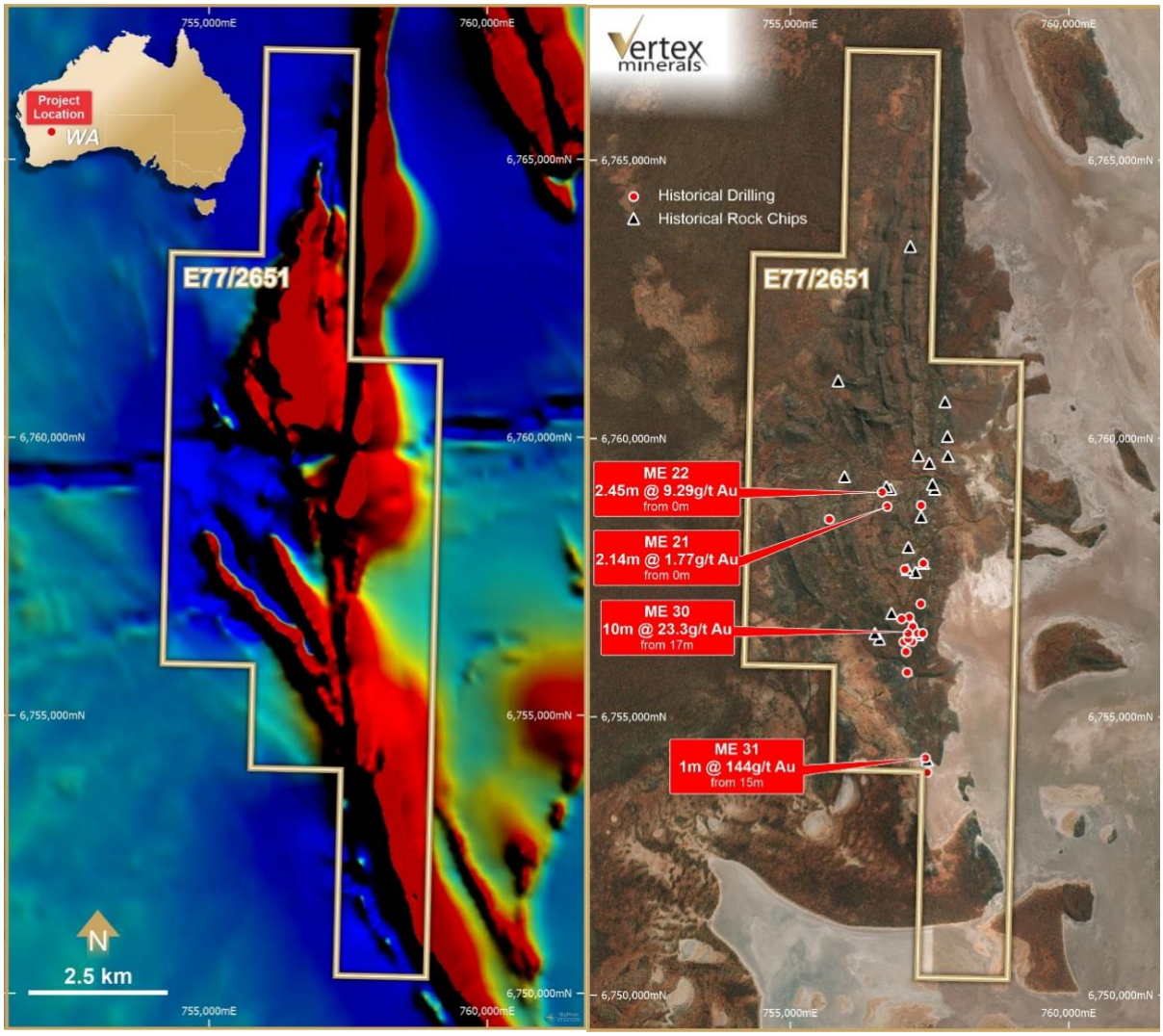


Figure 15 Pride of Elvire Magnetics and Location

From 2009 to 2010, Polaris Metals Ltd (Polaris Metals) conducted rock chip sampling. The sampling was to find areas of both oxide (haematite-goethite) and magnetite iron mineralisation. Six areas of oxide iron mineralisation with DSO potential were mapped (Figure 15).

Directors' Report (continued)

Environmental, Social, and Governance – ESG

Vertex is committed to building legitimate Environmental, Social, and Governance (ESG) credentials. We have commenced ESG reporting as a tangible first step in our ESG journey. Vertex greatly value ESG considerations as they enable us to better identify material risks and growth potential, leading to better-informed decisions and business outcomes. Equally, our commitment to ESG creates a consistent and measurable approach that helps us contribute to building a more prosperous and fulfilled society and a more sustainable relationship with our planet.

Vertex have adopted Socialsuite's ESG Go as a best-in-class solution for small and mid-cap companies to easily start ESG reporting with a structured, standardised, and globally recognised solution. We find ESG Go excels in making the WEF framework accessible and operational. We use it to track our disclosure progress, demonstrate our ESG performance against the WEF ESG framework, and share our journey of building robust ESG credentials.

Our Hill End Gold project is our flagship project of which we are moving towards production and it has an excellent environmentally sustainable foundation that will dovetail well with Socialsuite. Vertex's will set quarterly ESG actions to report.

Directors' Report (continued)

Remuneration Report (Audited)

The remuneration report details the key management personnel remuneration arrangements for the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Key management personnel
- Remuneration policy
- Elements of executive and non-executive remuneration
- Relationship between the remuneration policy and Company performance
- Service agreements

Key management personnel

The directors and other key management personnel of the Company during or since the end of the financial year were:

Directors

- Mr R Jackson (Executive Chairman)
- Mr T Richards (Technical Director)
- Mr D Franzmann (Non-Executive Director)
- Ms O Malone (Non-Executive Director)

Remuneration policy

The Board in its capacity as the Remuneration Committee reviews the remuneration packages of the directors and key management personnel of the Company and makes recommendations to the Board. Remuneration packages are reviewed and determined with due regard to the duties, responsibilities and performance of each Director and senior executive, and current market rates.

Remuneration and other terms of employment are reviewed periodically based on each director's or senior executive's performance and achievements over the review period.

Directors' Report (continued)

Non-executive directors

Fees and payments to non-executive Directors reflect the demands and responsibilities of their role. The Company's constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors is $300,000 per annum although may be varied by ordinary resolution of the Shareholders in general meeting.

Executive and non-executive Directors may receive share options under the Employee Share Option Plan or by shareholder resolution.

Executive remuneration

The Company aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable component

The executive remuneration and reward framework has four components:

- Base pay and non-monetary benefits
- Share-based payments
- Other remuneration such as superannuation and long service leave

The combination of these comprises the executives' total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board in their capacity as Remuneration Committee based on individual and business unit performance, the overall performance of the Company and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Company and provides additional value to the executive.

The long-term incentives ('LTI') include long service leave and share-based payments. Share-based payment incentives are designed to align the interest of shareholders, directors, executives and employees. Issues can be made by shareholder resolution or under the Company's Employee Securities Incentive Plan (ESIP). Under the ESIP, the Board may invite executives and other staff to subscribe for securities in the Company on such terms and conditions as the Board decides.

Directors' Report (continued)

Relationship between the remuneration policy and Company performance

The table below sets out summary information about the Company's earnings and movements in shareholder wealth from incorporation to 30 June 2022.

	2022 $	2021 $
Revenue and other income	-	-
Loss for the year after tax	(557,072)	(43,638)
Share price at end of year	$0.11	N/a
Dividends	-	-
Basic loss per share (cents)	(2.20)	(4,363,800)
Fully diluted loss per share (cents)	(2.20)	(4,363,800)

Given the nature and early stage of the business, the Company has not judged performance by financial measures but in relation to strategic objectives. It is likely that remuneration in the near future will also not be linked to standard financial measures of performance.

Service Agreements

The Company has entered into Consultancy Agreements with the Company directors. Details of these agreements are as follows:

Name:	Roger Jackson
Title:	Executive Chairman
Agreement commenced:	1 October 2021
Term:	No fixed term
Details:	Consultant receives a fee payable of $266,400 per year which is inclusive of all directors' fees and superannuation based on a 12 day month. The 12 day month is an average calculated over a 12 month period and can be maintained on a pro rata part day basis. Consultant will be issued with 1,500,000 performance rights which will vest and convert into ordinary shares in three tranches upon satisfaction of defined milestones. Company may terminate with 2-3 months' notice (reason dependent); a further 6 months fee is payable if notice is without reason. Consultant may terminate with 3 months' notice given.

Directors' Report (continued)

Name:	Tully Richards
Title:	Technical Director
Agreement commenced:	1 September 2021
Term:	2 years
Details:	Consultant receives a director fee of $36,000 per annum plus GST. Additional consultancy services are payable at $200 per hour plus GST. Consultant will be issued with 1,500,000 performance rights which will vest and convert into ordinary shares in three tranches upon satisfaction of defined milestones. Termination by either party is with a 3 month notice period.

Name:	Declan Franzmann
Title:	Non-Executive Director
Agreement commenced:	1 September 2021
Term:	2 years
Details:	Consultant receives a director fee of $36,000 per annum plus GST. Additional consultancy services are payable at $200 per hour plus GST. Consultant will be issued with 1,500,000 performance rights which will vest and convert into ordinary shares in three tranches upon satisfaction of defined milestones. Termination by either party is with a 3 month notice period.

Directors' Report (continued)

Remuneration of key management personnel

Details of the remuneration of the key management personnel of the Company are detailed below:

	Short-term employee benefits				Post employ-ment benefits	Other long-term employee benefits	Share-based payment	Total	Perform-ance related
	Salary & fees	Bonus	Non-mon-etary	Other	Super-ann-uation		Options & rights		
	$	$	$	$	$	$	$	$	%
2022									
Executive Directors									
Mr R Jackson	164,188	-	-	-	-	-	36,371	200,559	18%
Mr T Richards	176,800	-	-	-	-	-	39,764	216,564	18%
Non-Executive Directors									
Mr D Franzmann	29,600	-	-	-	-	-	36,371	65,971	55%
Total	**370,588**	**-**	**-**	**-**	**-**	**-**	**112,506**	**483,094**	

As the Company was not listed at 30 June 2021, no remuneration report has been prepared. Ms Oonagh Malone was not remunerated during her appointment period and therefore has not been included in the table above.

Share based compensation

Performance Rights

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

	Number of performance rights	Grant date	Expiry date	Fair value at grant date
R Jackson	1,500,000	12/1/22	12/1/27	$257,940
T Richards	1,500,000	12/1/22	12/1/27	$257,940
D Franzmann	1,500,000	12/1/22	12/1/27	$257,940

Performance rights carry no dividend or voting rights.

Directors' Report (continued)

Performance rights are issued over ordinary shares of the Company and vest and convert on the satisfaction of the following milestones:

1. Tranche 1 Milestone: 40% of the performance rights will vest upon the volume weighted average market price of the Vertex's shares trading on ASX over 20 consecutive trading days on which the shares have traded being at least $0.40 and this event occurring no earlier than 90 days after Vertex joins the Official List.
2. Tranche 2 Milestone: 30% of the performance rights will vest upon announcement by Vertex on the ASX market announcements platform of a minimum of 400,000 Oz of Inferred, Indicated and/or Measured Resources, at a minimum cut off of 0.5g/t of gold, reported in accordance with the JORC Code 2012, on any one or more of the Tenements.
3. Tranche 3 Milestone: 30% of the performance rights will vest upon Vertex successfully applying for a mining lease on the Hargraves Project and completing an updated pre-feasibility study for the Hargraves Project

Unvested performance rights automatically lapse where the holder is no longer engaged by the Company. As the performance rights do not vest immediately, the Company is measuring the associated value over the period the milestones are likely to be achieved applying a probability of between 50-80%. No performance rights vested during the financial year.

Key management personnel equity holdings

Fully paid ordinary shares of Vertex Minerals Limited

	Balance at 30 June 2021	Granted as compen-sation	Received on exercise of options	Net other change	Balance at 30 June 2022	Balance held nominally
R Jackson	-	-	-	422,000	422,000	-
T Richards	-	-	-	-	-	-
D Franzmann	-	-	-	150,000	150,000	-

Performance Rights of Vertex Minerals Limited

	Balance at 30 June 2021	Granted as compen-sation	Received on exercise of options	Net other change	Balance at 30 June 2022	Balance held nominally
R Jackson	-	1,500,000	-	-	1,500,000	1,500,000
T Richards	-	1,500,000	-	-	1,500,000	-
D Franzmann	-	1,500,000	-	-	1,500,000	-

Directors' Report (continued)

Other transactions with key management personnel of the Company

No other transactions with key management personnel occurred during the financial year.

End of Remuneration Report

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

On behalf of the Directors

Roger Jackson
Executive Chairman
29 September 2022

JORC Compliance Statements

This report contains references to Mineral Resource estimates, which have been extracted from previous ASX announcements as set above made by Peak Resources Ltd (ASX:PUA) the parent company of VTX prior to the Company's separate listing in 2022. For full details of Exploration Results that have been previously announced, refer to those announcements.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the said announcements, and in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not materially modified from the original market announcements.

Competent Persons Statement

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr. Roger Jackson, a Director and Shareholder of the Company, who is a 25+ year Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and a Member of Australian Institute of Company Directors. Mr. Jackson has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves". Mr. Jackson consents to the inclusion of the data contained in relevant resource reports used for this announcement as well as the matters, form and context in which the relevant data appears.

William Buck
ACCOUNTANTS & ADVISORS

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF VERTEX MINERALS LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN: 59 116 151 136

A. A. Finnis
Director

Melbourne, 29 September 2022

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Statement of profit or loss and other comprehensive income

For the year ended 30 June 2022

	Note	Year ended 30 June 2022	From 1 June 2021 to 30 June 2021
			$
Administrative and corporate expenses		(334,099)	(43,638)
Consulting fees		(40,899)	-
Share based payments	(13)	(112,506)	-
Exploration expenditure		(69,568)	-
Loss from ordinary activities before income tax	**(4)**	**(557,072)**	**(43,638)**
Income tax	(5)	-	-
Loss for the year		**(557,072)**	**(43,638)**
Other comprehensive income			-
Total comprehensive loss for the year		**(557,072)**	**(43,638)**
Loss per share	(6)		
Basic (loss) per share (cents per share)		(2.20)	(4,363,800)
Diluted (loss) per share (cents per share)		(2.20)	(4,363,800)

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

Statement of financial position

As at 30 June 2022

	Note	30/06/22 $	30/06/21 $
Current assets			
Cash		3,447,139	-
Trade and other receivables		26,788	95
Prepayments		57,693	-
Total current assets		**3,531,620**	**95**
Non-current assets			
Capitalised exploration and evaluation expenditure	(7)	3,663,385	-
Property, plant and equipment	(8)	1,248,149	-
Total non-current assets		**4,911,534**	**-**
Total assets		**8,443,154**	**95**
Current liabilities			
Trade and other payables	(9)	283,849	43,732
Total current liabilities		**283,849**	**43,732**
Total liabilities		**283,849**	**43,732**
Net assets/(liabilities)		**8,159,305**	**(43,637)**
Equity			
Issued capital	(10)	8,619,730	1
Reserves	(11)	140,285	-
Accumulated losses		(600,710)	(43,638)
Total equity		**8,159,305**	**(43,637)**

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June 2022

	Note	Issued capital $	Share based payment reserve $	Accumulated losses $	Total equity $
Balance at incorporation		1	-	-	1
Loss for the year		-	-	(43,638)	(43,638)
Total comprehensive loss for the year		-	-	(43,638)	(43,638)
Balance at 30 June 2021		**1**	-	**(43,638)**	**(43,637)**
Loss for the year		-	-	(557,072)	(557,072)
Total comprehensive loss for the year		-	-	(557,072)	(557,072)
Transactions with owners as their capacity as owners					
Initial Public Offering	(10)	5,500,000	-	-	5,500,000
Shares issued for acquisitions	(10)	3,599,999	-	-	3,599,999
Convertible notes converted	(10)	320,000	-	-	320,000
Issue costs	(10)	(772,491)	-	-	(772,491)
Share based payments	(13)	(27,779)	140,285	-	112,506
Balance at 30 June 2022		**8,619,730**	**140,285**	**(600,710)**	**8,159,305**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2022

	Note	Year ended 30/06/22 $	From 1/06/21 to 30/06/21 $
Cash flows from operating activities			
Payments to suppliers and employees	(16)	(425,321)	-
Net cash (outflow) from operating activities		**(425,321)**	**-**
Cash flows from investing activities			
Interest received		-	-
Payments for exploration and evaluation expenditure		(1,169,451)	-
Payments for property, plant and equipment		(5,688)	-
Net cash (outflow) from investing activities		**(1,175,049)**	**-**
Cash flows from financing activities			
Proceeds from share issue		5,820,250	-
Less costs of issue		(772,941)	-
Net cash inflow from financing activities		**5,047,509**	**-**
Net increase in cash and cash equivalents		**3,447,139**	**-**
Cash and cash equivalents at beginning of the year		-	-
Cash and cash equivalents at the end of the year		**3,447,139**	**-**

At 30 June 2021, the Company did not have a bank account.

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 30 June 2022

1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The Company is a public company, incorporated and domiciled in Australia. The Company's principal activity is the evaluation and exploration of mineral interests, prospective for gold and nickel. The Company successfully listed on the ASX on 17 January 2022. See note 10 for further details. The company was incorporated on 1 June 2021 and thus the results in the comparative period are not comparable to the business operations over the course of the current year.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

New or amended Accounting Standards and Interpretations adopted

The below table outlines Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily to the Company. None of these standards have been early adopted and they will not have a material impact of the Company.

Accounting Standards and Interpretations	Applicable to annual reporting periods beginning on or after
AASB 2020-1 Amendments to AASs - Classification of Liabilities as Current or Non-current liabilities as Current or Non-current	1 Jan 2023
AASB 2020 -3 Amendments to AASs - Annual Improvements 2018-2020 and Other Amendments	1 Jan 2022
AASB 2020-6 Amendments to AASs - Classification of Liabilities as Current or Non-current liabilities as Current or Non-current – Deferral of Effective Date	1 Jan 2022
AASB 2021-2 Amendments to AASs - Disclosure of Accounting Policies and Definition of Accounting Estimates	1 Jan 2023

Notes to the financial statements

For the year ended 30 June 2022

Accounting Standards and Interpretations	Applicable to annual reporting periods beginning on or after
AASB 2021-5 Amendments to AASs - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 Jan 2023
AASB 2014-10 Sale or contribution of Assets between an Investor and its Associate or Joint Venture	1 Jan 2025

Significant accounting policies

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Vertex Minerals Limited.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Vertex Minerals Limited's functional and presentation currency.

Income tax

The income tax expense or benefit for the year is the tax payable on that year's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or 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 nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.
The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

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

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Notes to the financial statements

For the year ended 30 June 2022

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables

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

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment

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

Depreciation is calculated on either a straight-line basis or unit of production basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

• Buildings and infrastructure	Straight line	50 years
• Plant and equipment	Straight line	2-3 years

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

Notes to the financial statements

For the year ended 30 June 2022

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

Notes to the financial statements

For the year ended 30 June 2022

The costs of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The costs of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the year is the cumulative amount calculated at each reporting date less amounts already recognised in previous years.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

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

If the non-vesting condition is within the control of the Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Notes to the financial statements

For the year ended 30 June 2022

Issued capital

Ordinary shares are classified as equity.

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

Dividends

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

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) attributable to the owners of Vertex Minerals Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

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

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.
Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Notes to the financial statements

For the year ended 30 June 2022

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 13 for further information.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Company will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

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

Estimation of useful lives of assets
The company determines the estimated useful lives and related depreciation charges for its property, plant and equipment The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

3. Segment note

Identification of reportable operating segments
The Company is organised into one operating segment, being mining and exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources.

Types of products and services
The principal products and services of this operating segment are the mining and exploration operations predominately in Australia.

4. Revenue and expenses

Loss before income tax from continuing operations includes the following specific revenue and expenses:

	Year ended 30 June 2022 $	From 1 June 2021 to 30 June 2021 $
Expenses		
Share based payment expense	112,506	-
Non-capitalised exploration and evaluation expenditure	69,568	-

Notes to the financial statements

For the year ended 30 June 2022

5. Income Tax Expense

	Year ended 30 June 2022 $	From 1 June 2021 to 30 June 2021 $
Income tax expense		
Current tax	-	-
Deferred tax	-	-
Aggregate income tax expense attributable to continuing operations	-	-
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax	(557,072)	-
Tax benefit at 25% (2021: 26%)	139,268	-
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income:		
Non-deductible expenses	(35,731)	-
Timing differences	(1,025,502)	-
Unused tax losses and offsets not recognised as deferred tax assets	921,965	-
Income tax benefit/expense recognised in profit or loss	-	-

6. Earnings per share

	2022 Cents per share	2021 Cents per share
Basic loss per share	(2.20)	(4,363,800)
Diluted loss per share	(2.20)	(4,363,800)

Notes to the financial statements

For the year ended 30 June 2022

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	2022 $	2021 $
Net loss for the year	(557,072)	(43,638)
Loss used in the calculation of basic and diluted EPS	(557,072)	(43,638)

	2022 Number	2021 Number
Weighted average number of ordinary shares for the purposes of basic earnings per share	25,350,685	1
Adjustments for calculation of diluted earnings per share	-	-
Weighted average number of ordinary shares for the purposes of diluted earnings per share	25,350,685	1

The number of options and other potential ordinary shares (including performance rights) that are not dilutive and not included in the calculation of diluted loss per share is 8,500,000.

7. Capitalised exploration and evaluation expenditure

Exploration and evaluation phase:	$
Balance at incorporation	-
Balance at 30 June 2021	-
Acquisition of exploration and mining licenses	3,077,758
Exploration expenditure incurred	655,195
Expenditure not capitalised [1]	(69,568)
	3,663,385

1. Exploration expenditure on areas of interest where tenure was not granted at year end was written off to profit or loss.

During the year, the Company recognised the acquisition of the Hill End Project (NSW), the Hargraves Project (NSW), the Pride of Elvire Project (WA) and the Taylors Rock Project (WA).

Notes to the financial statements

For the year ended 30 June 2022

The Hill End and Hargraves Projects were acquired for a consideration of the issue of 14,999,999 ordinary shares at an issue price of $0.20 to the project vendors and the Company's then sole shareholder, Peak Minerals Limited. The Company also acquired Land, Property Plant and Equipment with an agreed value of $1,325,000 as part of the transaction (see note 8).

Additional exploration licences at Hill End, Pride of Elvire and Taylors Rock were acquired for considerations of 250,000 ordinary shares, 2,250,000 ordinary shares and 500,000 ordinary shares respectively, at an issue price of $0.20.

Exploration expenditure incurred and capitalised includes employee benefits expenses of $89,764 and depreciation of $82,534.

The ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and exploitation, or alternatively sale of the respective area of interest. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

8. Property, plant and equipment

	30 June 2022 $	30 June 2021 $
Land – at cost	250,000	-
	250,000	-
Buildings and infrastructure – at cost	100,000	-
Less: accumulated depreciation	(997)	-
	99,003	-
Plant and equipment – at cost	980,688	-
Less: accumulated depreciation	(81,542)	-
	899,146	-
Total property, plant and equipment	**1,248,149**	**-**

Notes to the financial statements

For the year ended 30 June 2022

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land $	Buildings and infrastructure $	Plant and equipment $	Total $
Balance at 1 July 2021	**-**	**-**	**-**	**-**
Additions through acquisitions	250,000	100,000	975,000	1,325,000
Additions	-	-	5,688	5,688
Depreciation expense	-	(997)	(81,542)	(82,539)
Balance at 30 June 2022	**250,000**	**99,003**	**899,146**	**1,248,149**

9. Trade and other payables

	30 June 2022 $	30 June 2021 $
Trade creditors	249,665	7,056
Accruals	28,402	36,676
Superannuation payable	5,782	-
	283,849	43,732

10. Share capital

	30 June 2022 $	30 June 2021 $
48,700,000 fully paid ordinary shares (30 June 2021: 1)	8,619,730	1
	8,619,730	1

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number 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 a vote.

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

Notes to the financial statements

For the year ended 30 June 2022

Movements in share capital during the year from incorporation were as follows:

		Number of shares	Share Capital $
Initial capital	(a)	1	1
As at 30 June 2021		**1**	**1**
Initial Public Offering	(b)	27,500,000	5,500,000
Conversion of debt	(b)	3,200,000	320,000
Shares issued on acquisition of tenements and property, plant and equipment	(b)	17,999,999	3,599,999
Broker options issued	(b)	-	(27,779)
Issue costs	(b)	-	(772,491)
As at 30 June 2022		**48,700,000**	**8,619,729**

(a) 1 ordinary share was issued to the Company's parent entity on incorporation

(b) On 21 December 2021, the Company received conditional approval for admission to the Official List of ASX and subsequently issued the following securities under a prospectus prior to completing the listing on the ASX on 17 January 2022:

- 27,500,000 ordinary shares at $0.20 per share to raise funds of $5.5 million before costs;
- 14,999,999 ordinary shares to the Company's parent entity, Peak Minerals Ltd ("Peak") to be distributed in-specie to Peak shareholders for the acquisition of mineral tenements
- 3,000,000 ordinary shares to acquire mineral tenements from external vendors;
- 3,200,000 ordinary shares on conversion of existing Convertible Notes (320,000 Convertible Notes were issued in August 2021 with a face value of $1.00 and a conversion price of $0.10 and hence are not included in the 30 June 2021 comparative balance);
- Issue of 4,000,000 million broker options to the IPO lead manager with an exercise price of $0.30, a 36 month expiry period and a fair value of $27,779.

Notes to the financial statements

For the year ended 30 June 2022

Share Options

Unissued shares under option at balance date were as follows:

Series	Number of shares under option	Class of shares	Exercise price of option	Expiry date of options
Lead manager options	4,000,000	Ordinary	$0.30	07/01/2025

All options were issued by Vertex Minerals Ltd. A total of 4,000,000 lead manager options were issued on 22 December 2021 with an exercise price of $0.30 on or before 7 January 2025 as part of the IPO.

Performance Rights

During the year, the Company issued 4,500,000 Performance Rights with the following terms and conditions:

Milestones:

- Tranche 1 – 40% of the Performance Rights will vest upon the volume weighted average market price of the Company's shares trading on ASX over 20 consecutive trading days on which the shares have traded being $0.40 and this event occurring no earlier than 90 days after listing on the ASX
- Tranche 2 – 30% of the Performance Rights will vest upon announcement by the Company on the ASX market announcements platform of a minimum 400,000 Oz of Inferred, Indicated and/or Measured Resources, at a minimum cut off of 0.5g/t of gold, reported in accordance with the JORC Code 2012, on any one or more of the tenements
- Tranche 3 – 30% of the Performance Rights will vest upon the Company successfully applying for a mining lease on the Hargraves Project and completing an updated pre-feasibility study for the Hargraves Project that demonstrated at the time of reporting the pre-feasibility study that extraction is reasonably justified and economically viable.

Upon vesting, each Performance Right will at the election of the holder convert into one ordinary share in the Company. No consideration is payable on conversion of the Performance Rights to shares. Each Performance Right expires 5 years from the date of issue. If the holder is terminated for whatever reason, any unvested Performance Rights held by that holder will automatically lapse.

No Performance Rights have been converted or cancelled and no Milestones have been met during the year.

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

11. Reserves

	30 June 2022 $	30 June 2021 $
Share based payments reserve	140,285	-
	140,285	-

Share based payments reserve

	30 June 2022 $	30 June 2021 $
Balance at beginning of the year/incorporation	-	-
Accounting value of share-based payments recognised in the year (see note 13)	140,285	-
Balance at the end of the financial year	140,285	-

Nature and purpose of reserves

Share based payments reserve
The reserve relates to share options and performance rights granted by the Company to its employees under its employee share option plan and share options issued to consultants and advisors in consideration for services provided. Further information about share-based payments is set out in note 13.

12. Financial instruments

Financial risk management objectives
The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. Risk management is carried out by the Board of Directors.

Market risk
The Company's activities have the potential to expose it primarily to the financial risks in foreign currency exchange rates, commodity prices and interest rates. Since incorporation, the Company has not used any derivative financial instruments to hedge its exposure to foreign exchange and interest rate risk.

Notes to the financial statements

For the year ended 30 June 2022

Foreign currency risk

The Company has not undertaken any transactions denominated in foreign currency since incorporation.

Interest Rate risk management

The Company is potentially exposed to interest rate risk as it deposits funds at floating interest rates. The Company does not hedge this risk through derivatives such as interest rate swaps.

An increase/decrease in interest rates by 50 basis points would not have a material effect on loss before tax.

Credit risk management

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in a financial loss to the Company. As at reporting date, the Company has not material receivables and accordingly does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Liquidity risk

Liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Notes to the financial statements

For the year ended 30 June 2022

The following table details the Company's remaining contractual maturity for its financial instrument liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average effective interest rate	Less than 6 months	6 months – 1 year	More than 1 year
30 June 2022		**$**	**$**	**$**
Trade payables		283,849	-	-
		283,849	-	-
30 June 2021				
Trade payables		-	-	-
		-	-	-

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

13. Share-based payments

	2022 $	2021 $
Recognised in profit or loss:		
Employee benefits – Performance Rights	112,506	-
Recognised in equity:		
Share issue expenses	27,779	-
Total share based payments	**140,285**	**-**

The following share-based payment arrangements were in existence during the current and previous reporting periods:

Notes to the financial statements

For the year ended 30 June 2022

Share Options

Series	Number issued	Grant date	Expiry date	Exercise price $	Fair value at grant date $
Lead manager options	4,000,000	22/12/21	7/01/25	$0.30	$0.00695

The weighted average fair value of the share options granted during the financial year as share-based payments is $0.0695.

	Lead manager options
Number issued	4,000,000
Grant date	22/12/21
Exercise price	$0.30
Expected volatility	50%
Option life	3 years
Dividend yield	Nil
Risk free interest rate	0.26%

Fair value of share options granted in the year.
Options were priced using the Black-Scholes option pricing model.

Movements in share options during the year
The following reconciles the share options outstanding at the beginning and end of the period:

	30 June 2022		30 June 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of year	**-**	**-**	**-**	
Granted during the year	4,000,000	$0.30	-	-
Exercised during the year	-	-	-	
Lapsed during the year	-	-	-	
Balance at end of the year	**4,000,000**	**$0.30**	**-**	**-**
Exercisable at the end of the year	4,000,000		-	

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

The share options outstanding at the end of the year had a weighted average exercise price of $0.30 and a weighted average remaining contractual life of 922 days.

Performance Rights

During the year the Company has issued 4,500,000 performance rights over ordinary shares as compensation to directors of the Company. Terms and conditions of the performance rights are detailed in note 10.

An independent valuation of the performance rights has been conducted and assigned a value at grant date of $773,820. An expense of $112,506 has been recognised in profit or loss in the current financial year based on the directors' assessment of the probability of milestones being achieved and the directors' individual service periods.

Performance Rights have been valued using a binomial and trinomial valuation models. The following assumptions were used in the valuation:

	Tranche 1	Tranche 2	Tranche 3
Number	1,800,000	1,350,000	1,350,000
Valuation date	12/01/22	12/01/22	12/01/22
Maturity date	12/01/27	12/01/27	12/01/27
Conditions	Market	Non-Market	Non-Market
Volatility	100%	100%	100%
Dividend yield	Nil	Nil	Nil
Risk free interest rate	1.46%	1.46%	1.46%

14. Key management personnel

The aggregate compensation made to KMP of the Company is set out below:

	2022 $	2021 $
Short-term employee benefits	370,588	-
Post-employment benefits	-	-
Non-monetary benefits	-	-
Share-based payments	112,506	-
	483,094	-

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

Other transactions with KMP of the Company

Loss for the year does not include any further items of expense that resulted from transactions, other than compensation, loans or equity holdings, with KMP or their related entities:

15. Reconciliation of profit for the year to net cash flows from operating activities

	30 June 2022 $	1 June 2021 to 30 June 2021 $
Loss for the year	**(557,072)**	**(43,638)**
Non-cash items:		
Share-based payments	112,506	-
Financing and investing cash flows included in loss:		
Exploration and evaluation expenditure	69,568	-
Movement in receivables	(84,386)	(95)
Movement in payables	34,063	43,731
Cash flows from operating activities	**(425,321)**	**-**

16. Non-cash transactions

During the year, the company has made share-based payments totalling $140,285 (2021: Nil), details of which are included in note 13.

17. Commitments and contingent liabilities

In order to maintain and preserve rights of tenure to granted exploration tenements, the Company is required to meet certain minimum levels of exploration expenditure specified by various State governments.

Notes to the financial statements

For the year ended 30 June 2022

As at reporting date these future minimum exploration expenditure commitments are as follows:

	30 June 2022 $	30 June 2021 $
Not longer than 1 year	633,620	-
Longer than 1 year and not longer than 5 years	897,314	-
Longer than 5 years	44,399	-
Total	1,575,333	-

The Company had no contingent liabilities at 30 June 2022 (30 June 2021: Nil).

18. Remuneration of auditors

Auditor

	30 June 2022 $	30 June 2021 $
William Buck		
Audit and review of the financial statements	26,500	5,000
Services provided in respect of the investigating accountants report	12,500	-

19. Subsequent events

On 1 July 2022, the Company announced that it had commenced drilling at the Red Hill Gold Project at Hill End NSW.

On 13 July 2022, the Company announced that it had successfully renewed Exploration Licence 6996 at the Hargraves Project, NSW for a further 2 year period.

On 9 August 2022, the Company announced the further successful renewal of Exploration Licence 5868 at the Hill End Project, NSW for a further 2 year period.

On 25 August 2022, the Company announced that drilling had recommenced at the Red Hill Gold Project with diamond drilling now being undertaken.

Notes to the financial statements

For the year ended 30 June 2022

On 21 September 2022, the Company announced that visible gold and sheeted veining had been intersected following the diamond drilling at Hill End.

Other than as noted above, no matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Vertex Minerals Limited
Independent auditor's report to members

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Vertex Minerals 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

i. giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

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

Basis for Opinion

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. This matter was 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 this matter.

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CARRYING VALUE OF EXPLORATION AND EVAUATION ASSETS	
Area of focus (Refer to Notes 1, 2 and 7)	**How our audit addressed it**
The Company has incurred exploration and evaluation costs for exploration projects in Australia since it completed its initial public offering "IPO" during the course of the current financial year. There is a risk that the Company may lose or relinquish its rights to explore and evaluate those areas of interest and therefore amounts capitalised to the statement of financial position from the current year may no longer be recoverable. During the year no impairment charge was recognised in relation to exploration expenditure. The capitalisation of exploration and evaluation assets was deemed a key area of focus for our audit.	Our audit procedures included the following: — Understanding and vouching the underlying contractual entitlement to explore and evaluate each area of interest, including an evaluation of the acquisition of tenements made by the Company following completion of its IPO; — Examining project spend per each area of interest and comparing this spend to the minimum expenditure requirements set out in the underlying exploration expenditure plan; — Examining project spend to each area of interest to ensure that it is directly attributable to that area of interest; — From an overall perspective, comparing the enterprise value of the Company to the net carrying value of its assets on the statement of financial position to identify any other additional indicators of impairment. We also assessed the adequacy of the Company's disclosures in the financial report.

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or 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 statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

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

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

William Buck
ACCOUNTANTS & ADVISORS

Responsibilities

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

William Buck

William Buck Audit (Vic) Pty Ltd
ABN: 59 116 151 136

A. A. Finnis
Director
Melbourne, 29 September 2022

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Roger Jackson
Executive Chairman
29 September 2022

Corporate Governance Statement

The Company's Corporate Governance Plan is available in full on the Company's website at https://vertexminerals.com/corporate-governance-downloads and contains the following documents:

Corporate Governance Statement dated 29 September 2022

Board and Committee Charters:

- Board Charter
- Audit and Risk Committee Charter
- Remuneration Committee Charter
- Nomination Committee Charter
- Environmental Social and Governance Committee Charter

Documentation of Policies and Procedures:

- Corporate Code of Conduct
- Performance Evaluation Policy
- Continuous Disclosure Policy
- Risk Management Policy
- Trading Policy
- Diversity Policy
- Whistleblower Protection Policy
- Anti-Bribery and Anti-Corruption Policy
- Environmental, Social and Governance Policy
- Privacy Policy

The Corporate Governance Statement discloses the extent to which the Company follows the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations – 4th Edition (**Recommendations**). The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation.

Due to the current size and nature of the existing Board and the magnitude of the Company's operations, the Board does not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas as the Board is of the strong view that at this stage the experience and skill set of the current Board is sufficient to perform these roles. Under the Company's Board Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees.

Additional Securities Exchange Information

The shareholder information set out below was applicable as at 23 September 2022 except where otherwise stated.

1. Twenty largest holders of quoted equity securities

Ordinary shares	Number	Percentage
SMALL BUSINESS FINANCE PTY LTD	2,552,000	5.24
KITARA INVESTMENTS PTY LTD <KUMOVA #1 FAMILY A/C>	1,316,980	2.70
MR GAVIN JEREMY DUNHILL	1,300,000	2.67
DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	1,297,980	2.67
MR ROSS DI BARTOLO	1,280,000	2.63
MR PETER ROMEO GIANNI	1,244,235	2.55
GEONOMICS AUSTRALIA PTY LTD	795,000	1.63
MR JIAXUN XU	773,639	1.59
RIMOYNE PTY LTD	770,496	1.58
NEW DISCOVERY PTY LTD <RCY INVESTMENTS A/C>	750,000	1.54
MACRO METALS IRON PTY LTD	750,000	1.54
ANGKOR IMPERIAL RESOURCES PTY LTD <TURKISH BREAD S/F A/C>	740,462	1.52
ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	700,000	1.44
KONKERA PTY LTD <KONKERA FAMILY A/C>	677,611	1.39
SKAHA INVESTMENTS PTY LTD <LAWS FAMILY A/C>	650,000	1.33
SALTINI PTY LTD <SHELDRICK FAMILY S/F A/C>	600,000	1.23
TRISTAR NOMINEES PTY LTD	560,000	1.15
ANNBROOK CAPITAL PTY LTD	526,113	1.08
KINGSLANE PTY LTD <CRANSTON SUPER PENSION A/C>	511,524	1.05
UNIVERSAL SPLENDOUR INVESTMENTS PTY LTD <NO 2 A/C>	500,000	1.03
KEVREX PTY LTD <KEVREX INVESTMENT A/C>	500,000	1.03
SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	499,373	1.03
Total Top 20	19,295,836	39.62
Other	29,404,164	60.38
Total ordinary shares on issue	48,700,000	100

Additional Securities Exchange Information

2. Substantial shareholders

The following table details the Company's substantial shareholders as extracted from the Company's registers of substantial shareholders:

Name	Number of ordinary shares	Percentage	Date of last notice
Ross Di Bartolo	3,594,693	7.38%	29/07/2022
Timothy Paul Neesham	2,790,000	5.73%	27/07/2022

3. Distribution of holders of equity securities

	Fully paid ordinary shares	Unlisted options	Performance rights
1 - 1,000	891	-	-
1,001 - 5,000	469	-	-
5,001 – 10,000	144	-	-
10,001 – 100,000	423	-	-
100,001 and over	83	9	3
	2,010	**9**	**3**
Number on issue	**48,700,000**	**4,000,000**	**4,500,000**
Holding less than a marketable parcel	**1,268**	**-**	**-**

4. Voting rights

See Note 10 to the Financial Statements

Additional Securities Exchange Information

5. Restricted securities

The following securities are restricted and held in escrow at the date of this report:

Class of security	Number subject to escrow	Escrow end date
Ordinary shares	250,000	7 January 2023
Ordinary shares	2,975,000	17 January 2024
Options exercisable at $0.30 on or before 7 January 2025	4,000,000	17 January 2024
Performance rights	4,500,000	17 January 2024

6. Unquoted equity security holdings greater than 20%

Unlisted Options	Number
Bobarino Pty Ltd	1,750,000

Performance Rights	Number
Central West Scientific Pty Ltd	1,500,000
Citraen Pty Ltd	1,500,000
Roger Alan Jackson	1,500,000

7. On-market buy-back

There is currently no on-market buy back program for any of the Company's listed securities.

8. Company secretary, registered and principal administrative office and share registry

The Company Secretary is Mr Alex Neuling.

The Company's principal and registered office is at Unit 38, 460 Stirling Highway, Peppermint Grove WA 6011, telephone number +61 8 6270 6316.

The Company's share registry is maintained by Automic Group, Level 5, 191 St Georges Terrace, Perth WA 6000, telephone number 1300 288 644.

9. Use of funds

The Company has used the cash (and assets in a form readily to convertible to cash) that it held on its date of admission to the ASX of 17 January 2022 to 30 June 2022 in a manner consistent with its business objectives as stated in the listing prospectus dated 21 October

Additional Securities Exchange Information

2021. Further details on the use of funds can be found in the Company's quarterly cash flow reports available on the Company's website.

10. Tenement listing

Tenement Number	Project	Location	Status	% Interest
EL 5868	Hill End	NSW	Granted	100%
EL 8289	Hill End	NSW	Granted [1]	100%
EL 9247	Hill End	NSW	Granted	100%
EL 9413	Hill End	NSW	Granted	100%
EL 9434	Hill End	NSW	Granted	100%
ELA 6528	Hill End	NSW	Application	100%
GL 5846	Hill End	NSW	Granted	100%
ML 49	Hill End	NSW	Granted	100%
ML 50	Hill End	NSW	Granted	100%
ML 315	Hill End	NSW	Granted	100%
ML 316	Hill End	NSW	Granted	100%
ML 317	Hill End	NSW	Granted	100%
ML 913	Hill End	NSW	Granted	100%
ML 914	Hill End	NSW	Granted	100%
ML 915	Hill End	NSW	Granted	100%
ML 1116	Hill End	NSW	Granted	100%
ML 1541	Hill End	NSW	Granted	100%
EL 6996	Hargraves	NSW	Granted	100%
E63/2058	Taylors Rock	WA	Granted	100%
E77.2651	Pride of Elvire	WA	Granted	100%

1. Currently held by Peak Minerals Limited pending transfer to Vertex Minerals Limited.