PINNACLE MINERALS LTD

ACN 655 033 677

ANNUAL REPORT 2022

CORPORATE DIRECTORY

Directors

William Witham	Non-Executive Chairman	Appointed on 3 November 2021
Robert Hodby	Executive Director	Appointed on 3 November 2021
Stephen Ross	Non-executive Director	Appointed on 3 November 2021
Lincoln Liu	Non-executive Director	Appointed on 3 December 2021

Company Secretary

Jay Stephenson (appointed on 3 November 2021)

Head Office and Registered Office

Registered Office and Principal Place of Business
L1/389 Oxford Street
Mount Hawthorn WA 6016
Telephone +61 8 9426 0666

Share Registry

Automic
Level 5, 191 St Georges Terrace
PERTH WA 6000
Telephone +61 2 9698 7164

Securities Exchange

Australian Securities Exchange ('ASX')
Level 40, Central Park, 152-158 St Georges Terrace
PERTH WA 6000

Telephone:	131 ASX (131 279) (within Australia)
Telephone:	+61 2 9338 0000
Facsimile:	+61 2 9227 0885
Website:	www.asx.com.au
ASX Code:	PIM

Auditor

Hall Chadwick Audit (WA) Pty Ltd
283 Rokeby Road
Subiaco WA 6008

ANNUAL REPORT
30 JUNE 2022

CONTENTS

CHAIRMAN'S LETTER

Dear Fellow Shareholders,

On behalf of the Board of Directors, it is my pleasure to present the 2022 Annual Report for Pinnacle Minerals Limited ('Company'), the first Annual Report since listing on ASX.

Pinnacle (ASX: PIM) listed on the ASX on the 23rd March 2022 after raising $4.5m to fund its exploration activities targeting kaolin and kaolin-halloysite in Western Australia and South Australia.

Kaolin has attractive fundamentals with growing utilisation and rising popularity in the industrial mineral sector.

The initial focus for our exploration is the Bobalong Project.

The 100% owned Bobalong Project, consists of two granted tenements covering approximately 116.61km² of tenure and one application, located approximately 130km north of the Port of Albany and within 20kms of the town of Tambellup, Western Australia. This location provides access to essential services, the sealed Great Southern Highway, a State Government Standard Gauge Rail, Western Power transmission lines, Government Water Authority Supply services, and other government, health, and education services.

The Company's initial field programs have focused on the Bill's Middle target within the Bobalong Project area. Completion of the first phase drilling program at Bobalong has confirmed the presence of extensive mineralisation of exceptional quality, these results indicate the potential for a high value product suitable for direct shipping ore (DSO) export.

Going forward on the Bobalong Project, Pinnacle intends to recommence discussions with potential offtake partners for a DSO kaolin product, though the Company will be in a position to provide further detailed commentary upon the receipt and interpretation of assay results. At this stage, Pinnacle is using initial findings from the first phase drilling program to commence preliminary planning for potential operations at the Bobalong Project.

In addition to the West of Bobalong at Kojonup, Western Australia, the Company holds two granted exploration tenements covering an area of 268km² at the Holly Project, which features identified kaolin following historic drilling by CRA in 1995, with targeted drilling planned upon completion of land access agreements. The Company also holds three tenements applications at the White Knight Project and a tenement application at the Camel Lake Project in South Australia (SA), both of which have an extensive exploration history, with extensive kaolin recorded but never followed up, and are strategically located adjacent to Andromeda Metals' (ASX:ADN) high-grade kaolin-halloysite discoveries in SA.

I would like to take this opportunity, on behalf of the Board, to thank all our Shareholders for their ongoing support.

I would also like to thank management and my fellow Directors for their ongoing efforts. We are committed to progressing the Company by exploring and testing high-quality targets that can lead to significant discoveries on our extensive holdings in Western Australian and South Australia to grow the Company for the benefit of all Pinnacle shareholders.

William Witham
NON-EXECUTIVE CHAIRMAN
Pinnacle Minerals Limited

REVIEW OF OPERATIONS - OVERVIEW

Pinnacle Minerals Limited (ASX: PIM) listed on the Australian Securities exchange (ASX) on the 23rd March 2022 raising $4.5m by issuing 25m new shares ($0.20) to fund exploration activities targeting kaolin and kaolin-halloysite in Western Australian and South Australia.

Pinnacle entered into two share sale agreements, one with Bulk Minerals Pty Ltd (covering the White Knight, Camel Lake, and Holly Kaolin Projects), and one with Witby Clays Pty Ltd (covering the Bobalong Kaolin Project), acquiring a 100% interest in the tenements and tenement applications.

The Bobalong Project covers approximately 116.61km² of tenure located approximately 130km north of the Port of Albany and within 20kms of the town of Tambellup. This location provides access to essential services, the sealed Great Southern Highway, a State Government Standard Gauge Rail, Western Power transmission lines, Government Water Authority Supply services, and other government, health, and education services. Kaolin has attractive fundamentals with growing utilisation and rising popularity in the industrial mineral sector.

In addition to Bobalong at Tambellup, Western Australia, the Company holds two granted exploration tenements covering an area of 268km² at the Holly Project, which features identified kaolin following historic drilling by CRA in 1995, with targeted drilling planned upon completion of land access agreements. The Company also holds three tenements at the White Knight Project and a tenement application at the Camel Lake Project in South Australia, both of which have an extensive exploration history, with extensive kaolin recorded but never followed up, and are strategically located adjacent to Andromeda Metals' (ASX:ADN) high-grade kaolin-halloysite discoveries in SA. Project locations are presented in Figure 1.

Since listing the Company's initial field programs focused on the Bill's Middle and Tambellup East targets within the Bobalong Project area. Field assessments across the Bill's Middle kaolin prospects confirmed the presence of extensive mineralisation of exception quality at 38.3% Al_2O_3 and 45.9% SiO_2, high whiteness and high brightness of 80% to 85%; with a small particle size, high opacity, and low impurities. These results indicate the potential for a high value product suitable for direct shipping ore (DSO) export, via the deep-water port of Albany, 133km to the south.

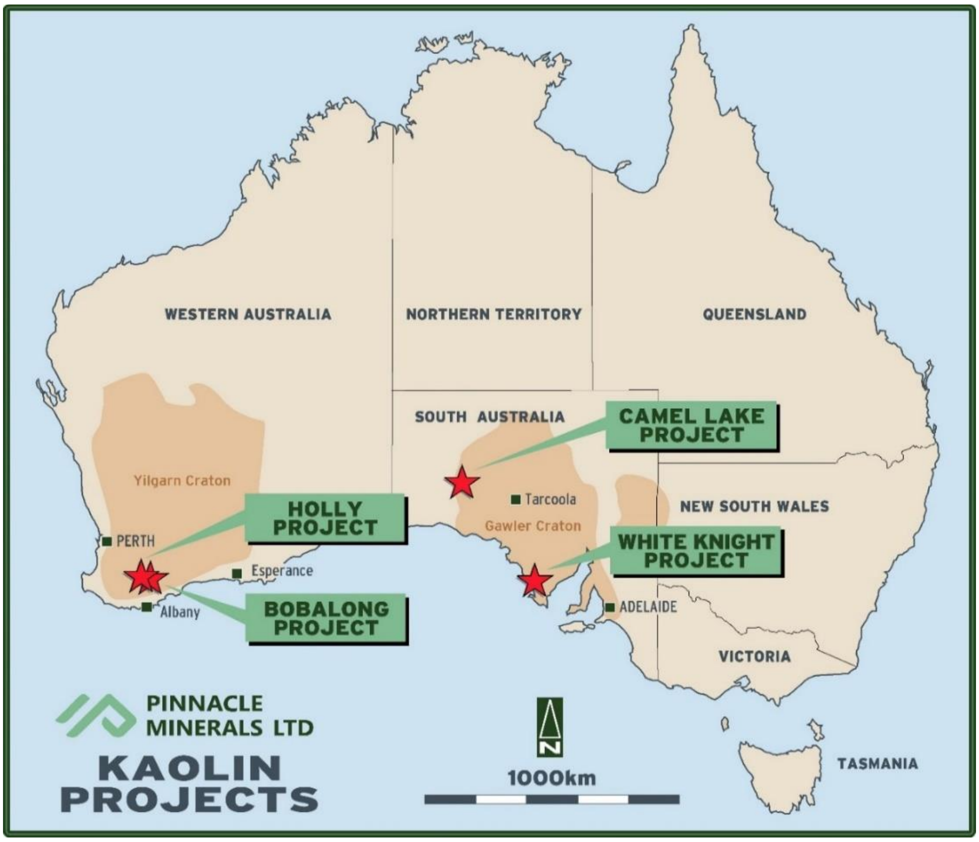

Figure 1. Pinnacle Project locations

COVID-19 UPDATE

Pinnacle is continuing to review updates in relation to the COVID 19 pandemic and potential impacts to its exploration programs, drill schedules, health and wellbeing of its employees, contractors and other stakeholders. The Company has operational procedures and guidelines in-line with official health advice and government directives which can be modified in response to changing conditions.

Pinnacle is an active explorer and continues to progress its work programs subject to travel restrictions that maybe enforced.

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Mr William Witham, Non-Executive Chair of Pinnacle Minerals Limited. Mr Witham has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Witham consents to the inclusion in this release of the matters based on the information in the form and context in which they appear. Mr Witham is a shareholder of Pinnacle Minerals Limited.

TENEMENT SCHEDULE

As at the date of listing, the Company holds a 100% beneficial interest in all tenements and tenement application through its subsidiaries.

Project	Tenement	Beneficial Interest at the date of this report
Bobalong Kaolin	E70/5347	100%
	E70/5348	100%
	E70/6094	100%
Holly Kaolin	E70/5676	100%
	E70/5690	100%
White Knight	ELA2021/00014	100%
	ELA2021/00015	100%
	ELA2021/00016	100%
Camel Lake	ELA2020/00230	100%

Note EL – granted Exploration License
ELA – Exploration license in application

DIRECTORS' REPORT

Your Directors present their report together with the financial statements of the Group, being the Company and its controlled entities, for the financial period 3 November 2021 (date of incorporation) until 30 June 2022 (Period).

1. DIRECTORS AND COMPANY SECRETARY

The names, qualifications, experience and special responsibilities of the Directors in office at any time during or since year-end are as follows:

- **Mr. William Witham** *Chairman (Non-Executive Chairman) (Non-independent) (appointed 3 November 2021)*

  BSc in Geology (Hons)

  Mr Bill Witham has held senior executive roles in the resources industry across the Australian and African resources sector for over two decades and has worked and lived in Australia, Africa and South America. Mr Witham has been involved in a number ASX listed companies has further experience in member-based organisation leadership, including currently with the Australia-Africa Minerals & Energy Group (AAMEG - CEO), and previously with the Chamber of Minerals & Energy WA (Government Relations and Policy) and the National Party WA (Corporate Director). Mr Witham is also a non-executive director of DMC Mining Limited.

  Interest in Shares and Options: 2,400,200 Shares and 1,600,000 Options

- **Mr Robert Hodby** *Executive Director (Non-Independent) (appointed 3 November 2021)*

  BComm, CPA, GIA

  Robert holds a Bachelor of Commerce from Murdoch University and is a member of CPA Australia and the Governance Institute of Australia. Mr Hodby has over 20 years industry experience in financing and administration of public and listed companies gathered at both operational and corporate levels. During his time, he has held numerous executive and project management positions as well as CFO, Board and Company Secretarial roles with a number of companies involved in the resource and energy industries.

  Interest in Shares and Options: 2,400,000 Shares and 2,450,000 Options

- **Mr Stephen Ross** *Non-executive Director (Non-Independent) (appointed 3 November 2021)*

  BSc (Geology), FFin , MAusIMM

  Stephen Ross is a geologist, independent consultant and public company director that has been involved in the international minerals industry in technical, business development and corporate positions for 30 years. Stephen has sourced significant investments for junior explorers and pre-development resource companies worldwide while holding managing director and technical positions when based in Central Asia, West Africa and Sri Lanka. He is a member of the Australasian Institute of Mining and Metallurgy, is a Fellow of the Financial Services Institute of Australasia and a is a member of the Australian Institute of Company Directors. Stephen is currently the chairman of ASX-listed Power Minerals Limited, and a non-executive director of Summit Minerals Limited.

  Interest in Shares and Options: Nil Shares and 1,000,000 Options

- **Mr Lincoln Liu** *Non-executive Director (Non-Independent) (appointed 3 December 2021)*

  BBusCom, MCom, MBA

  Lincoln Liu has worked in Australian equities including stockbroking, research and investment banking for over a decade. Mr Liu has experience in IPO's, Placements, Private Equity and M&A. His industry expertise includes resources and he has worked extensively with early stage companies. Mr Liu is a co-founder of a Sydney based Corporate advisory firm. He holds a Bachelor of Business and Commerce (Applied Finance) from UWS, Master of Commerce in Finance from UNSW & and a Master of Business Administration from USYD.

  Interest in Shares and Options: Nil Shares and 750,000 Options

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

COMPANY SECRETARY

- **Mr Jay Stephenson**.

  MBA, FCPA, CA, CPA (Canada) CMA (Canada), FCIS, FGIA, MAICD

  Mr Stephenson has been involved in business development for over 30 years, including approximately 24 years as Director, Chief Executive Officer, and Company Secretary of various listed and unlisted entities in resources, manufacturing, wine, hotels and property. He has been involved in business acquisitions, mergers, initial public offerings, capital raisings, and business restructuring, as well as managing all areas of finance for companies.

DIRECTORS' REPORT

2. DIRECTORS' MEETINGS

The number of directors' meetings attended by each of the Directors of the Company who hold or held office during the financial year was:

	DIRECTORS' MEETINGS		AUDIT COMMITTEE		NOMINATION COMMITTEE		REMUNERATION COMMITTEE		FINANCE AND OPERATIONS COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
W. Witham	3	3	*At the date of this report, the Remuneration, Audit, Nomination, and Finance and Operations Committees comprise the full Board of Directors. The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of these separate committees. Accordingly, all matters capable of delegation to such committees are considered by the full Board of Directors.*							
R. Hodby	3	3								
S. Ross	3	3								
L. Liu	3	3								

3. DIRECTORS' INTERESTS

The relevant interests of Directors in the shares and options of the Company up to the date of this report were as follows:

2022	Shares No.	Options[1,2] No.
W. Witham	2,400,200[3]	1,600,000
R. Hodby	2,400,000[4]	2,450,000
S. Ross		1,000,000
L. Liu		750,000
	4,800,200	5,800,000

1. The Options were received as part of the Directors' remuneration exercisable on or before the date which is 3 years from the date of quotation, 23 March 2025, and exercisable at $0.25.
2. Included in the options are those acquired as Loyalty Options at $0.0005 per option exercisable at $0.25 on or before 20 July 2026.
3. The Shares are held indirectly through William John Andrew Witham, Katherine Darian Witham Jensen ATF Acorn Family Trust. These Shares represent Consideration Shares issued pursuant to the Witby Clays Acquisition Agreement, a summary of which can be found in the Company's IPO Prospectus.
4. These shares are held indirectly through RWH Nominees Pty Ltd, of which Mr Hodby is a director and holds 50% interest. These Shares represent Consideration Shares issues pursuant to the Witby Clays Acquisition Agreement, a summary of which can be found in the Company's IPO Prospectus.

4. PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the course of the financial year was achieving a listing on ASX and the commencement of mineral exploration activities.

5. OPERATING RESULTS

For the 2022 financial year the Group delivered a loss after providing for income tax of $1,000,367.

6. REVIEW OF OPERATIONS

The Group listed on the ASX on 23 March 2022 following the successful raise of $4.5m. Refer to the detailed review of operations - overview of the Annual Report.

7. DIVIDENDS

The Directors have not paid an interim dividend nor do they recommend the payment of a final dividend.

8. FINANCIAL POSITION

As at 30 June 2022, the Group's cash and cash equivalents was $3,804,953, working capital was $3,834,178 and net assets were $6,330,827.

The consolidated entity's financial position has enabled the Group to limit its borrowings to internal parties and not to external financial institutions. This maintains a satisfactory working capital ratio.

The directors believe the Group is in a satisfactorily stable financial position to continue its current operations.

9. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the period ended 30 June 2022.

10. EVENTS SUBSEQUENT TO REPORTING DATE

The Group completed a Loyalty Option offer in August 2022 with the issue of 20,687,634 options exercisable at $0.25 on or before 20 July 2026. The Loyalty Option offer raised $90,938 before costs.

Mr. Maurice (Nic) Matich was appointed as the Chief Executive Officer of the Company on the 19th September 2022.

Other than as noted above, there were no significant events after the end of the reporting period.

11. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely future developments in the operations of the Consolidated Entity are referred to in the review of operations - overview on page 4 of the Annual Report.

12. DIRECTORS' SHAREHOLDINGS, CONTRACTS AND BENEFITS

Since the end of the previous financial year no Director of the Company has received, or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts) by reason of a contract made by the Company with the Director or with a firm of which the Director is a member, or a Company in which the Director has a substantial financial interest, other than as disclosed in the remuneration report below.

13. REMUNERATION REPORT (AUDITED)

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

(a) Principles used to determine the nature and amount of remuneration
(b) Details of remuneration
(c) Service agreements
(d) Equity instruments disclosure relating to Key Management Personnel
(e) Share-based compensation
(f) Loans to / from Key Management Personnel
(g) Transactions with Related Parties of Key Management Personnel

The information provided in this remuneration report has been audited as required by s308(3C) of the *Corporations Act 2001* (Cth).

(a) Principles used to determine the nature and amount of remuneration

The following report determines the principles used to determine the nature and amount of remuneration. The Board is responsible for determining and reviewing compensation arrangements for the Directors and the Executive team. The role also includes responsibility for share option schemes, superannuation entitlements, retirement and termination entitlements, fringe benefit policies, liability insurance policies and other terms of employment.

The Board will review the arrangements having regard to performance, relevant comparative information and at its discretion may obtain independent expert advice on the appropriateness of remuneration packages. Remuneration packages are set at levels intended to attract and retain Executives capable of managing the Company's activities.

The practices of negotiation and annual review of Executive Directors' performance and remuneration are carried out by the Non-Executive Directors of the Board. The Chairman of the Board who makes recommendations to the full board, undertakes, in an informal way, the review of the Non-Executive Directors remuneration.

The Board will meet at least annually or as required, usually on the anniversary date of each service agreement for the particular Director and or Executive. At these meetings, the particular Director and/or Executive will declare his/her interest and not vote, as well he/she will depart from the meeting, so as not to be present whilst the issue is being discussed.

Given the nature and size of the Company there has been no requirement to engage the services of a remuneration consultant for the period ended 30 June 2022.

i. *Remuneration of Non-executive Directors*

Total remuneration for Non-executive Directors is not to exceed $250,000 per annum, excluding options which are approved separately at a general meeting. Non-Executive Directors' fees are set with reference to fees paid to other Non-Executive Directors of comparable companies and are presently $60,000 per annum for the Non-Executive Chair and $45,000 per annum for the Non-Executive Directors. The Executive Director receives a fee of $110,000 per annum plus superannuation for 60% time. Non-Executive Director's remuneration is reviewed annually by the Non-executive Directors of the Board.

ii. *Share trading policy*

The trading of shares issued to participants under any of the Company's employee equity plans is subject to, and conditional upon, compliance with the Company's employee share trading policy, publicly available via the ASX.

iii. *Remuneration Framework*

The executive remuneration framework has two components:

- base pay and benefits, including superannuation where applicable; and
- long term incentives. Director Options have been issued to each Director as a part of their total remuneration, these Options are exercisable on or before the date which is 3 years from the date of quotation, 23 March 2025, exercisable at $0.25.

The executive remuneration mix is consistent with that of an exploration company in that pay is currently not based on the performance of the Company and both components of the executives target pay are not at risk.

(b) Details of remuneration

Details of the nature and amount of each element of the emoluments of each of the key management personnel of the Company for the period ended 30 June 2022 are set out in the following tables.

	Short-term benefits		Post-employment benefits	Equity-settled share-based payments:		
	Cash, salary & fees	Non- monetary[5]	Super-annuation	Options	Total	Options as a percentage of remuneration
	$	$	$	$	$	%
2022						
Mr W. Witham[1]	39,000	-	-	90,000	129,000	69.8%
Mr. R. Hodby[2]	50,374	-	2,717	112,500	165,591	67.9%
Mr. S. Ross[3]	35,250	-	-	90,000	125,250	71.9%
Mr. L. Liu[4]	11,250	-	-	67,500	78,750	85.7%
	135,874	-	2,717	360,000	498,591	72.2%

1. William Witham is paid as a consultant a total annual fee of $60,000. A day rate of $1,200 per day worked for work related to the Operations of Pinnacle over and above the Non-Executive Chair role.
2. Robert Hodby is paid as an employee an annual salary of $100,000 per annum plus Superannuation for a 60% workload. Days worked in excess of 60% are charged at a rate of $1,200 per day.
3. Stephen Ross is paid as a consultant a total annual fee of $45,000 per annum. A day rate of $1,200 per day worked for work related to the Operations of Pinnacle over and above the Non-Executive Director role.
4. Lincoln Liu is paid as a consultant a total annual fee of $45,000 per annum. A day rate of $1,200 per day worked for work related to the Operations of Pinnacle over and above the Non-Executive Director role.

(c) Service agreements

Each Director has entered into a service agreement with the Group.

(d) Equity instruments disclosure relating to Key Management Personnel

***i.* Shareholdings**

Number of shares held by Parent Entity Directors and other key management personnel of the Group, including their personally related parties, are set out below.

2022	Balance at start of year No.	Received during the year as compensation No.	Other changes during the year No	Balance at end of year No.
Mr. W. Witham	-	-	2,400,200	2,400,200
Mr. R. Hodby	-	-	2,400,000	2,400,000
Mr. S. Ross	-	-	-	-
Mr. L. Liu	-	-	-	-
	-	-	4,800,200	4,800,200

[1] Other changes during the year represent shares acquired as vendor shares for the acquisition of Witby Clays Pty Ltd.

ii. Options

2022	Balance at start of year No.	Granted as remuneration during the year No.	Exercised during the year No.	Other changes during the year No.	Balance at end of year No	Vested and exercisable No.	Not vested No.
Mr W. Witham	-	1,000,000	-	-	1,000,000	1,000,000	-
Mr. R. Hodby	-	1,250,000	-	-	1,250,000	1,250,000	-
Mr. S. Ross	-	1,000,000	-	-	1,000,000	1,000,000	-
Mr. L. Liu	-	750,000	-	-	750,000	750,000	-
	-	4,000,000	-	-	4,000,000	4,000,000	-

(e) Share-based compensation

During the period, the Directors and Company Secretary of the Group were issued 4,750,000 Options exercisable at $0.25 on or before 24 March 2025.

(f) Loans to / from Key Management Personnel

There were no loans owing to / from Key Management Personnel on 30 June 2022.

(g) Transactions with Related Parties of Key Management Personnel

There are no other significant related party transactions not already identified at the 30 June 2022 year end.

There are no other related party transactions other than those payments to Directors as disclosed in the remuneration report.

14. LOANS TO DIRECTORS AND EXECUTIVES

No loans have been made to Directors of Pinnacle Minerals Limited and the specified executives of the consolidated entity, including their personally-related entities.

15. SHARES UNDER OPTION

There were 29,937,634 options for ordinary shares of Pinnacle Minerals Limited at the date of this report.

16. LIABILITY INSURANCE

The Company has taken out an insurance policy to cover its Directors and Officers to indemnify them against any claims of negligence.

17. ENVIRONMENTAL REGULATION

The mining leases granted to the Company pursuant to Mining Acts are granted subject to various conditions, which include standard environmental requirements. The Company adheres to these conditions and the Directors are not aware of any contraventions of these requirements.

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. For the first measurement period the directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

18. NON-AUDIT SERVICES

During the year, Hall Chadwick Audit (WA) Pty Ltd, the Group's auditor, prepared the Investigating Accountant's Report for the Initial Public Offering Prospectus.

Details of remuneration paid to the auditor can be found within the financial statements at Note 17 Auditor's Remuneration.

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

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

The Directors are satisfied that the provision of non-audit services by Hall Chadwick Audit (WA) Pty Ltd (or by another person or firm on Hall Chadwick Audit (WA) Pty Ltd's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth).

19. PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

20. AUDITORS INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under s307C of the *Corporations Act 2001* (Cth) is set out on page 13.

21. AUDITORS

The auditor, Hall Chadwick Audit (WA) Pty Ltd continues in accordance with s327 of the *Corporations Act 2001* (Cth).

22. ROUNDING OF AMOUNTS

The Company is a type of Company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of directors made pursuant to s298(2) of the *Corporations Act 2001* (Cth).

WILLIAM WITHAM
Non-Executive Chairman
Dated: 29 September 2022

HALL CHADWICK

To the Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*

As lead audit Partner for the audit of the financial statements of Pinnacle Minerals Limited for the period from 3 November 2021 (date of incorporation) to 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully

Hall Chadwick

HALL CHADWICK AUDIT (WA) PTY LTD

NIKKI SHEN CA
Director

Dated this 29th day of September 2022
Perth, Western Australia

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement is current as at the date of this Annual Report and has been approved by the Board of the Company.

This Corporate Governance Statement discloses the extent to which the Company will, as at the date it is admitted to the official list of the ASX, follow 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.

The Company has adopted a Corporate Governance Plan which provides the written terms of reference for the Company's corporate governance duties.

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.

The Company's Corporate Governance Plan is available on the Company's website at www.pinnacleminerals.com.au.

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Principle 1: Lay solid foundations for management and oversight		
Recommendation 1.1 (a) A listed entity should have and disclose a board charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management.	YES	The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management. The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy. A copy of the Company's Board Charter, which is part of the Company's Corporate Governance Plan, is available on the Company's website.
Recommendation 1.2 A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	YES	a) The Company has guidelines for the appointment and selection of the Board and senior executives in its Corporate Governance Plan. The Company's Nomination Committee Charter (in the Company's Corporate Governance Plan) requires the Nomination Committee (or, in its absence, the Board) to ensure appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a director. In the event of an unsatisfactory check, a director is required to submit their resignation. b) Under the Nomination Committee Charter, all material information relevant to a decision on whether or not to elect or re-elect a director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a director.
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	YES	The Company's Nomination Committee Charter requires the Nomination Committee (or, in its absence, the Board) to ensure that each Director and senior executive is personally a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment. The Company has written agreements with each of its directors and senior executives.
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the Chair, on all matters to do with the proper functioning of the board.	YES	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
Recommendation 1.5 A listed entity should: (a) Have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (i) the measurable objectives set for that period to achieve gender diversity; (ii) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the Workplace Gender Equality Act. If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.	YES	a) The Company has adopted a Diversity Policy which provides a framework for the Company to establish, achieve and measure diversity objectives, including in respect of gender diversity. The Diversity Policy is available, as part of the Corporate Governance Plan, on the Company's website. b) The Diversity Policy allows the Board to set measurable gender diversity objectives and to continually monitor both the objectives and the Company's progress in achieving them. c) The measurable diversity objectives for each financial year (if any), and the Company's progress in achieving them, will be detailed in the Company's Annual Report i. The Board does not anticipate there will be a need to appoint any new Directors or senior executives due to the limited nature of the Company's existing and proposed activities and the Board's view that the existing Directors and senior executives have sufficient skill and experience to carry out the Company's plans; ii. If it becomes necessary to appoint any new Directors or senior executives, the Board will consider the application of the measurable diversity objectives and determined whether, given the small size of the Company and the Board, requiring specified objectives to be met will unduly limit the Company from applying the Diversity Policy as a whole and the Company's policy of appointing the best person for the job;] and iii. The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes) for each financial year will be disclosed in the Company's Annual Report. There are 4 men and no women directors or executives of the Group.
Recommendation 1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	YES	a) The Company's Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Board, its committees and individual Directors on an annual basis. It may do so with the aid of an independent advisor. The process for this is set out in the Company's Corporate Governance Plan, which is available on the Company's website. b) The Company's Corporate Governance Plan requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Company intends to complete performance evaluations in respect of the Board, its committees (if any) and individual Directors for each financial year in accordance with the above process.
Recommendation 1.7 A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	YES	a) The Company's Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Company's senior executives on an annual basis. The Company's Remuneration Committee (or, in its absence, the Board) is responsible for evaluating the remuneration of the Company's senior executives on an annual basis. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act) other than a non-executive Director. The applicable processes for these evaluations can be found in the Company's Corporate Governance Plan, which is available on the Company's website. b) The Company's Corporate Governance Plan requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Company intends to complete performance evaluations in respect of the senior executives (if any) for each financial year in accordance with the applicable processes. At this stage, due to the current size and nature of the existing Board and the magnitude of the Company's operations, the

Company has not appointed any senior executives.

Principle 2: Structure the board to be effective and add value

Recommendation	Compliance	Explanation
Recommendation 2.1 The board of a listed entity should: (a) have a nomination committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	PARTIALLY	a) The Company does not have a Nomination Committee. The Company's Nomination Committee Charter provides for the creation of a Nomination Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director b) The Company does not have a Nomination Committee as the Board considers that the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Nomination Committee under the Nomination Committee Charter, including the following processes to address succession issues and to ensure the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively: • devoting time at least annually to discuss Board succession issues and updating the Company's Board skills matrix; and • all Board members being involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules
Recommendation 2.2 A listed entity should have and disclose a Board skills matrix setting out the mix of skills that the Board currently has or is looking to achieve in its membership.	YES	Under the Nomination Committee Charter (in the Company's Corporate Governance Plan), the Nomination Committee (or, in its absence, the Board) is required to prepare a Board skills matrix setting out the mix of skills that the Board currently has (or is looking to achieve) and to review this at least annually against the Company's Board skills matrix to ensure the appropriate mix of skills to discharge its obligations effectively and to add value and to ensure the Board has the ability to deal with new and emerging business and governance issues. The Company has a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership. A copy will be available in the Company's Annual Report.

Board Skills Matrix	Number of Directors that meet the skill
Executive and Non-Executive experience	4
Industry experience and knowledge	4
Leadership	4
Corporate governance and risk management	4
Strategic thinking	4
Desired behavioural competencies	4
Geographic experience	4
Capital markets experience	3
Accounting	1
Capital management	3
Corporate financing	3
Industry taxation[1]	0
Risk management	4
Legal[2]	0
IT expertise[3]	0

1. Skill gap noticed however an external taxation firm is employed to maintain taxation requirements.
2. Skill gap noticed however an external legal firm is employed to maintain legal requirements.
3. Skill gap noticed however an external IT firm is employed on an adhoc basic to maintain IT requirements.

		The Board Charter requires the disclosure of each Board member's qualifications and expertise. Full details as to each Director and senior executive's relevant skills and experience will be available in the Company's Annual Report.
Recommendation 2.3 **A listed entity should disclose:** (a) the names of the directors considered by the board to be independent directors; (b) if a Director has an interest, position or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendations (4th Edition), but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion; and the length of service of each Director	YES	a) The Board Charter requires the disclosure of the names of Directors considered by the Board to be independent. The Board considers Mr Stephen Ross and Mr Lincoln Liu to be independent Directors. b) Mr Stephen Ross and Mr Lincoln Liu have an interest in the Company by way of holding 1,000,000 Options and 750,000 Options in the Company, respectively. However, the Board is of the opinion that this interest does not compromise the independence of the Director. The company considers it necessary, given its speculative and small-scale activities, to attract and retain suitable Directors by offering Directors an interest in the Company, and the Company also considers it appropriate to provide remuneration to its directors in the form of securities to conserve its limited cash reserves. c) The Company's Annual Report will disclose the length of service of each Director, as at the end of each financial year.
Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	Partially	The Company's Board Charter requires that, where practical, the majority of the Board should be independent. The Board currently comprises a total of 4 directors, of whom two are considered to be independent. As such, independent directors currently do not comprise the majority of the Board, however, they do comprise 50% of the Board. The Board does not currently consider an independent majority of the Board to be appropriate given: (a) the speculative nature of the Company's business, and its limited scale of activities, means the Company only needs, and can only commercially sustain, a small Board of 4 Directors and no senior executives [other than the executive Director; (b) the Company considers at least one Director needs to be executive Director of the Company to be effectively managed; (c) The Company considers it necessary, given its speculative and small-scale activities to attract and retain suitable Directors by offering Directors an interest in the Company, and (d) the Company considers it appropriate to provide remuneration to its directors in the form of securities in order to conserve its limited cash reserves. Despite not having an independent majority of Directors, the Company has one executive Director and one non-Executive Chairperson. The Non-Executive Chairperson has the casting vote at board meetings
Recommendation 2.5 The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.	NO	Board Charter provides that, where practical, the Chair of the Board should be an independent Director and should not be the CEO/Managing Director. The Chair of the Company is not an independent Director and is not the CEO/Managing Director. The Board does not have an independent Chair because it was not feasible due to the company's current size and Board structure.
Recommendation 2.6 A listed entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.	YES	In accordance with the Company's Board Charter, the Nominations Committee (or, in its absence, the Board) is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible for facilitating inductions and professional development including receiving briefings on material developments in laws, regulations and accounting standards relevant to the Company.

Principle 3: Instil a culture of acting lawfully, ethically and responsibly		
Recommendation 3.1 A listed entity should articulate and disclose its values.	YES	(a) The Company are committed to conducting all of its business activities fairly, honestly with a high level of integrity, and in compliance with all applicable laws, rules and regulations. The Board, management and employees are dedicated to high ethical standards and recognise and support the Company's commitment to compliance with these standards. (b) The Company's values are set out in its Code of Conduct (which forms part of the Corporate Governance Plan) and are available on the Company's website. All employees are given appropriate training on the Company's values and senior executives will continually reference such values.
Recommendation 3.2 A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the Board or a committee of the Board is informed of any material breaches of that code.	YES	a) The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees. b) The Company's Corporate Code of Conduct (which forms part of the Company's Corporate Governance Plan) is available on the Company's website. Any material breaches of the Code of Conduct are reported to the Board or a committee of the Board.
Recommendation 3.3 A listed entity should: (a) have and disclose a whistle-blower policy; and (b) ensure that the Board or a committee of the Board is informed of any material incidents reported under that policy.	YES	The Company's Whistleblower Protection Policy (which forms part of the Corporate Governance Plan) is available on the Company's website. Any material breaches of the Whistleblower Protection Policy are to be reported to the Board or a committee of the Board.
Recommendation 3.4 A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the Board or committee of the Board is informed of any material breaches of that policy.	YES	The Company's Anti-Bribery and Anti-Corruption Policy (which forms part of the Corporate Governance Plan) is available on the Company's website. Any material breaches of the Anti-Bribery and Anti-Corruption Policy are to be reported to the Board or a committee of the Board.
Principle 4: Safeguard the integrity of corporate reports		
Recommendation 4.1 The Board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	PARTIALLY	(a) The Company does not have an Audit and Risk Committee. The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee with at least three members, all of whom must be non-executive Directors, and majority of the Committee must be independent Directors. The Committee must be chaired by an independent Director who is not the Chair. The Company does not have an Audit and Risk Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to independently verify the integrity of the Company's periodic reports which are not audited or reviewed by an external auditor, as well as the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: (i) the Board devotes time at annual Board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors; and (ii) all members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting
Recommendation 4.2 The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive	YES	The Company's Audit and Risk Committee Charter requires the CEO and CFO (or, if none, the person(s) fulfilling those functions) to provide a sign off on these terms.

from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.		The Company intends to obtain a sign off on these terms for each of its financial statements in each financial year.
Recommendation 4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	YES	The Company will include in each of its (to the extent that the information contained in the following is not audited or reviewed by an external auditor): (a) annual reports or on its website, a description of the process it undertakes to verify the integrity of the information in its annual directors' report; (b) quarterly reports, or in its annual report or on its website, a description of the process it undertakes to verify the integrity of the information in its quarterly reports; (c) integrated reports, or in its annual report (if that is a separate document to its integrated report) or on its website, a description of the process it undertakes to verify the integrity of the information in its integrated reports; and (d) periodic corporate reports (such as a sustainability or CSR report), or in its annual report or on its website, a description of the process it undertakes to verify the integrity of the information in these reports.
Principle 5: Make timely and balanced disclosure		
Recommendation 5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	YES	a) The Company's Corporate Governance Plan details the Company's Continuous Disclosure policy. b) The Corporate Governance Plan, which incorporates the Continuous Disclosure policy, is available on the Company's website.
Recommendation 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	YES	Under the Company's Continuous Disclosure Policy (which forms part of the Corporate Governance Plan), all members of the Board will receive material market announcements promptly after they have been made.
Recommendation 5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	YES	All substantive investor or analyst presentations will be released on the ASX Markets Announcement Platform ahead of such presentations.
Principle 6: Respect the rights of security holders		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	YES	Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website.
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	YES	The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website as part of the Company's Corporate Governance Plan.
Recommendation 6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	YES	Shareholders are encouraged to participate at all general meetings and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material stating that all Shareholders are encouraged to participate at the meeting. All substantive resolutions at securityholder meetings will be decided by a poll rather than a show of hands.
Recommendation 6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	YES	All substantive resolutions at securityholder meetings will be decided by a poll rather than a show of hands
Recommendation 6.5	YES	The Shareholder Communication Strategy provides that security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX,

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.		including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted. Shareholders queries should be referred to the Company Secretary at first instance.
Principle 7: Recognise and manage risk		
Recommendation 7.1 The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.	YES	a) The Company does not have an Audit and Risk Committee. The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee with at least three members, all of whom must be non-executive Directors, and majority of the Committee must be independent Directors. The Committee must be chaired by an independent Director who is not the Chair. A copy of the Corporate Governance Plan is available on the Company's website. b) The Company does not have an Audit and Risk Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to oversee the entity's risk management framework, The Board devotes time at regular board meetings to fulfill the roles and responsibilities with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures
Recommendation 7.2 The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board; and (b) disclose in relation to each reporting period, whether such a review has taken place.	YES	a) The Audit and Risk Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) should, at least annually, satisfy itself that the Company's risk management framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board. b) The Company's Corporate Governance Plan requires the Company to disclose at least annually whether such a review of the Company's risk management framework has taken place.
Recommendation 7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.	YES	The Audit and Risk Committee Charter provides for the Audit and Risk Committee to monitor and periodically review the need for an internal audit function, as well as assessing the performance and objectivity of any internal audit procedures that may be in place.
Recommendation 7.4 A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	YES	The Audit and Risk Committee Charter requires the Audit and Risk Committee (or, in its absence, the Board) to assist management to determine whether the Company has any potential or apparent exposure to environmental or social risks and, if it does, put in place management systems, practices and procedures to manage those risks. The Company's Corporate Governance Plan requires the Company to disclose whether it has any potential or apparent exposure to environmental or social risks and, if it does, put in place management systems, practices and procedures to manage those risk. Where the Company does not have material exposure to environmental or social risks, report the basis for that determination to the Board, and where appropriate benchmark the Company's environmental or social risk profile against its peers. The Company will disclose this information in its Annual Report.
Principle 8: Remunerate fairly and responsibly		
Recommendation 8.1 The board of a listed entity should: (a) have a remuneration committee which:	YES	a) The Company does not have a Remuneration Committee. The Company's Corporate Governance Plan contains a Remuneration Committee Charter that provides for the creation

(i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.		of a Remuneration Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are to be independent Directors, and which must be chaired by an independent Director. b) The Company does not have a Remuneration Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration Committee under the Remuneration Committee Charter including the following processes to set the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive: The Board devotes time at the annual Board meeting to assess the level and composition of remuneration for Directors and senior executives.
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.	YES	The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of Directors and senior executives, which is disclosed in the remuneration report contained in the Company's Annual Report as well as being disclosed on the Company's website.
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	YES	a) The Company does not have an equity-based remuneration scheme. The Company does not have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.
Additional recommendations that apply only in certain cases		
Recommendation 9.1 A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents		Not Applicable
Recommendation 9.2 A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.		Not Applicable
Recommendation 9.3 A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.		Not Applicable

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

	Note	3 November 2021 to 30 June 2022 $
Revenue and other income		-
Administration expense		99,215
Professional Fees and legal		335,061
Employee benefit expense	2.1	138,591
Share based payments	2.2	427,500
Loss before income tax		**(1,000,367)**
Income tax expense/(benefit)	4	-
Loss for the year		**(1,000,367)**
Other comprehensive income for the year, net of tax		-
Total comprehensive loss for the year		**(1,000,367)**
Loss per share attributable to the ordinary equity holders of the Company		
Basic (loss) per share	17	(0.093)
Diluted (loss) per share		(0.050)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	2022 $
Current assets		
Cash and cash equivalents	5.1	3,804,953
Trade and other receivables	5.2	93,982
Total current assets		**3,898,936**
Non-current assets		
Mineral exploration and evaluation assets	6.1	2,496,650
Total non-current assets		**2,496,650**
Total assets		**6,395,586**
Current liabilities		
Trade and other payables	5.3	64,758
Total current liabilities		**64,758**
Total non-current liabilities		-
Total liabilities		**64,758**
Net assets		**6,330,827**
Equity		
Contributed equity	7.1.1	6,498,694
Reserves	7.3	832,500
Accumulated losses		(1,000,367)
Total equity		**6,330,827**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2022

	Note	Contributed equity	Share based payment reserve	Accumulated Losses	Total Equity
		$	$	$	$
Balance at incorporation date of 3 November 2021		-	-	-	-
Total comprehensive loss for the year		-	-	(1,000,367)	(1,000,367)
Issue of Options		-	832,500	-	832,500
Contributions of equity, net of transaction costs	7.1.1	6,498,694	-	-	6,498,694
Balance at 30 June 2022		**6,498,694**	**832,500**	**(1,000,367)**	**6,330,827**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 JUNE 2022

	Note	3 November 2021 to 30 June 2022 $
Cash flow from operating activities		
Payments to suppliers and employees:		(602,091)
Net cash (outflow) from operating activities	5.1.1	**(602,091)**
Cash flow from investing activities:		
Payments for exploration expenditure assets		(96,650)
Net cash (outflow) from investing activities		**(96,650)**
Cash flow from financing activities:		
Proceeds from issue of shares (net of costs)		4,503,693
Net cash inflow from financing activities		**4,503,693**
Net increase / (decrease) in cash held		**3,804,953**
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of period	5.1	**3,804,953**

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

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

NOTE 1

In preparing the 2022 financial statements, Pinnacle Minerals Limited has grouped notes into sections under five key categories:

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

The financial report is presented in Australian dollars, except where otherwise stated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2022

SECTION A. HOW THE NUMBERS ARE CALCULATED

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

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

(b) *analysis and sub-totals, including segment information*

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

NOTE 2 LOSS BEFORE INCOME TAX	Note	3 November 2021 to 30 June 2022 $
Loss before income tax has been determined after including the following expenses:		
2.1 Employment Costs:		
• Salaries and Wages and contractors – Including Director Fees		135,874
• Superannuation		2,717
		138,591
2.2 Share Based Payments:		
• Options issued to Directors and Company Secretary		427,500
		427,500

2.2.1 *Accounting Policy*

a. Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave is expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

b. Retirement benefit obligations: Defined contribution superannuation funds

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

c. Long service leave

Any liability for employee benefits relating to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the reporting date.

NOTE 3 OTHER SIGNIFICANT ACCOUNTING POLICIES RELATED TO ITEMS OF PROFIT AND LOSS

3.1 Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest revenue is recognised on a time proportionate basis that considers the effective yield on the financial asset.

Financial expenses comprise interest expense on borrowings calculated using the effective interest method, unwinding of discounts on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

NOTE 4 INCOME TAX

	Note	3 November 2021 to 30 June 2022 $
4.1 The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Loss before income tax		(1,000,367)
Prima facie tax payable on loss from ordinary activities before income tax at 25%		(250,092)
Non-deductible expenses		-
Tax effect of allowable expenses		-
Tax effect of unrecognised tax losses utilised		250,092
		-

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

As at year end, tax losses carried forward amounted to $1,000,367 that have the ability to be carried forward indefinitely for offset against future taxable profits of the Group. The recoupment of available tax losses as at 30 June 2022 are contingent upon the Group satisfying the following conditions:

- deriving future assessable income of a nature and of an amount sufficient to enable the benefit from the losses to be realised;
- the conditions for deductibility imposed by tax legislation continuing to be complied with and the company meeting either its continuity of ownership test or in the absence of satisfying that test the company can satisfy the same business test; and
- there being no changes in tax legislation which would adversely affect the Group from realising the benefits from the losses.

In the event that the Group fails to satisfy these conditions above or the Commissioner of Taxation challenges the Group's ability to utilise its losses, the Group may be liable for future income tax on assessable income derived by the company.

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

4.2 Accounting Policy

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

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

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

NOTE 5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

5.1 Cash and cash equivalents	2022 $
Cash at bank and on hand	3,804,953
	3,804,953

5.1.1 *Cash Flow Information*

a. Reconciliation of cash flow from operations to (loss)/profit after income tax

Operating loss after income tax	(1,000,367)
Add / (less) non-cash items:	
• Share based payments	427,500
• Exploration and evaluation assets written off	-
Non-cash changes in assets & liabilities:	
• Decrease/(increase) in receivables & prepayments	(93,982)
• Increase/(decrease) in payables	64,758
Cash outflow from operations	(602,091)

b. Non-cash Financing and investing activities

There are no non-cash financing and investing activities for the period ended 30 June 2022.

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

NOTE 5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

5.1 Cash and cash equivalents (cont.)

5.1.2 *Accounting Policy*

For statement of cash flows presentation purposes, 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

5.2 Trade and other receivables	2022 $
5.2.1 *Current*	
Prepayments	38,929
GST refundable	55,053
	93,982

5.2.2 The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and loans to and from subsidiaries. Risk exposure arising from current receivables is set out in Note 8.

The main purpose of non-derivative financial instruments is to raise finance for Group operations. Due to the short-term nature of the current receivables, their carrying amount is assumed to approximate their fair value.

5.2.3 At reporting date, there are no receivables past their due date.

5.2.4 *Accounting Policy*

Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

5.3 Trade and other payables	**Note**	2022 $
5.3.1 *Current:*		
Unsecured		
Trade creditors		23,005
Accrued expenses		25,000
Other payables		16,753
Total unsecured liabilities		64,758

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

5.3.2 *Accounting Policy*

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Payables expected to be collected within 12 months of the end of the reporting period are classified as current liabilities. All other payables are classified as non-current liabilities.

Trade and other payables are classified as financial liabilities. Financial liabilities are measured at amortised cost using the effective interest method.

5.4 Other Significant Accounting Policies related to Financial Assets and Liabilities

5.4.1 *Financial Instruments – Assets*

a. Classification

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

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

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

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

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

b. Recognition and derecognition

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

c. Measurement

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

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

i) Debt instruments

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

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are

measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

ii) Equity instruments

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

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

5.4.2 *Financial Instruments – Liabilities*

a. Classification

The Group classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at FVTPL, and
- those to be measured at amortised cost.

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

For financial liabilities measured at FVTPL, gains and losses, including any interest expenses will be recorded in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

For financial liabilities measured at amortised cost, the effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

b. Recognition and derecognition

Regular way purchases of financial liabilities are recognised on trade-date, the date on which the Group commits to purchase the financial liability. Financial liabilities are derecognised when the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid and payable is recognised in profit or loss.

c. Measurement

At initial recognition, the Group measures financial liabilities at its fair value plus, in the case of financial liabilities not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial liabilities. Transaction costs of financial liabilities carried at FVTPL are expensed in profit or loss.

NOTE 6 NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES

6.1 Mineral Exploration and Evaluation Assets	Note	2022 $
6.1.1 *Non-current:*		
Exploration at cost:		
Balance at the beginning of the year		-
Expenditure during the year		2,496,650
Balance at the end of the financial year		**2,496,650**

On 9 March 2022, the Company completed the transaction to acquire 100% of the issued capital of Witby Clays Pty Ltd and Bulk Mineral Holdings Pty Ltd for a total consideration of $2,400,000 ($1,200,000 for each acquisition).

6.1.2 Recoverability of the carrying amount of exploration assets is dependent on the successful exploration of the areas of interest.

6.1.3 *Key Estimate – Impairment*

The Group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets and in particular exploration assets. Where an impairment trigger exists, the recoverable amount of the asset is determined and is dependent upon the ability of the Group to successfully continue exploration of all areas of interest and satisfy the requirements under AASB 6.

Specifically, the Company has reviewed its exploration tenements with regard to AASB 6 and have determined that:

- the period for which the Group has the right to explore in the exploration tenements has not expired during the period or will not expire in the near future, and is expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the exploration tenements is planned;
- exploration will be ongoing for some time and as such it is far too early to state that a discovery of commercially viable quantities of mineral resources has not occurred; and
- as the exploration is still ongoing, there is not sufficient data to conclude that the carrying amount of the exploration and evaluation asset is unlikely to be recovered.

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

NOTE 3 NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

6.1 Mineral Exploration and Evaluation Assets (cont.)

6.1.4 *Key Judgments – Exploration and evaluation expenditure*

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated below. The carrying value of capitalised expenditure at reporting date is $2,496,650.

During the financial year, the Group undertook assessment of its tenement assets. As a result of this assessment, the Group decided that no impairment of its exploration assets was necessary.

6.1.5 *Accounting Policy*

a. Exploration and evaluation expenditure

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

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

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

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

b. Impairment of exploration and evaluation assets

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

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

6.2.1 *Impairment of non-financial assets*

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. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

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

NOTE 7 EQUITY

7.1 Issued capital	**Note**	2022 No.	2022 $
Fully paid ordinary shares	7.1.1	36,375,200	6,498,694

7.1.1 *Ordinary shares*

At the beginning of the year	-	-
Shares issued during the year:		
• 3 November 2021 – Shares issued at $0.10	200	20
• 9 March 2022: Shares issued at $0.16	1,875,000	300,000
• 9 March 2022: Shares issued as consideration for subsidiaries	12,000,000	2,400,000
• 23 March 2022 Shares issued at $0.20 as part of Initial Public Offering	22,500,000	4,500,000
Transaction costs relating to share issues	-	(701,326)
	36,375,200	6,498,694
At reporting date	36,375,200	6,498,694

The 200 Shares issued on 3 November 2021 and the 12,000,000 Shares issued on 9 March 2022 are under escrow.

7.1.2 *Terms and Conditions*

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called otherwise each shareholder has one vote on a show of hands.

7.2 Options	**Note**	2022 No.
At the beginning of the year		-
Options issued during the year:		
• Options to Lead Manager exercisable at 25c before 23 March 2025		4,500,000
• Options to Directors and Company Secretary exercisable at 25c before 9 March 2025		4,750,000
At reporting date		9,250,000

7.3 Reserves	**Note**	2022 $
Option reserve	7.3.1	832,500
Balance at the end of the financial year		832,500

7.3.1 *Option reserve*

The option reserve records the fair value of options issued to the Directors, Company Secretary and Lead Manager of the Initial Public Offering.

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

SECTION B. RISK

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

NOTE 8 FINANCIAL RISK MANAGEMENT

8.1 Financial Risk Management and Policies

The Group's financial instruments consist mainly of deposits with banks, short-term investments, and accounts receivable and payable, loans to and from subsidiaries. The main purpose of non-derivative financial instruments is to raise finance for Group operations. The Group does not speculate in the trading of derivative instruments.

Risk management has focused on limiting liabilities to a level which could be extinguished by sale of assets if necessary.

The Group's activities expose it to a variety of financial risks; market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group'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 Group. The Group is engaged in mineral exploration and evaluation, and does not currently sell product and derives only limited revenue from interest earned.

Risk management is carried out by the Board as a whole and no formal risk management policy has been adopted but is in the process of development.

The Group holds the following financial instruments:	2022 $
Financial assets	
• Cash and cash equivalents	3,804,953
• Trade and other receivables	93,983
	3,898,936
Financial liabilities	
• Trade and other payables	64,758
	64,758
Net financial instruments	3,834,178

8.2 Specific Financial Risk Exposures and Management

8.2.1 *Market risk*

a. Price risk

The Group is not currently exposed to commodity price risk.

b. Interest rate risk

Refer to 8.2.4 below

8.2.2 *Credit risk*

Credit exposure represents the extent of credit related losses that the Group may be subject to on amounts to be received from financial assets. Credit risk arises from cash held at bank and principally from trade and other receivables including intercompany loans. The objective of the consolidated entity is to minimise the risk of loss from credit risk. Although revenue from operations is minimal, the Group trades only with creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is insignificant.

The Group's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated above.

The credit quality of the financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available).

NOTE 8 FINANCIAL RISK MANAGEMENT (CONT.)

8.2.3 *Liquidity risk*

Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due. The objective of the consolidated entity is to maintain sufficient liquidity to meet commitments under normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. Due to the lack of material revenue, the Group aims at maintaining flexibility in funding by maintaining adequate reserves of liquidity.

The Group did not have access to any undrawn borrowing facilities at the reporting date.

All liabilities are current and will be repaid in normal trading terms

- *Contractual Maturities*

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

	Within 1 year 2022 $	Greater than 1 Year 2022 $	Total 2022 $
Financial liabilities due for payment			
Trade and other payables	64,758		64,758
Total contractual outflows	**64,758**	**-**	**64,758**
Financial assets			
Cash and cash equivalents	3,804,953	-	3,804,953
Trade and other receivables	93,982	-	93,982
Total anticipated inflows	**3,898,935**	**-**	**3,898,935**
Net (outflow)/inflow on financial instruments	**3,834,177**	**-**	**3,834,177**

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

8.2.4 *Cash flow and interest rate risk*

From time to time the Group has significant interest-bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the rise and fall of interest rates. The Group's income and operating cash flows are not expected to be materially exposed to changes in market interest rates in the future and the exposure to interest rates is limited to the cash and cash equivalents balances. As such, this is not considered a material exposure and no sensitivity analysis has been prepared.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is below.

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

NOTE 8 FINANCIAL RISK MANAGEMENT (CONT.)

2022	Floating interest rate $	Fixed interest maturing in 1 year or less $	Non-interest bearing $	Total $
Financial assets				
Cash and deposits	3,804,953		-	3,804,953
Receivables	-	-	93,983	93,982
	3,804,953	**-**	**93,983**	**3,898,935**
Financial Liabilities				
Trade and other creditors	-	-	64,758	64,758
	-	**-**	**64,758**	**64,758**

8.2.5 *Net fair value of Financial Assets and Liabilities*

The net fair value of cash and cash equivalents and non-interest bearing monetary assets and financial liabilities approximates their carrying values.

NOTE 9 CAPITAL MANAGEMENT

Management controls the capital of the Group. Their objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders. The capital structure of the consolidated entity consists of equity attributable to equity holders of the parent comprising issued capital, reserves and accumulated losses.

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

The consolidated entity is not subject to any externally imposed capital requirements.

The working capital position of the Group at 30 June 2022 is as follows:

	Note	2022 $
Cash and cash equivalents	5.1	3,804,953
Trade and other receivables	5.2	93,982
Trade and other payables	5.3	64,758
Working capital position		3,834,177

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

SECTION C. GROUP STRUCTURE

This section provides information which will help users understand how the group structure affects the financial position and performance of the group as a whole. In particular, there is information about:

(a) changes to the structure that occurred during the year as a result of business combinations and the disposal of a discontinued operation

(b) transactions with non-controlling interests, and

(c) interests in joint operations.

A list of significant subsidiaries is provided in note 11. This note also discloses details about the group's equity accounted investments.

NOTE 10 INTEREST IN SUBSIDIARIES

Shares in controlled entities are unlisted and comprise:

	Place of Incorporation	2022 Holding %	2022 Amount $
• Witby Clays Pty Ltd	WA	100	1,200,000
• Bulk Mineral Holdings Pty Ltd	WA	100	1,200,000

The following Companies are owned 100% by Bulk Mineral Holdings Pty Ltd

• Open Minerals Pty Ltd	WA
• Pegasus Prospecting Pty Ltd	WA
• Titan Exploration Pty Ltd	WA
• Eureka Metals Pty Ltd	WA
• Bullseye Geology Pty Ltd	WA

Investments in subsidiaries are accounted for at cost.

The Group has no equity accounted investments at 30 June 2022.

The Company entered into a Binding Heads of Agreement in December 2021 to acquire 100% of the Issued Capital from the Shareholders of Bulk Minerals for a consideration of 6,000,000 Shares in the Company at $0.20 per share.

The Company entered in a Binding Heads of Agreement in December 2021 to acquire 100% of the Issued Capital from the Shareholders of Witby Clays for a consideration of 6,000,000 Shares in the Company at $0.20 per share.

The purchases of Bulk Minerals and Witby Clays are treated as asset acquisitions with the purchase consideration recognised in Mineral Exploration and Evaluation Assets.

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

SECTION D. UNRECOGNISED ITEMS

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

NOTE 11 COMMITMENTS

	2022 $
11.1 Capital expenditure commitments payable:	
Within one year	158,724
After one year but not more than five years	427,944
After five years	-
Total Exploration tenement minimum expenditure requirements	586,668

NOTE 12 CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities at year end.

NOTE 13 EVENTS SUBSEQUENT TO REPORTING DATE

The Group completed a Loyalty Option offer in August 2022 with the issue of 20,687,634 options exercisable at $0.25 on or before 20 July 2026. The Loyalty Option offer raised $90,938 before costs.

Mr. Maurice (Nic) Matich was appointed as the Chief Executive Officer of the Company on the 19th September 2022.

Other than as noted above, there were no significant events after the end of the reporting period.

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

SECTION E. OTHER INFORMATION

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

NOTE 14 KEY MANAGEMENT PERSONNEL COMPENSATION

	3 November 2021 to 30 June 2022 $
Short term employee benefits	138,591
Post-employment benefits	-
Share based payments	360,000
	498,591

The names and positions of the Key Management personnel are as follows:

Mr William Witham – Non-Executive Chairman
Mr Robert Hodby – Executive Director
Mr Stephen Ross – Non-Executive Director
Mr Lincoln Liu – Non-Executive Director

NOTE 15 RELATED PARTY TRANSACTIONS

There are no other related party transactions other than those payments to Directors as disclosed in the remuneration report.

NOTE 16 AUDITORS' REMUNERATION

	3 November 2021 to 30 June 2022 $
Remuneration of the auditors, Hall Chadwick Audit (WA) of the Group for:	
• Preparation of Investigating Accountant's Report	10,500
• Auditing or reviewing the accounts	29,293
	39,793

NOTE 17 EARNINGS PER SHARE (EPS)

		3 November 2021 to 30 June 2022 $
17.1 Reconciliation of earnings to profit or loss		
Loss for the year		(1,000,367)
17.2 Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS		**10,727,186**
17.3 Earnings per share		
Basic EPS	17.3	(0.093)
Diluted EPS		(0.050)

17.4 Accounting Policy

17.4.1 *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

17.4.2 *Diluted earnings per share*

Potential shares as a result of options outstanding at the end of the year are dilutive and therefore have been included in the calculation of diluted earnings per share.

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

NOTE 18 SHARE-BASED PAYMENTS

	2022 $
18.1 Share-based payments	
• Recognised as Share-based payment expense	427,500
Gross share-based payments	427,500

Gross share-based payments are based on the issue of 4,750,000 Options to Directors and Company Secretary at an exercise price of $0.25 per Option on or before 23 March 2025. The Options were valued at $0.09 per option using the Black Scholes model. The assumptions used are detailed below:

	Director and Company Secretary Options
Fair value	**$0.09**
Model inputs:	
Underlying share price	$0.20
Exercise price	$0.25
Grant date	23 March 2021
Expiry date	23 March 2025
Vesting period	3 years
Expected Price Volatility	80.2%
Expected Dividend Yield	0%
Risk-free interest rate	0.5%

NOTE 19 OPERATING SEGMENTS

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors on a regular basis and in determining the allocation of resources. Management continually assesses the Group's segments and has identified the operating segments based on the one principal location based on geographical areas and therefore different regulatory environments – Australia. The Group operates predominantly in the minerals exploration and evaluation industry.

The Group currently operates materially in one business segment and one geographical segment as described above. Accordingly, the financial information presented in the statement of comprehensive income and statement of financial position is the same as that presented to the chief operating decision maker.

19.1 Accounting Policy

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

All operating segments' results are regularly reviewed by the Group's Executive Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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

NOTE 20 PARENT ENTITY DISCLOSURES

	3 November 2021 to 30 June 2022 $
20.1 Financial Position of Pinnacle Minerals Limited	
Current assets	3,907,236
Non-current assets	2,488,350
Total assets	**6,395,586**
Current liabilities	64,758
Non-current liabilities	-
Total liabilities	**64,758**
Net assets	**6,330,828**
Equity	
Contributed equity	7,200,020
Reserves	832,500
Accumulated losses	(1,000,367)
Capital Raising Costs	(701,326)
TOTAL EQUITY	**6,330,828**
20.2 Financial Performance of Pinnacle Minerals Limited	
Loss for the year	(1,000,367)
Total comprehensive loss	(1,000,367)

20.3 Guarantees entered into by Pinnacle Minerals Limited

There are no guarantees entered into by Pinnacle Minerals Limited for the debts of its subsidiaries as at 30 June 2022.

20.4 Contingent liabilities of Pinnacle Minerals Limited

There are no contingent liabilities as at 30 June 2022.

20.5 Commitments of Pinnacle Minerals Limited

The commitments of Pinnacle Minerals Limited are the same as those for the Group disclosed in note 11.

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

NOTE 21 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

21.1 Basis of preparation

21.1.1 *Reporting Entity*

Pinnacle Minerals Limited is a listed public company limited by shares, domiciled and incorporated in Australia. The Company's registered office is at L1/389 Oxford Street, Mount Hawthorn WA. These are the consolidated financial statements and notes of Pinnacle Minerals Limited (the Company) and controlled entities (collectively the Group). The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. The Group is a for-profit entity and is primarily involved in the exploration, development and mining of minerals.

The separate financial statements of Pinnacle Minerals Limited, as the parent entity, have not been presented with this financial report as permitted by the Corporations Act 2001 (Cth).

21.1.2 *Basis of accounting*

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

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

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

21.1.3 *Going Concern*

The 30 June 2022 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realization of assets and extinguishment of liabilities in the ordinary course of business.

The Group incurred a loss for the year of $1,000,367 and a net cash inflow from operating, investing, and financing activities of $3,804,953.

As at 30 June 2022, the Company had working capital of $3,834,178, as disclosed in Note 9 which was attributable to a successful capital raising of $4,500,000 during the year.

21.1.4 *Comparative Figures*

The Company was incorporated on 3 November 2021 and this being the first set of annual report prepared, there are no comparative figures presented.

21.2 Principles of Consolidation

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

21.2.1 *Subsidiaries*

The consolidated financial statements incorporate the assets, liabilities and results of the parent, Pinnacle Minerals Limited and its subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 10.

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

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

21.3 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of 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 taxation authority is included with other receivables or payables in the consolidated 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 taxation authority, are presented as operating cash flow.

21.4 Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of AASBs that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed in 21.4.1.

21.4.1 *Critical Accounting Estimates and Judgements*

Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes assumptions concerning the future. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. The resulting accounting estimates will, by definition, 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 and assets and liabilities within the next financial year are discussed further at Note 6.2.3.

21.5 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Standards and interpretations applicable to 30 June 2022

In the period ended 30 June 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for the current financial reporting period.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

Standards and interpretations on issue not yet effective and adopted

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the period ended 30 June 2022. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations issued but not yet effective and adopted on its business and, therefore, no further disclosures have been made in this regard.

NOTE 22 COMPANY DETAILS

The registered office of the Company is:
Address:
Street: L1/389 Oxford Street
Mount Hawthorn WA6016
Telephone: +61 (0)8 9426 0666

The principal place of business of the Company is:
Address:
Street: L1/389 Oxford Street
Mount Hawthorn WA6016

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 26 to 47, are in accordance with the *Corporations Act 2001* (Cth) and:

   (a) comply with Accounting Standards;

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

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

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

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

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

William Witham
NON-EXECUTIVE CHAIRMAN

Dated 29 September 2022

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PINNACLE MINERALS LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Pinnacle Minerals Limited (the Company) and its controlled entities (collectively "the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Pinnacle Minerals Limited is in accordance with the Corporations Act 2001, including:

a) giving a true and fair view of the financial position of the Group as at 30 June 2022 and of its financial performance for the period 3 November 2021 (date of incorporation) to 30 June 2022; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

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

Independence

We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the below matter, provide the basis for our audit opinion on the accompanying financial report.

1. Carrying value of mineral exploration and evaluation assets – Note 6.1

Why significant	How our audit addressed the key audit matter
We identified the mineral exploration and evaluation assets of $2,496,650 as at 30 June 2022 to be a key audit matter due to its significance and the level of judgement required by us in evaluating management's application of the requirements of AASB 6 Exploration for and Evaluation of Mineral Resources. AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset. In addition, the assessment of impairment of capitalised exploration and evaluation assets can be inherently difficult particularly in uncertain or depressed market conditions.	Our work included, but was not limited to, the following procedures: • Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Group holds an interest in, the budgeted and future exploration programmes planned for the areas, made inquiries of management, reviewed the Group's ASX announcements and the Directors' minutes as to the Group's future plans for the areas; • For the area of interest, we assessed the Group's rights to tenure by corroborating to government registries/correspondences and evaluating agreements in place with other parties; • We tested the additions to capitalised expenditure for the year by evaluating sample of recorded expenditure for consistency to underlying records, the requirements of the Group's accounting policy and requirements of AASB 6; • Evaluating the competence, capabilities and objectivity of management's experts in the evaluation of impairment triggers and considered the Director's assessment of potential indicators of impairment; and • Assessing that disclosures relating to the capitalised exploration and evaluation assets are in accordance with Australian Accounting Standards.

Other Information

Other information is financial and non-financial information in the annual report of the Group which is provided in addition to the Financial Report and the Auditor's Report. The directors are responsible for Other Information in the annual report. The Other Information we obtained prior to the date of this Auditor's Report was the Director's report. The remaining Other Information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report. In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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. We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior the date of this Auditor's Report we have nothing to report.

Directors' Responsibilities for the Financial Report

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 21.1.2, the Directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards. In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern. We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion. We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the directors' report for the period from 3 November 2021 to 30 June 2022.

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

Responsibilities

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

Hall Chadwick

HALL CHADWICK AUDIT (WA) PTY LTD

Dated this 29th day of September 2022
Perth, Western Australia

NIKKI SHEN CA
Director

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

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

1 SHAREHOLDING AS AT 28 September 2022

a. Distribution of Shareholders

Category (size of holding)	Total Holders	Number Ordinary	% Held of Issued Ordinary Capital
1 – 1,000	8	1,844	0.01
1,001 – 5,000	38	129,812	0.36
5,001 – 10,000	82	764,801	2.10
10,001 – 100,000	211	9,607,821	26.41
100,001 – and over	50	25,870,922	71.12
	389	36,375,200	100.00

b. Unmarketable Parcels

	Number Ordinary	Holders
Minimum $500.00 parcel at $0.14 per unit	50,763	28

c. Voting Rights

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

- **Ordinary shares**: Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

d. 20 Largest Shareholders — Ordinary Shares as at 28 September 2022

Rank	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	SEATTLE CAPITAL PTY LTD <SEATTLE A/C>	2,430,000	6.68
2.	WILLIAM JOHN ANDREW WITHAM & KATHERINE DARIAN WITHAM <ACORN FAMILY A/C>	2,400,200	6.60
3.	EXPLORATION RESOURCES PTY LTD <EXPLORATION A/C>	2,400,000	6.60
3.	RWH NOMINEES PTY LTD	2,400,000	6.60
4.	BNP PARIBAS NOMINEES PTY LTD BARCLAYS <DRP A/C>	2,090,000	5.75
5.	MS CHUNYAN NIU	1,575,000	4.33
6.	VERMILLION MINERALS PTY LTD <VERMILLON A/C>	1,500,000	4.12
7.	DIVIDELI PTY LTD <CHONG AND CHANG FAMILY A/C>	1,200,000	3.30
8.	MCNEIL NOMINEES PTY LIMITED	1,150,000	3.16
9.	MR PETER ANDREW PROKSA	875,000	2.41
10.	YUCAJA PTY LTD <THE YOEGIAR FAMILY A/C>	733,125	2.02
11.	MR ALEXANDER NAUM	425,000	1.17
12.	MR HAOCHEN HU	400,000	1.10
13.	MR KAI WENG	374,535	1.03
14.	XCEL CAPITAL PTY LTD	350,000	0.96
15.	SCINTILLA STRATEGIC INVESTMENTS LIMITED	345,000	0.95
16.	FIRST INVESTMENT PARTNERS PTY LTD	300,000	0.82
17.	KG VENTURE HOLDINGS PTY LTD <KG VENTURE HOLDINGS A/C>	300,000	0.82
18.	MR MANSOOR JAN NIAZI	277,500	0.76
18.	ZYWIEC INVESTMENTS PTY LTD	275,000	0.76
19.	MR ERROL BOME & MRS MELANIE BOME <BOME SUPER FUND A/C>	271,855	0.75
		22,072,215	60.68

2 PRINCIPAL REGISTERED OFFICE

As disclosed in the Corporate Directory of this Annual Report.

3 REGISTERS OF SECURITIES ARE HELD AT THE FOLLOWING ADDRESSES

As disclosed in the Corporate Directory of this Annual Report.

4 STOCK EXCHANGE LISTING

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

5 UNQUOTED SECURITIES

a. **Options over Unissued Shares**

The Company currently has 29,937,634 options on issue.

6 USE OF FUNDS

The Company has used its funds in accordance with its initial business objectives.

PINNACLE
MINERALS LTD