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**ST GEORGE**  
MINING LIMITED  
ANNUAL REPORT 2022

## CORPORATE DIRECTORY

### Board of Directors

John Prineas - Executive Chairman  
John Dawson – Non-Executive Director  
Sarah Shipway - Non-Executive Director

### Company Secretary

Sarah Shipway

### Principal Office

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28 Ord Street  
West Perth WA 6005

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### Australian Business Number

ABN 21 139 308 973

### Share Register

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### Stock Exchange Code

SGQ – Ordinary Shares

### Auditors

Stantons

### Bankers

Commonwealth Bank



| CONTENTS  | PAGE |
|---|------|
| Chairman's Letter   | 3    |
| Review of Operations  | 4    |
| Directors' Report   | 20   |
| Consolidated Statement of Profit or Loss and Other Comprehensive Income | 28   |
| Consolidated Statement of Financial Position                            | 29   |
| Consolidated Statement of Changes in Equity                             | 30   |
| Consolidated Statement of Cash Flows                                    | 31   |
| Notes to the Consolidated Financial Report                              | 32   |
| Directors' Declaration  | 56   |
| Auditor's Independence Declaration                                      | 57   |
| Independent Auditor's Report  | 58   |
| Shareholder Information   | 63   |
| Schedule of Tenements   | 64   |

**Dear Shareholders**

On behalf of the Board, I am pleased to present the Annual Report of St George Mining Limited (ASX: SGQ) for 2022 – a very busy and productive year for the Company.

The Company's portfolio of clean energy metals projects was increased to four this year with the addition of the 100% owned Ajana Project. This new project is near the western margin of the Yilgarn Craton, an area of renewed interest following the major discovery by Chalice Mining at its Julimar project.

In addition, the lithium potential at our flagship Mt Alexander Project has emerged as a tremendous exploration opportunity that complements the high-grade nickel-copper sulphides already discovered at the Project. Lithium at Mt Alexander has quickly grown from a speculative opportunity to tangible prospects for economic mineralisation.

The scale of the project is impressive with pegmatite outcrops across a zone of more than 15km including a section extending for 1.7km where lithium-bearing pegmatites have already been confirmed in rock chips. We believe this lithium story will continue to develop rapidly.

We deployed cutting edge geophysics at Mt Alexander to broaden the search for significant nickel-copper sulphide mineralisation. Several large-scale targets have been identified including promising electromagnetic and seismic anomalies. These new targets are in unexplored areas of the Project and a credit to the systematic and disciplined exploration approach of our team.

At the Paterson Project, we completed our maiden diamond drill programme. Drill core showed evidence of hydrothermal and mineralising processes within our ground, supporting the presence of a favourable geological setting to potentially host copper and gold systems. This is an important milestone for exploration and a big step forward in confirming the prospectivity of the Paterson Project.

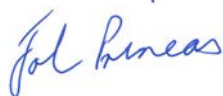
The Ajana and Broadview Projects are located in sought after addresses in the western Yilgarn. These are greenfields projects with exciting early-stage potential for a new nickel-copper-PGE find.

The foundations for exploration success have been laid. We have high-quality projects in the Tier 1 mining jurisdiction of Western Australia with an experienced and enthusiastic team of professionals driving first-class exploration. The potential for a breakthrough discovery is excellent and we look forward to conducting drilling programmes in the coming months.

The demand for the commodities we are exploring for is forecast to rise to unprecedented levels as the multi-decade decarbonisation of the planet continues. We are well positioned to deliver increasing shareholder wealth over the coming years as we build our business around high-demand clean energy metals.

We look forward to another productive year ahead.

On behalf of the Board of Directors, I thank shareholders for your continuing support.



John Prineas  
**Executive Chairman**

Operational activities for the year ending 30 June 2022 centred on systematically progressing the Company’s four projects in Western Australia – all focused on clean energy metals.

**Mt Alexander**

- High-grade Ni-Cu-PGEs discovered near-surface with new, large-scale drill targets
- Prospective for lithium pegmatite mineralisation

**Paterson**

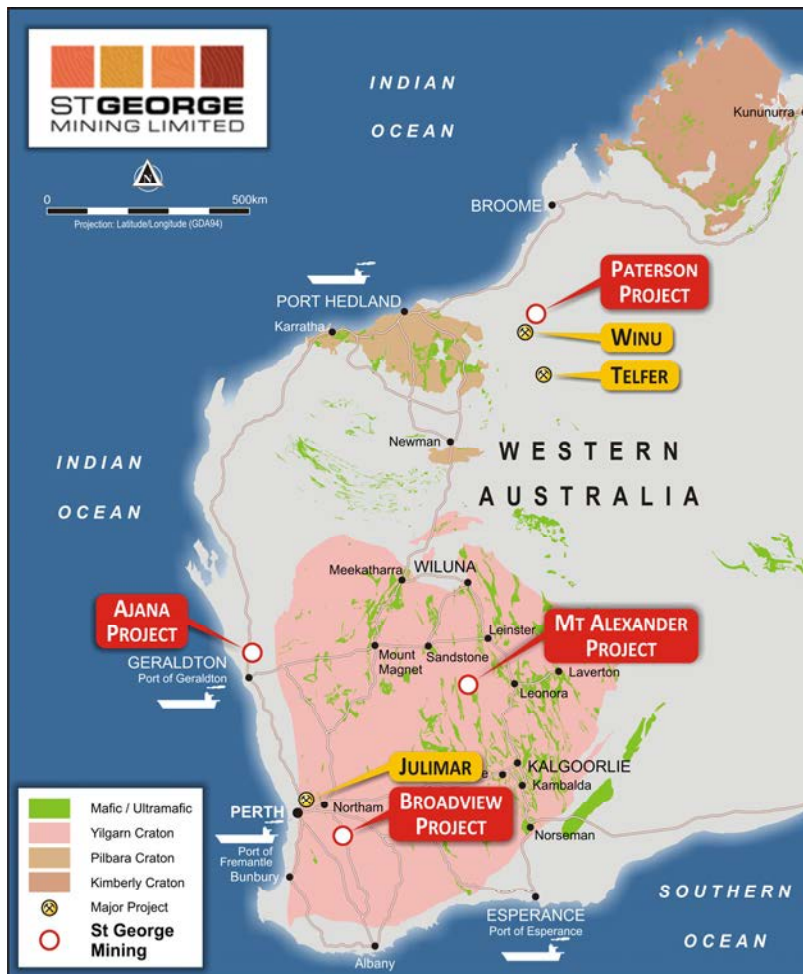
- Prospective for copper-gold mineralisation

**Ajana**

- Large layered mafic intrusion interpreted from magnetics; prospective for Ni-Cu-PGEs

**Broadview**

- Two large interpreted intrusions; prospective for Ni-Cu-PGEs



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**MT ALEXANDER PROJECT**

*High-grade nickel-copper sulphides and emerging lithium province*

***Geophysics identify large-scale nickel-copper targets:***

Geophysical surveys were deployed at **Mt Alexander** during the year to assist in generating new targets for nickel-copper sulphides. These surveys were focused on large areas of interest that remain underexplored or unexplored.

Figure 1 shows the areas covered by the new seismic and electromagnetic (EM) surveys. Three 2D seismic lines were completed encompassing 13-line kilometres. Processing and modelling of the seismic data was undertaken by external consultants at Rock Solid Seismic.

The moving loop EM (MLEM) survey utilised an ARMIT sensor and was completed with 200m close line spacing and 100m stations. Modelling and interpretation of the EM data was completed by external consultants at Newexco.

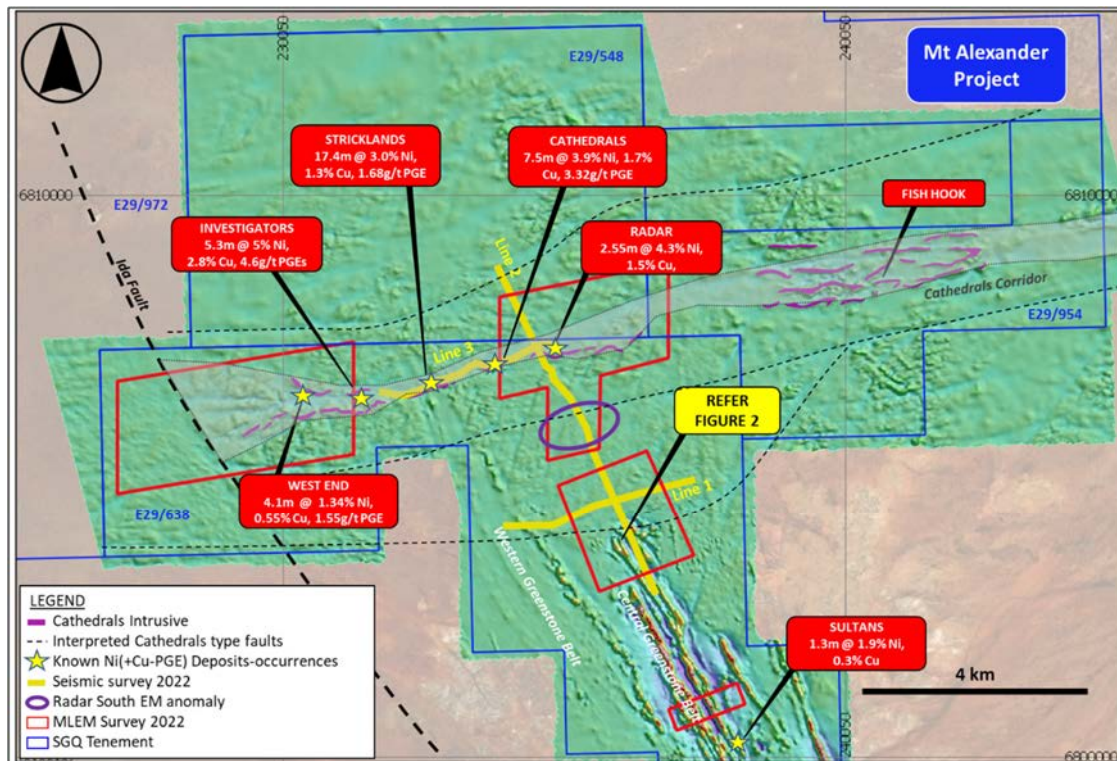


Figure 1 – map of geophysics surveys undertaken at Mt Alexander Project (against magnetic RTP 1VD) showing the completed seismic survey lines and MLEM survey areas. Several high-grade intersections across the project area are also shown (as previously announced in ASX Releases).

**Granite/greenstone contact:**

The interpreted contact and related structures between the Mt Alexander greenstone belt and the granites is considered prospective for nickel sulphide mineralisation. It is a setting that is known to host high-grade nickel in other parts of the Yilgarn Craton, including the Flying Fox and Spotted Quoll deposits at Forrestania.

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Typically in this setting, late-stage granites can disrupt existing greenstones resulting in the remobilisation and concentration of sulphide mineralisation. Mineral deposits formed by this structural activity can be blind from surface as they are located below and/or within thick granites.

At Mt Alexander, the known occurrences of nickel sulphides in areas both north and south of the granite/greenstone contact support the potential for nickel sulphides to be structurally remobilised within the granites.

The MLEM survey that covered the granite/greenstone contact has identified three strong EM anomalies. The modelled plates for these three EM anomalies are shown in Figure 2 and are summarised as follows:

| Anomaly   | Strike (m) | Depth (m) | Conductivity (S) |
|-----------|------------|-----------|------------------|
| Anomaly 1 | 200        | 150       | 3500             |
| Anomaly 2 | 1000       | 300       | 2000             |
| Anomaly 3 | 800        | 250       | 2000             |

All three EM anomalies have a geophysical signature consistent with massive sulphides. Anomalies 2 and 3 are likely associated with the Western greenstone belt rather than the granite/greenstone contact. Modelling of the EM data for these anomalies is ongoing. A further fixed loop EM (FLEM) survey is proposed to better constrain the EM responses ahead of finalising drill targets.

Anomaly 1 is modelled as a discrete bedrock conductor located about 320m below surface and within the granite/greenstone contact – an area of the Central greenstone belt that is interpreted to be offset below surface by the later granites.

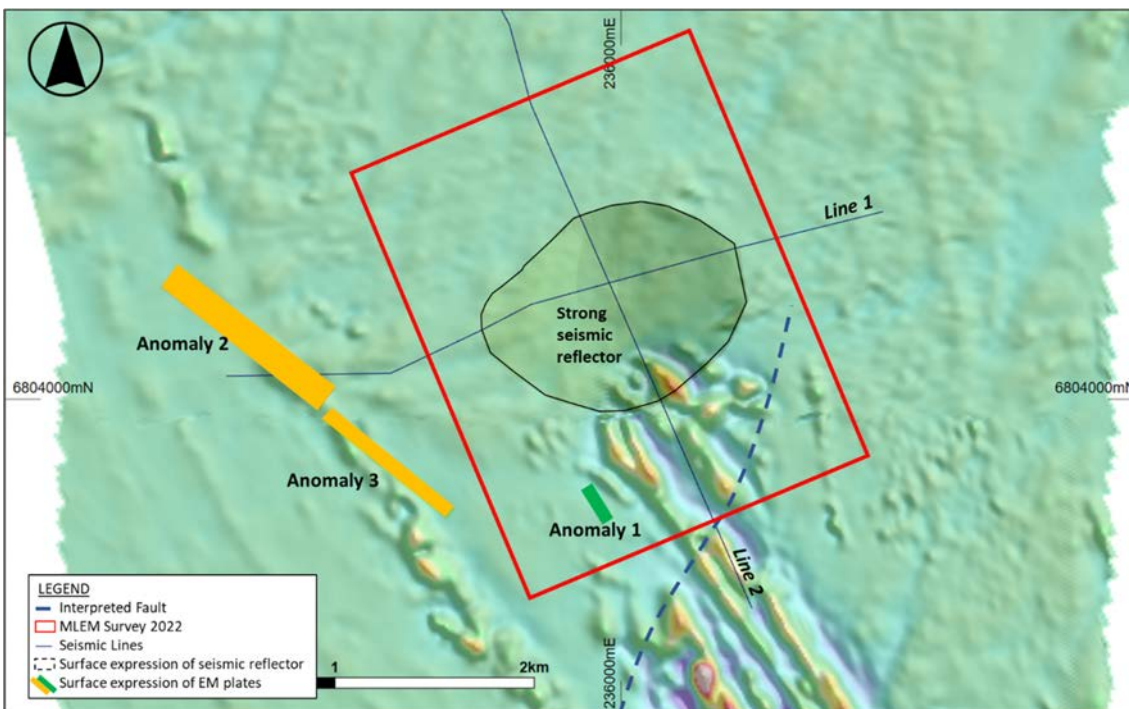


Figure 2 – map of the granite/greenstone area (against magnetic RTP 1VD) showing the three strong EM anomalies identified by the MLEM survey as well as the new large seismic reflector.

Significantly, the conductor is positioned adjacent to a large reflector identified in the new seismic survey; see Figure 3. The reflector is flat-lying with a strike of approximately 1,000m and varying thickness. The reflector is interpreted to be the offset extension of the Central greenstone belt.

Anomaly 1 presents as a compelling target for potential nickel sulphide mineralisation. This area of granite/greenstone contact has been named the **Manta Prospect** and will be prioritised for drilling.

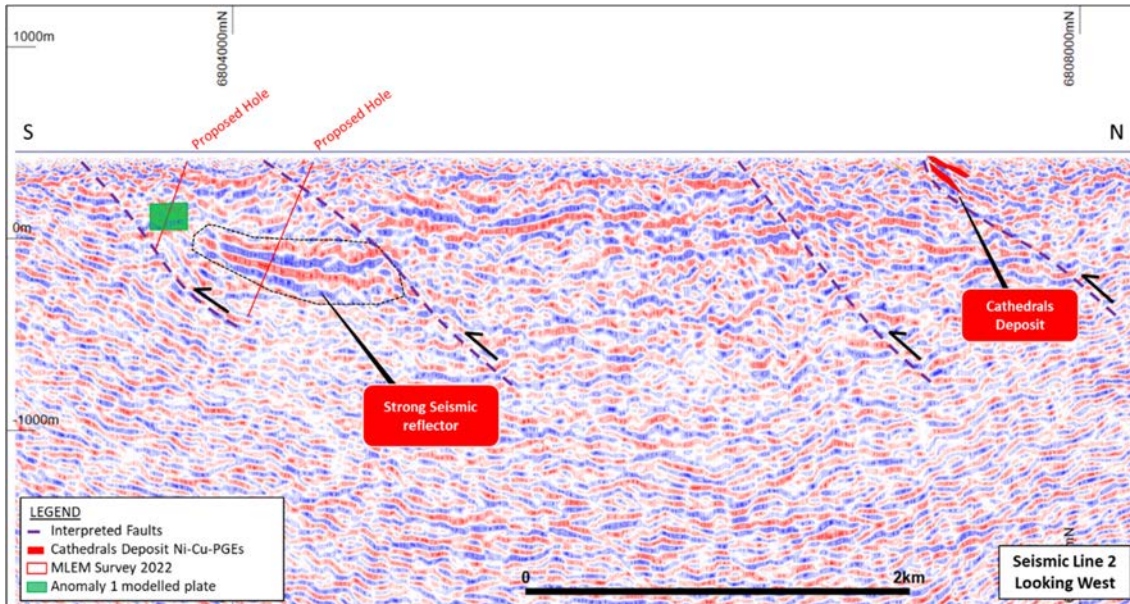


Figure 3 – seismic data from Line 2 (looking west) highlighting the strong reflector and adjacent plate for Anomaly 3. Planned drill holes are also shown.

**Radar Prospect:**

**Radar** is located in the eastern extension of the Cathedrals Belt which remains underexplored. The Radar mineralised intercepts include MAD152 which returned 4.0m @ 3.0%Ni, 1.1% Cu, 2.2g/t PGE from 48m.

The MLEM survey over Radar has identified a strong EM anomaly to the south of the MAD152 discovery; see Figure 1.

The large response is yet to be constrained and will require follow up FLEM to determine the position of the source. It is currently located to the south of the east-west trending Cathedrals Belt, suggesting that the new EM anomaly could represent a repetition of the Cathedrals Belt mineralisation.

The new EM anomaly is coincident with a strong magnetic anomaly further supporting the exploration of this target for nickel sulphide mineralisation. The existing nickel sulphide discoveries along the Cathedrals Belt are all coincident with strong magnetic features.

**Metallurgical test work supports economic potential:**

A detailed metallurgical programme was completed during the year by XPS Expert Process Solutions, a Glencore Company (“XPS”), based in Falconbridge, Canada. XPS are internationally recognised as leaders in processing solutions for nickel-copper sulphide mineralisation.

Testwork was undertaken on mixed massive and disseminated “life-of-mine” sulphide ore from the **Stricklands Deposit**.

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A sequential flotation flowsheet was employed consisting of a copper float followed by a nickel float. A rougher stage was followed by three cleaner stages and locked cycle testing.

Concentrate grades and recoveries for the locked cycle test are provided in Table 1 and Table 2 below. Within locked cycle flotation testing the copper recovery was a combined 95.9% to the copper and nickel concentrates, of which 80.9% of the copper occurred in a 27.8% Cu concentrate.

Nickel concentrate grade is 11.5% Ni with a nickel recovery of 68.7% to the nickel concentrate, equal to 95% of the nickel sulphide mineral content of the ore. Precious metals recoveries to the combined concentrates were 74% for Au, 59% for Pd and 47% for Pt with both concentrates carrying the precious metal content.

| <b>Table 1 - Copper-PGE-Au concentrate</b> |                        |                       |                        |                       |                        |                       |                        |
|--|------------------------|-----------------------|------------------------|-----------------------|------------------------|-----------------------|------------------------|
| <b>Cu Grade (%)</b>                        | <b>Cu Recovery (%)</b> | <b>Pd Grade (g/t)</b> | <b>Pd Recovery (%)</b> | <b>Pt grade (g/t)</b> | <b>Pt Recovery (%)</b> | <b>Au grade (g/t)</b> | <b>Au Recovery (%)</b> |
| <b>27.8</b>                                | <b>80.9</b>            | <b>12.4</b>           | <b>26</b>              | <b>1.9</b>            | <b>18</b>              | <b>2.6</b>            | <b>44.4</b>            |

| <b>Table 2 - Nickel-PGE-Co concentrate</b> |                        |                       |                        |                       |                        |                     |                        |
|--|------------------------|-----------------------|------------------------|-----------------------|------------------------|---------------------|------------------------|
| <b>Ni Grade (%)</b>                        | <b>Ni Recovery (%)</b> | <b>Pd Grade (g/t)</b> | <b>Pd Recovery (%)</b> | <b>Pt grade (g/t)</b> | <b>Pt Recovery (%)</b> | <b>Co grade (%)</b> | <b>Co Recovery (%)</b> |
| <b>11.5</b>                                | <b>68.7</b>            | <b>3.32</b>           | <b>32.8</b>            | <b>0.65</b>           | <b>28.9</b>            | <b>0.62</b>         | <b>72.4</b>            |

The concentrates produced do not contain any deleterious elements that could adversely affect their saleability. Overall, the nickel and copper concentrates produced are considered of high quality which would be commercially attractive to off-take parties.

***Expansion of known deposits:***

All four shallow, high-grade discoveries in the Cathedrals Belt – Stricklands, Cathedrals, Investigators and Radar – remain open with potential for additional high-grade nickel-copper-PGE mineralisation to be delineated by further drilling.

Two diamond drill holes were completed during the year at Stricklands to test for the down-dip continuity of high-grade mineralisation. Both drill holes – MAD209 and MAD210 – intersected nickel-copper sulphide mineralisation including massive sulphides, further extending the mineralised envelope for Stricklands.

These results confirm that the Stricklands Deposit is open to the west, north and north-west. Further expansion drilling will be prioritised for Stricklands as well as the other known deposits.

***Emerging lithium potential:***

Field mapping and rock chip sampling at Mt Alexander has confirmed numerous outcropping pegmatite dykes occurring in swarms within St George’s tenements.

The pegmatite dykes strike approximately east-west within a regional corridor interpreted to host the major lithium discovery announced by Red Dirt Metals (ASX: RDT) at its Mt Ida Project to the south-east (see ASX Release by Red Dirt dated 28 September 2021 *Mt Ida – A New Lithium Province*).

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Assays from initial pegmatite rock chip sampling at Mt Alexander have returned anomalous values for lithium, caesium, tantalum and rubidium supporting the potential for lithium mineralisation to occur at depth.

In particular, assays returned high values of rubidium – a key indicator of fertile pegmatites in weathered terrains such as the Mt Ida lithium province.



*Figure 4 – photos of pegmatites from E29/962 (100% St George) with coarse grained purple crystals that may be indicative of spodumene and lepidolite, subject to confirmation by portable XRD spectrometer and laboratory analysis.*

In recognition of this early exploration success, an expanded field mapping and rock chip sampling programme is ongoing to identify areas for additional pegmatites and drilling. The current programme is focused on two tenements where extensive pegmatite outcrops continue to be mapped – E29/638 (75% St George; 25% IGO) and E29/962 (100% St George).

The east-west striking pegmatite dykes mapped at these tenements occur along a north-south trending corridor parallel with the Copperfield Granite, which may be a source of the pegmatites. This pegmatite corridor extends for more than 15km across St George’s tenure and can be traced southwards to the area hosting lithium discoveries announced by Red Dirt at its Mt Ida Project.

The province around Mt Ida is emerging as a new lithium province since the significant high-grade lithium discovery by Red Dirt in September 2021.

In addition to St George and Red Dirt, significant exploration is underway in this region by:

- **Zenith Minerals (ASX: ZNC)** in joint venture with EV Metals plc – see ASX Release by Zenith dated 23 May 2022 *New Lithium Exploration Project Secured*

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- Hawthorn Resources (ASX: HAW)** in joint venture with Hancock Prospecting – see ASX Release by Hawthorn Resources dated 29 August 2022 *Hancock executes agreement for nickel, lithium and copper at Mt Bevan Project*

The lithium prospectivity of this region is interpreted to be associated with the large Copperfield Granite. The prospective LCT Pegmatite corridor is interpreted between the contact with the Copperfield Granite in the east and the Ida Fault in the west; see Figure 5.

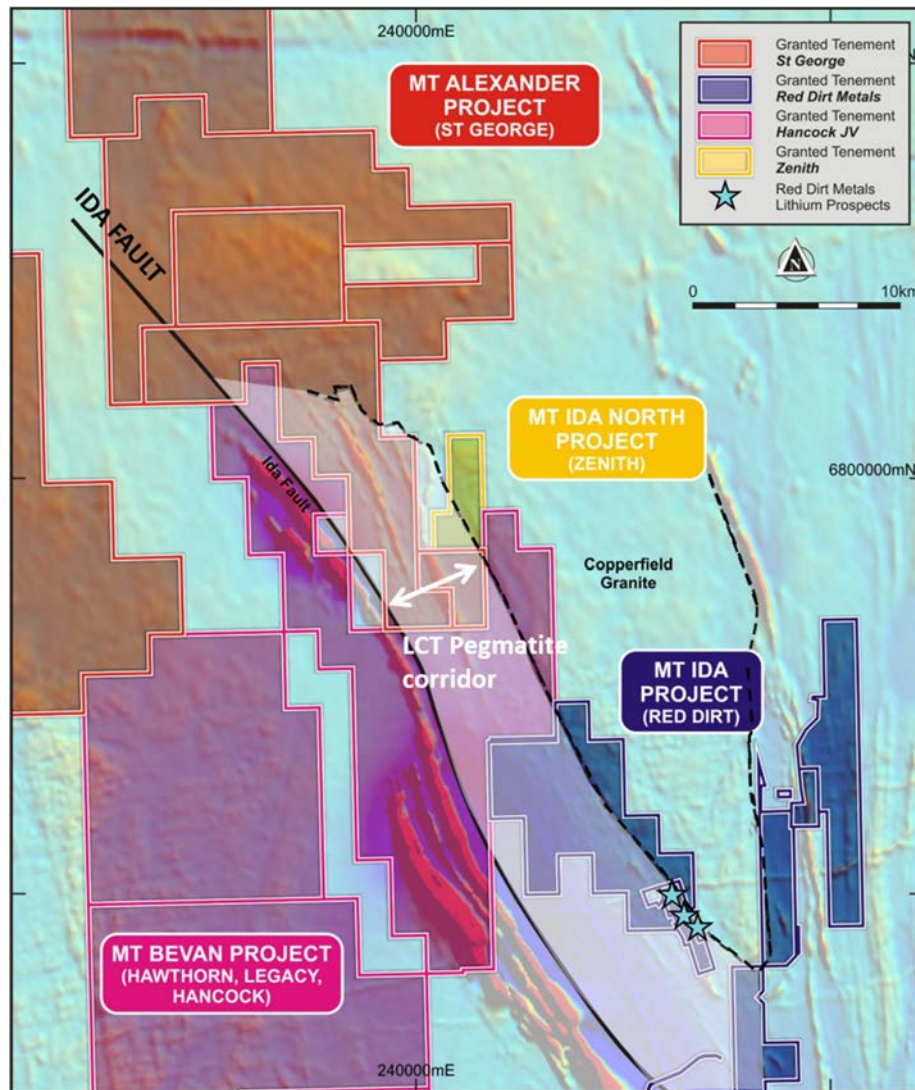


Figure 5 – map showing the interpreted prospective pegmatite corridor and the location of lithium projects along strike to St George’s Mt Alexander Project (against magnetic RTP 1VD).

**About the Mt Alexander Project:**

The Mt Alexander Project is located 120km south south-west of the Agnew-Wiluna Belt, which hosts numerous world-class nickel deposits. The Project comprises six granted exploration licences – E29/638, E29/548, E29/962, E29/954, E29/972 and E29/1041 – which are a contiguous package. A seventh granted exploration licence – E29/1093 – is located to the south-east of the core tenement package.

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The Cathedrals, Stricklands, Investigators and Radar nickel-copper-cobalt-PGE discoveries are located on E29/638, which is held in joint venture by St George (75%) and IGO Limited (25%). St George is the Manager of the Project, with IGO retaining a 25% non-contributing interest (in E29/638 only) until there is a decision to mine. All other Project tenements are owned 100% by St George.

The Mt Alexander Project is also interpreted to host more than 15km of a LCT pegmatite corridor which is known to host significant lithium mineralisation at the Mt Ida Project of Red Dirt Metals (ASX: RDT) located to the south-east of the Mt Alexander Project.

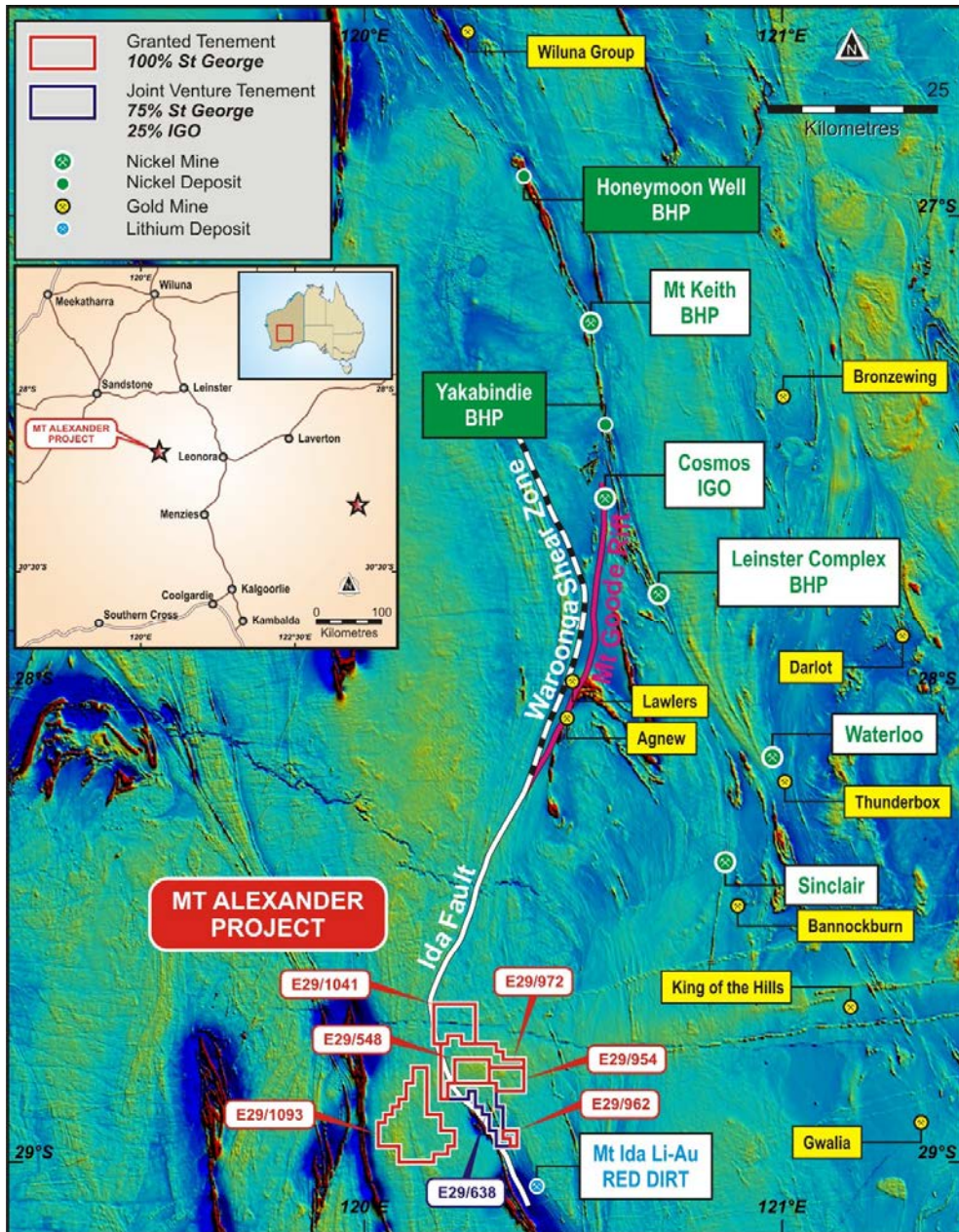


Figure 6 – regional map (over TMI magnetics) showing the strategic location of St George’s Mt Alexander Project to the south-west of major nickel projects in the Agnew-Wiluna Belt and north-west of the lithium discovery by Red Dirt Metals.

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**PATERSON PROJECT**

*Copper and gold targets in world-class region*

A maiden diamond drill programme was completed during the year at the **Paterson Project** in what represented a major escalation of our greenfields exploration at the Project. The drilling was designed to test priority structural targets for the potential to host large copper-gold systems.

Eight diamond drill holes were successfully completed for 2,133.9m drilled. Assays are pending.

The drill core for the completed holes shows locally intense alteration and hydrothermal veining with multiple zones of sulphides. These features are evidence of hydrothermal and mineralising processes and support the potential signature of mineralisation at the Paterson Project.



*Left: Core from 236m depth within PDD002 showing disseminated and semi-massive sulphide as void infill within strongly altered breccia.  
Below: Drill core from PDD003 (below, top tray) and PDD004 (below, bottom tray); both showing brecciated zones with hydrothermal alteration.*



These same lithologies host several gold-copper deposits in the Paterson Province including Antipa Minerals' (ASX: AZY) Minyari Deposit (1.8Moz Au and 162kt Cu) and Rio Tinto's' (ASX: RIO) Winu deposit (5.9Moz Au, 2.5Mt Cu) south of St George's project area.

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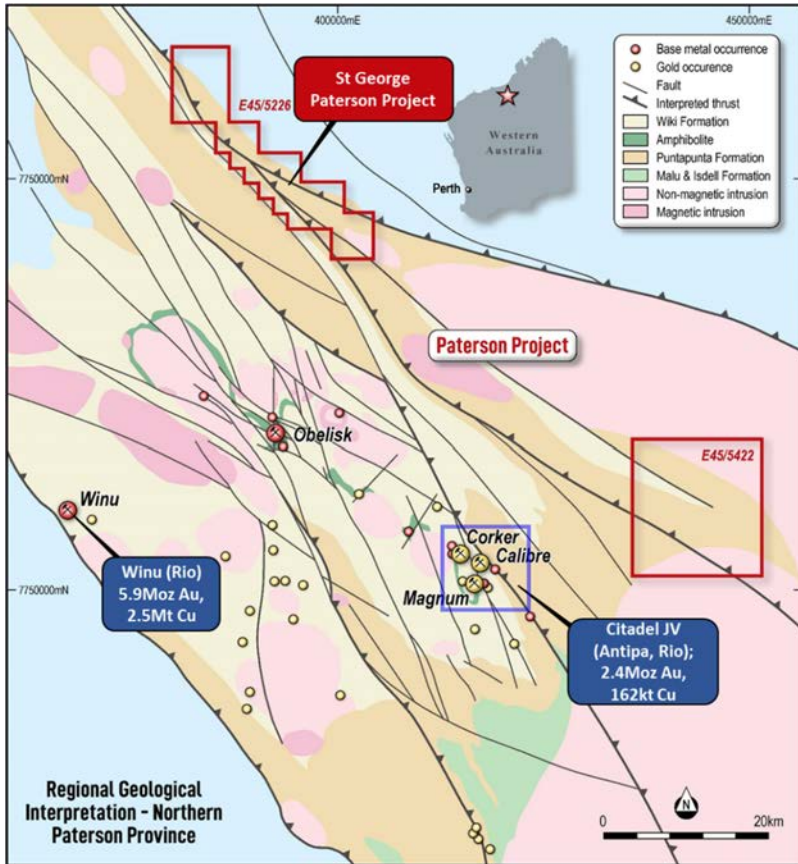


Figure 7 – Regional geological interpretation and major deposits of the northern Paterson Province, highlighting the similar geological setting of St George’s project to several know deposits.

Figure 8 shows the local geological interpretation based on geophysics and highlights the interpreted anticline structural folds, granitic and mafic intrusions, and regional scale thrust faults at the Project area – structural settings that are favourable for the accumulation of mineralisation.

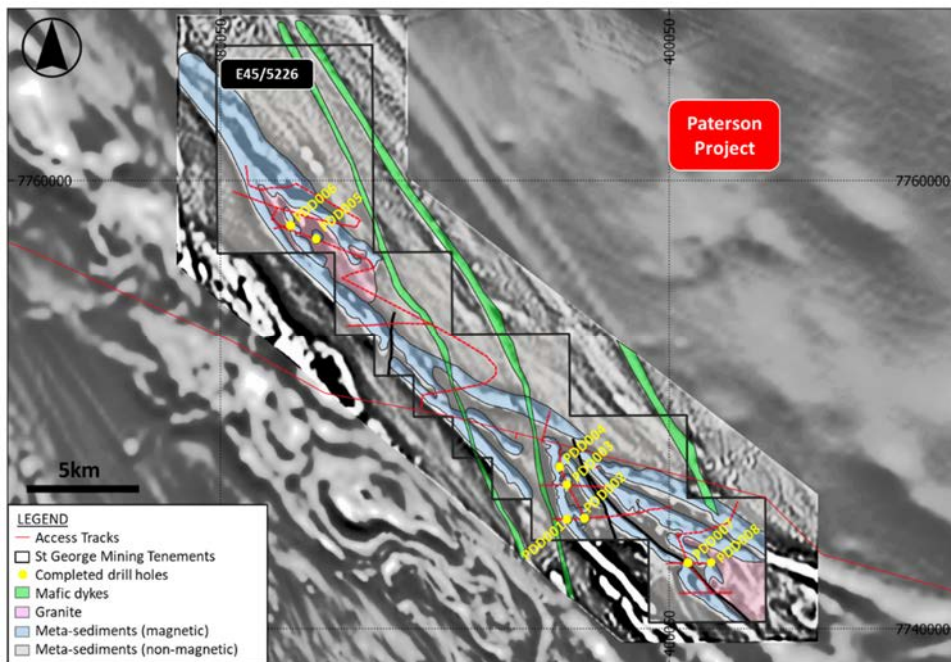


Figure 8 – Paterson Project interpreted geology showing diamond drill holes against magnetics data.

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**AJANA PROJECT**  
*Unexplored ground in fertile mineral district*

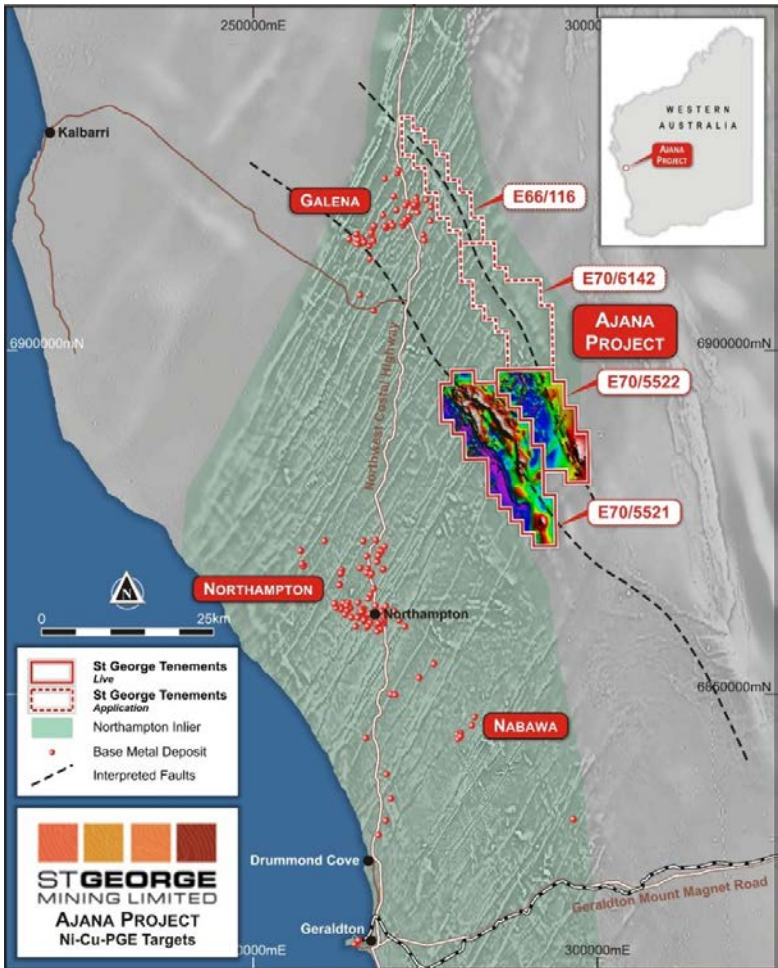
The new 100% owned **Ajana Project** was established during the year. The Project is located within the Meso-Proterozoic age Northampton mineral field, situated near the western margin of the Yilgarn Craton – an area of renewed exploration activity following the discovery of Chalice Mining’s substantial Julimar deposit in the western Yilgarn.

A large number of copper and lead-zinc deposits were mined at Northampton between 1850 to 1973. The mined deposits were relatively small and associated with outcropping mineralisation. The deposits are structurally controlled and present as massive and disseminated sulphides.

Since mining ceased, there has been minimal exploration in the area and the vast majority of the Northampton mineral field remains underexplored.

St George believes that modern exploration techniques and concepts, including the latest geophysical surveys, have the potential to identify blind deposits of mineralisation that may be present under 20m to 100m of cover.

St George holds two granted exploration licences and two applications for exploration licences.



*Figure 9 – location map for the Ajana Project showing the granted and pending exploration licences.*

St George completed a detailed airborne magnetic survey covering the Ajana Project in early April 2022 which clearly defined a 20km-long north-northwest trending elliptical magnetically anomalous body. This large Ajana magnetic anomaly includes several concentric features and is cut by the same dykes that host the historic lead and zinc sulphide deposits in the Northampton mineral field.

Inversion modelling of the magnetic data by Newexco suggests the magnetic anomaly is indicative of a late-stage layered mafic intrusion – see Figure 10 – which may have potential to host Ni-Cu-PGE deposits of similar type to IGO’s Nova/Bollinger mine and Chalice Mining’s substantial Julimar deposit.

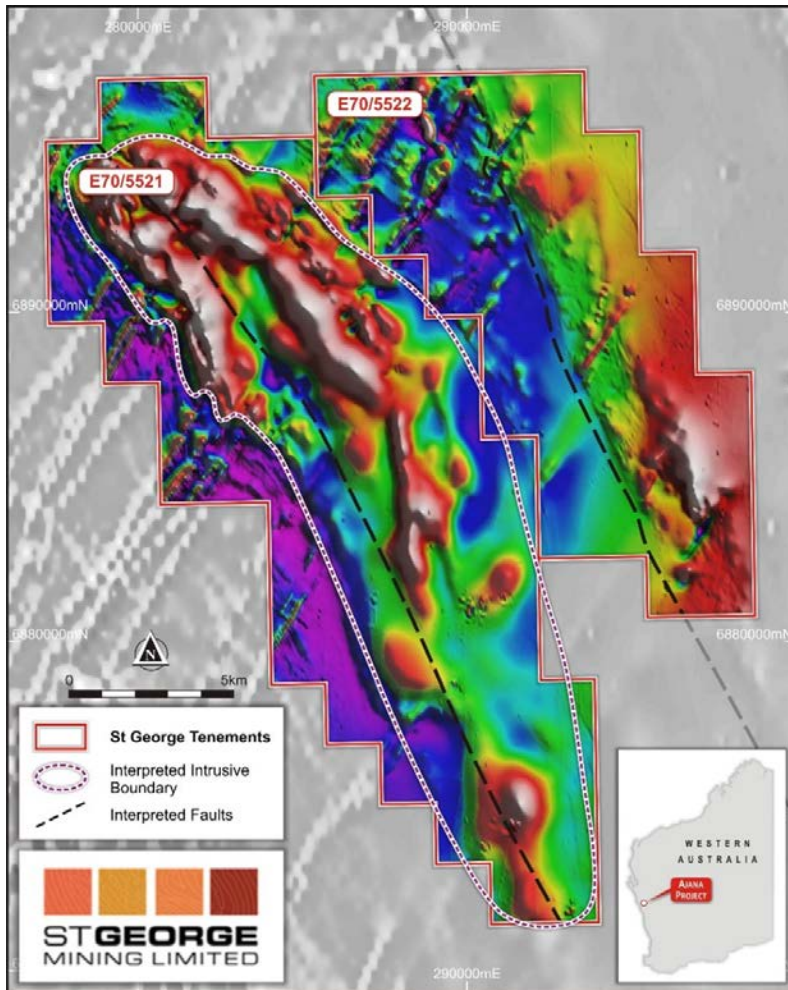


Figure 10 – map of the Ajana granted exploration licences with newly acquired airborne magnetics data set against regional magnetics.

### BOADVIEW PROJECT

*Greenfields opportunity in emerging mineral province*

The **Broadview Project** (100% St George) is located in the Wheatbelt 120km south-east of Perth, near the town of Brookton. The granted exploration licences cover two, approximately parallel 25km long north-east trending strongly magnetic features. These are interpreted to potentially represent two large mafic/ultramafic intrusions that may be prospective for Ni-Cu-PGEs.

These unusual magnetic features cross-cut the regional north-west trending geology and appear to be linked to the craton-scale domain boundary interpreted at the eastern end of the licences (Figure 11).



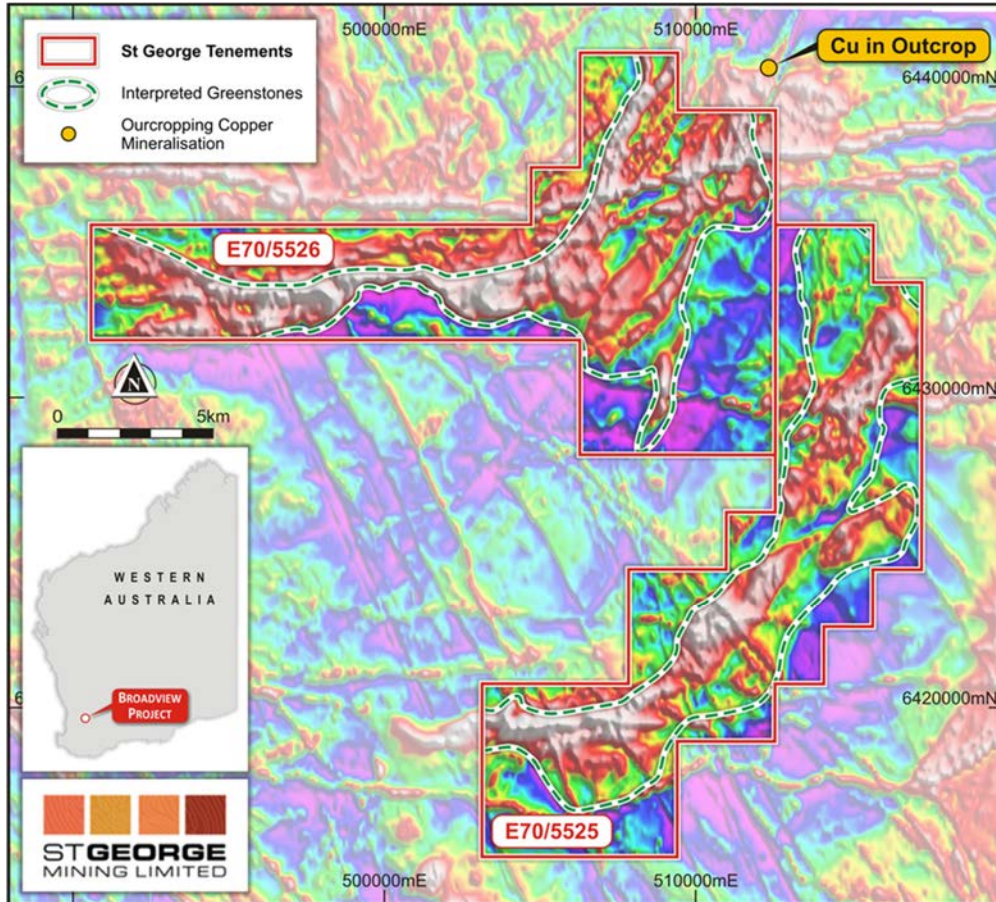


Figure 11 – map of the Broadview Project tenements overlaying magnetic data and highlighting interpreted greenstones.

St George completed widely spaced auger soil sampling along existing roads within the licences. This preliminary soil survey identified locally elevated Ni and Cu results.

Other tenement holders in the region include global mining major Anglo American plc (LSE: AAL), which has more than 10,000 sq km of ground, and Impact Minerals (ASX: IPT) which has established its Arkun Project with five tenements.

Engagement with the local community and farmers has been initiated to discuss St George’s planned exploration and arrange access for drill programmes.

## CORPORATE DEVELOPMENTS

### *Julian Hanna joins St George:*

In March 2022, Julian Hanna was appointed General Manager, Growth and Development.

Mr Hanna has more than 35 years’ experience in the resources sector across a wide range of activities including exploration, development, mining and corporate growth.

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Mr Hanna was co-founder and Managing Director of nickel miner Western Areas Limited (ASX: WSA) for 12 years (from 2000 to 2012). During his tenure, Western Areas grew from a \$6m IPO to Australia's No. 1 independent nickel sulphide producer through the discovery and development of the high-grade Flying Fox and Spotted Quoll nickel sulphide deposits in Western Australia.

In 2013, Mr Hanna joined copper explorer MOD Resources Limited as Managing Director. Under his leadership, MOD established a substantial licence holding in the very prospective and underexplored Kalahari Copper Belt in Botswana and delivered exploration success through the discovery of the significant T3 and A4 copper deposits.

Sandfire Resources Limited (ASX: SFR) acquired MOD in 2019 in a \$167 million takeover and has since begun progressing mine development of MOD's discoveries.

***Successful capital raising:***

The Company completed a placement of new shares in March 2022 that raised \$5,000,000 through the issue of 92,327,602 fully paid ordinary shares at \$0.052 per share.

John Prineas, Executive Chairman and Julian Hanna, committed to invest \$200,000 and \$100,000 respectively. The participation of John Prineas in the capital raise was approved by shareholders at a General Meeting held on 10 May 2022.

The Company also launched a Share Purchase Plan in March 2022 which resulted in the issue of a further 12,576,923 fully paid ordinary shares at \$0.052 per share.

Following the above share issuances, the Company has listed securities on issue as at the date of this Report of:

*Fully Paid Ordinary Shares - 700,017,808*

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**COMPETENT PERSON STATEMENT:**

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves for the Mt Alexander Project is based on information compiled by Mr Dave Mahon, a Competent Person who is a Member of The Australasian Institute of Geoscientists. Mr Mahon is employed by St George Mining Limited to provide technical advice on mineral projects, and he holds performance rights issued by the Company.

Mr Mahon has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Mahon consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

This ASX announcement contains information extracted from the following reports which are available on the Company's website at [www.stgm.com.au](http://www.stgm.com.au):

- 22 June 2021 Assays Confirm High-Grade Discovery at Mt Alexander
- 6 July 2021 New EM Conductors at Mt Alexander
- 8 July 2021 Drilling Intersects Prospective Lithology at Paterson
- 2 August 2021 Soil Assays Confirm New Ni-Cu Target at Mt Alexander
- 13 August 2021 Highly Successful Drilling at Paterson Project
- 16 August 2021 Drilling Underway at Mt Alexander
- 18 August 2021 Field of EM Conductors at Mt Alexander
- 13 September 2021 Drilling of New Targets at Mt Alexander
- 14 October 2021 Diamond Drilling Underway at Mt Alexander
- 1 December 2021 Seismic Results Unlock Stand-Out Targets
- 10 March 2022 Strong Metallurgical Results for Mt Alexander
- 29 March 2022 Exploration Update - Mt Alexander
- 31 March 2022 Expansion Drill Programme – Mt Alexander
- 12 April 2022 Expansion Drill Programme – Mt Alexander
- 3 May 2022 Step Up in Exploration for St George
- 25 May 2022 St George Commences Drilling at the Paterson
- 23 June 2022 Exploration Update for St George Mining
- 13 July 2022 Drilling Update for Paterson Project
- 1 September 2022 New Nickel Targets at Mt Alexander
- 7 September 2022 Significant Lithium Potential at Mt Alexander
- 20 September 2022 Significant Expansion of Lithium Potential

The Company confirms that it is not aware of any new information or data that materially affects the exploration results included in any original market announcements referred to in this report and that no material change in the results has occurred. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

**Forward Looking Statements:**

This report includes forward-looking statements that are only predictions and are subject to known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of St George, the directors and the Company's management. Such forward-looking statements are not guarantees of future performance.

Examples of forward-looking statements used in this report includes use of the words 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of report, are expected to take place.

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Actual values, results, interpretations or events may be materially different to those expressed or implied in this report. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements in the report as they speak only at the date of issue of this report. Subject to any continuing obligations under applicable law and the ASX Listing Rules, St George does not undertake any obligation to update or revise any information or any of the forward-looking statements in this report or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

This report has been prepared by St George Mining Limited. The document contains background Information about St George Mining Limited current at the date of this report.

The report is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this report.

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This report does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this report are not intended to represent recommendations of particular investments to particular persons.

Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments. To the fullest extent of the law, St George Mining Limited, its officers, employees, agents and advisers do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of any information, statements, opinion, estimates, forecasts or other representations contained in this report. No responsibility for any errors or omissions from the report arising out of negligence or otherwise is accepted.

The Directors of St George Mining Limited submit the annual financial report of St George Mining Limited from 1 July 2021 to 30 June 2022. In accordance with the provisions of the Corporations Act 2001, the Directors report as follows:

**DIRECTORS**

The names and particulars of the directors of the Company during the financial year ended 30 June 2022, and at the date of this report, are as follows. Directors were in office for the entire period unless otherwise stated.

|   |  |
|---|--|
| <p><b>John Prineas</b> B.EC LL.B F FIN<br/>Appointed<br/>Experience</p>                                   | <p><b>Executive Chairman</b><br/>19 October 2009<br/>John is a founding shareholder and director of St George Mining Limited. His involvement in the mining sector spans over 25 years with experience in commercial, legal and finance roles.</p> <p>Prior to establishing St George Mining, John was Chief Operating Officer and Country Head of Dresdner Bank in Sydney with a focus on project and acquisition finance for resources and infrastructure projects. John has Economics and Law degrees from the University of Sydney and commenced his career as a lawyer in Sydney with Allen, Allen &amp; Hemsley.</p> |
| <p>Other current listed company directorships<br/>Former listed directorships in the last three years</p> | <p>BMG Resources Limited (ASX:BMG) from October 2020 and American West Metals Limited (ASX: AW1) from December 2021.<br/>Not applicable.</p>   |
| <p><b>John Dawson</b> B.Com MBA INSEAD<br/>Appointed<br/>Experience</p>                                   | <p><b>Non-Executive Director</b><br/>2 January 2019<br/>Mr Dawson has over 30 years' experience in the finance and mining sectors where he occupied very senior roles with global investment banks including Goldman Sachs and Dresdner Kleinwort Wasserstein.</p> <p>At Goldman Sachs, Mr Dawson was a Managing Director of FICC (Fixed Income, Currency and Commodities) for Australia. At Dresdner Kleinwort Wasserstein, Mr Dawson was Global Head of Commodities as well as the Country Head for Australia.</p>   |
| <p>Other current listed company directorships<br/>Former listed directorships in the last three years</p> | <p>BMG Resources Limited (ASX:BMG) from October 2020.<br/>Not applicable.</p>  |
| <p><b>Sarah Shipway</b> CA, B.Com<br/>Appointed<br/>Experience</p>  | <p><b>Non-Executive Director</b><br/>11 June 2015<br/>Sarah Shipway was appointed Non-Executive Director on 11 June 2015 and was appointed Company Secretary of St George Mining on 22 March 2012.</p> <p>Ms Shipway is Non-Executive Director/Company Secretary for Beacon Minerals Limited (ASX: BCN), Company Secretary for American West Metals (ASX: AW1) and Cardinal Resources Limited (previously ASX/TSX: CDV).</p> <p>Ms Shipway has a Bachelor of Commerce from the Murdoch University and is a member of the Chartered Accountants Australia and New Zealand.</p>  |
| <p>Other current listed company directorships</p>   | <p>Beacon Minerals Limited (ASX: BCN) from June 2015.</p>  |

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Former listed directorships in the last three years Not applicable.

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**COMPANY SECRETARY**

Sarah Shipway was appointed Company Secretary on 22 March 2012. For details relating to Sarah Shipway, please refer to the details on directors above.

**DIRECTORS' INTERESTS**

At the date of this report the Directors held the following interests in St George Mining.

| Name          | Ordinary Shares |
|---------------|-----------------|
| John Prineas  | 17,011,255      |
| John Dawson   | 14,895,242      |
| Sarah Shipway | 1,226,402       |

The Directors have no interest, whether directly or indirectly, in a contract or proposed contract with St George Mining Limited during the financial year.

**PRINCIPAL ACTIVITIES**

The principal activity of the Group is mineral exploration in Australia.

**RESULTS AND REVIEW OF OPERATIONS**

The results of the consolidated entity for the financial year from 1 July 2021 to 30 June 2022 after income tax was a loss of \$8,180,317 (2021: \$8,322,413).

A review of operations of the consolidated entity during the year ended 30 June 2022 is provided in the "Review of the Operations" immediately preceding this Directors' Report.

**LIKELY DEVELOPMENTS**

The Group will continue its mineral exploration and development activities over the next financial year with a focus on the Mt Alexander Project and the Paterson Project. Further commentary on planned activities over the forthcoming year is provided in the "Review of Operations".

The Board will continue to focus on creating value from the Group's existing resource assets, as well as considering new opportunities in the resources sector to complement the Group's current projects.

**SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

There has not been any significant change in the state of affairs of the Group during the financial year, other than as noted in this financial report.

**ENVIRONMENTAL ISSUES**

The Group is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all applicable regulations when carrying out exploration work.

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**DIVIDENDS PAID OR RECOMMENDED**

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

**DIRECTORS' MEETINGS**

The following table sets out the number of meetings held during the year ended 30 June 2022 and the number of meetings attended by each director.

|           | Directors Meetings |          |
|-----------|--------------------|----------|
|           | Eligible to Attend | Attended |
| J Prineas | 5                  | 5        |
| J Dawson  | 5                  | 5        |
| S Shipway | 5                  | 5        |

**REMUNERATION REPORT – AUDITED**

***Remuneration policy***

The remuneration policy of St George Mining Limited has been designed to align directors' objectives with shareholder and business objectives by providing a fixed remuneration component, which is assessed on an annual basis in line with market rates. The Board of St George Mining Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best directors to run and manage the Company.

The Board's policy for determining the nature and amount of remuneration for Board members is as follows:

- The remuneration policy and setting the terms and conditions for the Executive directors and other senior staff members is developed and approved by the Board based on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes, benefit plans and share plans. Independent advice is obtained when considered necessary to confirm that executive remuneration is in line with market practice and is reasonable within Australian executive reward practices.
- All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation.
- The Group is an exploration entity, and therefore speculative in terms of performance. Consistent with attracting and retaining talented executives, directors and senior executives are paid market rates associated with individuals in similar positions within the same industry. Options and performance incentives may be issued particularly as the entity moves from an exploration to a producing entity and key performance indicators such as profit and production and reserves growth can be used as measurements for assessing executive performance.
- The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Executive Directors, in consultation with independent advisors, determine payments to the non-executives and review their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and is currently \$500,000 per annum. Fees for independent non-executive directors are not linked to the performance of the Group. To align Directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

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- The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. The method applied to achieve this aim has been the issue of performance rights to directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy was effective in increasing shareholder wealth in the past.
- The Company has issued performance-based remuneration to directors and executives of the Company. The measures are specifically tailored to align personal and shareholder interest. The KPI's are reviewed regularly to assess them in relation to the Company's goals and shareholder wealth.

**Company Performance**

A summary of St George Mining's business performance as measured by a range of financial and other indicators, including disclosure required by the *Corporations Act 2001*, is outline below.

|   | 2022      | 2021      | 2020      | 2019      | 2018      |
|---|-----------|-----------|-----------|-----------|-----------|
| Total Comprehensive Loss Attributable to Member of the Company (\$) | 8,180,317 | 8,322,413 | 8,584,901 | 9,594,528 | 4,384,667 |
| Cash and cash equivalents at year end (\$)                          | 4,103,089 | 6,370,756 | 8,310,582 | 3,357,486 | 5,948,692 |
| Basic Loss Per Share (cents)  | 1.33      | 1.61      | 2.12      | 3.21      | 1.70      |
| ASX share price at the end of the year (\$)                         | 0.031     | 0.067     | 0.115     | 0.110     | 0.135     |
| Increase/(decrease) in share price (%)                              | (54)      | (42)      | 5         | (18)      | 35        |

**Remuneration Consultants**

No remuneration consultant was engaged in the current financial year.

**Details of directors and executives**

| Directors | Title                  | Date of Appointment | Date of Retirement |
|-----------|------------------------|---------------------|--------------------|
| J Prineas | Executive Chairman     | 19 October 2009     | Not Applicable     |
| J Dawson  | Non-Executive Director | 2 January 2019      | Not Applicable     |
| S Shipway | Non-Executive Director | 11 June 2015        | Not Applicable     |

The Company does not have any executives that are not Directors.

Executive Directors' remuneration and other terms of employment are reviewed annually by the non-executive director(s) having regard to performance against goals set at the start of the year, relative comparable information and independent expert advice.

Except as detailed in the Director's Report, no director has received or become entitled to receive, during or since the financial year end, a benefit because of a contract made by the Group or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors and shown in the Remuneration Report, prepared in accordance with the Corporations Regulations, or the fixed salary of a full time employee of the Group.

**Director Remuneration Tables**

The actual remuneration earned by Directors in FY2022 is set out below. The information is considered relevant as it provides shareholders with a view of the remuneration actually paid to Directors for performance in FY2022. The value of remuneration includes equity grants where the Directors received control of the shares in FY2022 and different from the remuneration disclosures in the below table, which disclosures the value of LTI grants which may or may not vest in future years.

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**Director Actual Remuneration Earned in FY2022**

| Name      | Salary and Fees <sup>1</sup> | Termination Payment | Short-Term Incentive | LTI Plan Rights | Total Actual Remuneration |
|-----------|------------------------------|---------------------|----------------------|-----------------|---------------------------|
|           | \$                           | \$                  | \$                   | \$              | \$                        |
| J Prineas | 385,000                      | -                   | -                    | -               | 385,000                   |
| J Dawson  | 68,705                       | -                   | -                    | -               | 68,705                    |
| S Shipway | 156,705                      | -                   | -                    | -               | 156,705                   |

- Salary and fees comprise base salary, superannuation and leave entitlements. It reflects the total of "salary and fees" and "superannuation" in the statutory remuneration table.

**Remuneration of directors and executives**

Remuneration for the financial year ended 30 June 2022.

|                  | Short-Term Benefits |                     | Post Employment Benefits | Employee Benefits             | Equity Settled Share-Based Payments | Total          | Performance Related |
|------------------|---------------------|---------------------|--------------------------|-------------------------------|-------------------------------------|----------------|---------------------|
|                  | Salary and Fees     | Termination Payment | Superannuation           | Long Service and Annual Leave | Shares/Option/Performance Rights    |                |                     |
| Directors        | \$                  | \$                  | \$                       | \$                            | \$                                  | \$             | %                   |
| <b>J Prineas</b> |                     |                     |                          |                               |                                     |                |                     |
| 2022             | 350,000             | -                   | 35,000                   | 20,908                        | (33,870) <sup>1</sup>               | <b>372,038</b> | -                   |
| 2021             | 350,000             | -                   | 33,250                   | 26,199                        | (70,870)                            | <b>338,579</b> | -                   |
| <b>J Dawson</b>  |                     |                     |                          |                               |                                     |                |                     |
| 2022             | 62,460              | -                   | 6,245                    | -                             | (19,662) <sup>2</sup>               | <b>49,043</b>  | -                   |
| 2021             | 62,460              | -                   | 5,934                    | -                             | 47,604                              | <b>115,998</b> | <b>41%</b>          |
| <b>S Shipway</b> |                     |                     |                          |                               |                                     |                |                     |
| 2022             | 156,705             | -                   | -                        | 23,232                        | (25,040) <sup>3</sup>               | <b>154,897</b> | -                   |
| 2021             | 152,608             | -                   | 3,383                    | -                             | 10,574                              | <b>166,565</b> | <b>6%</b>           |
| <b>Total</b>     |                     |                     |                          |                               |                                     |                |                     |
| 2022             | <b>569,165</b>      | -                   | <b>41,245</b>            | <b>44,140</b>                 | <b>(78,572)</b>                     | <b>575,978</b> | -                   |
| 2021             | <b>565,068</b>      | -                   | <b>42,567</b>            | <b>26,199</b>                 | <b>(12,692)</b>                     | <b>621,142</b> | -                   |

- Included in the share-based payments is the reversal of the Class E and F Performance Rights that were expensed in the prior year amounting to \$49,500, as the milestones were deemed unlikely to vest given they were scheduled to expire on 30 June 2022.
- Included in the share-based payments is the reversal of the Class E and F Performance Rights that were expensed in the prior year amounting to \$30,250, as the milestones were deemed unlikely to vest given they were scheduled to expire on 30 June 2022.
- Included in the share-based payments is the reversal of the Class E and F Performance Rights that were expensed in the prior year amounting to \$30,250, as the milestones were deemed unlikely to vest given they were scheduled to expire on 30 June 2022.

**Employment contracts of directors and executives**

The terms and conditions under which key management personnel and executives are engaged by the Company are formalised in contracts between the Company and those individuals.

The Company has entered into an executive services agreement with Mr John Prineas whereby Mr Prineas receives remuneration of \$350,000 per annum plus statutory superannuation. Mr Prineas or the Company may terminate the agreement by giving 12 months' notice. The executive services agreement has no fixed period and continues until terminated.



The Company has entered into a services agreement with Mr John Dawson, whereby Mr Dawson receives remuneration of \$62,460 per annum plus statutory superannuation. Mr Dawson or the Company may terminate the agreement by giving notice. The services agreement has no fixed period and continues until terminated.

The Company has entered into service agreements with Ms Sarah Shipway whereby Ms Shipway receives remuneration of \$62,460 per annum plus statutory superannuation and \$80,000 plus statutory superannuation for the roles of Non-Executive Director and Company Secretary respectively. Ms Shipway may terminate the agreements by giving 3 months' notice. The services agreements have no fixed period and continue until terminated.

#### INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

In accordance with the constitution, except as may be prohibited by the *Corporations Act 2001*, every Officer or agent of the Company shall be indemnified out of the property of the entity against any liability incurred by him/her in his/her capacity as Officer or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

#### Shareholdings of key management personnel

| Directors    | Balance at<br>1 July 2021 | Granted as<br>remuneration | Net other change<br>(i), (ii) | Balance at<br>30 June 2022 |
|--------------|---------------------------|----------------------------|-------------------------------|----------------------------|
| J Prineas    | 12,588,178                | -                          | 4,422,976                     | 17,011,154                 |
| J Dawson     | 14,985,242                | -                          | -                             | 14,985,242                 |
| S Shipway    | 649,479                   | -                          | 576,923                       | 1,226,402                  |
| <b>Total</b> | <b>28,222,899</b>         | <b>-</b>                   | <b>4,999,899</b>              | <b>33,222,798</b>          |

(i) Purchased under the Company's share purchase plan at \$0.052 per share

(ii) Purchased under the private placement at \$0.052 per share

#### Performance Rights holdings of key management personnel

| Directors    | Balance at<br>1 July 2021 | Granted as<br>remuneration | Net other<br>change | Balance at<br>30 June 2022 | Unvested | Value of<br>unvested<br>Rights (\$) |
|--------------|---------------------------|----------------------------|---------------------|----------------------------|----------|-------------------------------------|
| J Prineas    | 18                        | -                          | (18)                | -                          | -        | -                                   |
| J Dawson     | 11                        | -                          | (11)                | -                          | -        | -                                   |
| S Shipway    | 11                        | -                          | (11)                | -                          | -        | -                                   |
| <b>Total</b> | <b>40</b>                 | <b>-</b>                   | <b>(40)</b>         | <b>-</b>                   | <b>-</b> | <b>-</b>                            |

Each performance rights converted to 50,000 fully paid ordinary shares on achievement of certain milestones.

#### Performance Rights Plan

The Group operates a Performance Rights Plan, approved at the Company's Annual General Meeting held 22 November 2017.

During the year ended 30 June 2022 the Company issued no performance rights (2021: 125).

In the previous years, performance rights were issued to Directors and personnel of the Company and were subject to a number of conditions which restricted both the vesting and exercise of the rights.

At the date of this report no performance rights were on issue. During the year 265 performance rights have lapsed, unvested.

There were no ordinary shares issued during the financial year from the exercise of the performance rights.

**END OF REMUNERATION REPORT**

**SHARE OPTIONS**

*Unissued shares*

At the date of this report the Company had no listed options on issue.

At the date of this report the Company had on issue the below unlisted options:

| Unlisted Options Class       | Grant Date | Number of Options | Exercise Price \$ | Expiry Date |
|------------------------------|------------|-------------------|-------------------|-------------|
| Unlisted Options             | 24.03.2022 | 5,000,000         | \$0.095           | 24.03.2024  |
| Class A Performance Options* | 29.09.2022 | 2,250,000         | -                 | 31.12.2024  |
| Class B Performance Options* | 29.09.2022 | 2,250,000         | -                 | 31.12.2025  |
| Class C Performance Options* | 29.09.2022 | 3,000,000         | -                 | 30.06.2026  |
| Class D Performance Options* | 29.09.2022 | 3,000,000         | -                 | 31.12.2026  |

\*Options vest on the milestones being achieved.

During the financial year ended 30 June 2022, and at the date of this report, none of these unlisted options were converted into fully paid ordinary shares.

Option holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity.

As at the date of this report the Company had no performance rights on issue.

**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.

**CORPORATE GOVERNANCE STATEMENT**

St George Mining is committed to ensuring that its policies and practices reflect a high standard of corporate governance. The Board has adopted a comprehensive framework of Corporate Governance Guidelines.

Throughout the 2022 financial year the Company's governance was consistent with the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The Group's Corporate Governance Statement can be viewed at [www.stgm.com.au](http://www.stgm.com.au).

**EVENTS SUBSEQUENT TO BALANCE DATE**

On 29 September 2022 the Company issued 10,500,000 unlisted performance options to members of St George's in-house technical team under the Company's Employee Option Plan.

On 31 July 2022 2,500,000 unlisted options expired unexercised.

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Other than the above there have been no matters or circumstances that have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 57 of the financial report.

**Non Audit Services**

The Company's auditor, Stantons, did not provide any non-audit services to the Company during the financial year ended 30 June 2022.

Signed in accordance with a resolution of the directors made pursuant to s 298(2) of the Corporations Act 2001.

On behalf of the directors



**JOHN PRINEAS**

Executive Chairman

**St George Mining Limited**

Dated 30 September 2022

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

| Australian Dollar (\$)   | Note | 30 JUNE 2022<br>\$ | 30 JUNE 2021<br>\$ |
|--|------|--------------------|--------------------|
| <b>REVENUE</b>   |      |                    |                    |
| Interest   | 3    | 4,360              | 9,860              |
| Government grants  | 3    | 74,053             | 181,000            |
|  |      | <u>78,413</u>      | <u>190,860</u>     |
| <b>EXPENDITURE</b>   |      |                    |                    |
| Administration expenses  | 4    | (1,402,299)        | (1,772,073)        |
| Exploration expenditure written off  | 5    | (6,841,630)        | (6,730,629)        |
| Finance expenses   | 6    | (14,801)           | (10,571)           |
| <b>LOSS BEFORE INCOME TAX</b>  |      | <u>(8,180,317)</u> | <u>(8,322,413)</u> |
| Income Tax   | 7(a) | -                  | -                  |
| <b>NET LOSS ATTRIBUTABLE TO MEMBERS OF THE<br/>COMPANY</b>                   |      | <u>(8,180,317)</u> | <u>(8,322,413)</u> |
| Other comprehensive income   |      | -                  | -                  |
| <b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>                                     |      | <u>(8,180,317)</u> | <u>(8,322,413)</u> |
| <b>TOTAL COMPREHENSIVE (LOSS) ATTRIBUTABLE<br/>TO MEMBERS OF THE COMPANY</b> |      | <u>(8,180,317)</u> | <u>(8,322,413)</u> |
| <b>LOSS PER SHARE</b>  |      |                    |                    |
| Basic and diluted – cents per share  | 16   | <u>(1.33)</u>      | <u>(1.61)</u>      |

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

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

| Australian Dollar (\$)               | Note  | 30 JUNE 2022<br>\$ | 30 JUNE 2021<br>\$ |
|--------------------------------------|-------|--------------------|--------------------|
| <b>CURRENT ASSETS</b>                |       |                    |                    |
| Cash and cash equivalents            | 17(a) | 4,103,089          | 6,370,756          |
| Trade and other receivables          | 10(a) | 73,236             | 53,317             |
| Other assets                         | 10(b) | 124,434            | 70,463             |
| <b>TOTAL CURRENT ASSETS</b>          |       | <b>4,300,759</b>   | <b>6,494,536</b>   |
| <b>NON CURRENT ASSETS</b>            |       |                    |                    |
| Security bond                        |       | 71,682             | 69,658             |
| Right of use assets                  | 11(a) | 333,064            | 50,029             |
| Plant and equipment                  | 12    | 40,081             | 28,325             |
| <b>TOTAL NON CURRENT ASSETS</b>      |       | <b>444,827</b>     | <b>148,012</b>     |
| <b>TOTAL ASSETS</b>                  |       | <b>4,745,586</b>   | <b>6,642,548</b>   |
| <b>CURRENT LIABILITIES</b>           |       |                    |                    |
| Trade and other payables             | 13    | 1,294,595          | 591,294            |
| Lease Liabilities                    | 11(b) | 82,070             | 37,701             |
| Provisions for employee entitlements |       | 238,555            | 186,452            |
| <b>TOTAL CURRENT LIABILITIES</b>     |       | <b>1,615,220</b>   | <b>815,447</b>     |
| <b>NON-CURRENT LIABILITIES</b>       |       |                    |                    |
| Lease liabilities                    | 11(b) | 261,544            | 18,995             |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |       | <b>261,544</b>     | <b>18,995</b>      |
| <b>TOTAL LIABILITIES</b>             |       | <b>1,876,764</b>   | <b>834,442</b>     |
| <b>NET ASSETS</b>                    |       | <b>2,868,822</b>   | <b>5,808,106</b>   |
| <b>EQUITY</b>                        |       |                    |                    |
| Issued capital                       | 14(a) | 62,739,363         | 57,336,331         |
| Reserves                             | 14(b) | 496,426            | 658,425            |
| Accumulated losses                   | 15    | (60,366,967)       | (52,186,650)       |
| <b>TOTAL EQUITY</b>                  |       | <b>2,868,822</b>   | <b>5,808,106</b>   |

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

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

| Australian (\$)                            | SHARE CAPITAL<br>\$ | ACCUMULATED LOSSES<br>\$ | RESERVES<br>\$ | TOTAL EQUITY<br>\$ |
|--|---------------------|--------------------------|----------------|--------------------|
| <b>BALANCE AT 1 JULY 2021</b>              | <b>57,336,331</b>   | <b>(52,186,650)</b>      | <b>658,425</b> | <b>5,808,106</b>   |
| Loss for the year                          | -                   | (8,180,317)              | -              | (8,180,317)        |
| Other comprehensive income                 | -                   | -                        | -              | -                  |
| Total comprehensive loss                   | -                   | (8,180,317)              | -              | (8,180,317)        |
| Shares issued during the year              | 5,763,000           | -                        | -              | 5,763,000          |
| Shares based payments                      | -                   | -                        | 349,501        | 349,501            |
| Reversal of performance rights             | -                   | -                        | (511,500)      | (511,500)          |
| Share issue expenses                       | (359,968)           | -                        | -              | (359,968)          |
| <b>BALANCE AT 30 JUNE 2022</b>             | <b>62,739,363</b>   | <b>(60,366,967)</b>      | <b>496,426</b> | <b>2,868,822</b>   |
| <b>BALANCE AT 1 JULY 2020</b>              | <b>50,695,011</b>   | <b>(43,873,737)</b>      | <b>588,369</b> | <b>7,409,643</b>   |
| Loss for the year                          | -                   | (8,322,413)              | -              | (8,322,413)        |
| Other comprehensive income                 | -                   | -                        | -              | -                  |
| Total comprehensive loss                   | -                   | (8,322,413)              | -              | (8,322,413)        |
| Shares issued during the year              | 7,000,000           | -                        | -              | 7,000,000          |
| Share based payments – employees/directors | -                   | -                        | 756,438        | 756,438            |
| Shares based payments                      | 83,100              | -                        | -              | 83,100             |
| Options exercised during the year          | 10,858              | -                        | -              | 10,858             |
| Expiry of performance rights               | -                   | -                        | (88,000)       | (88,000)           |
| Reversal of performance rights             | -                   | -                        | (588,882)      | (588,882)          |
| Expiry of options                          | -                   | 9,500                    | (9,500)        | -                  |
| Share issue expenses                       | (452,638)           | -                        | -              | (452,638)          |
| <b>BALANCE AT 30 JUNE 2021</b>             | <b>57,336,331</b>   | <b>(52,186,650)</b>      | <b>658,425</b> | <b>5,808,106</b>   |

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

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

| Australian Dollar (\$)  | Note  | 30 JUNE 2022<br>\$ | 30 JUNE 2021<br>\$ |
|---|-------|--------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                       |       |                    |                    |
| Expenditure on mining interests                                   |       | (5,004,068)        | (7,078,781)        |
| Payments to suppliers and employees                               |       | (2,485,672)        | (1,524,115)        |
| Interest received   |       | 6,874              | 8,520              |
| Other   |       | 28,882             | 45,922             |
| Government Grants   |       | -                  | 181,000            |
| <b>Net cash outflow from operating activities</b>                 | 17(b) | <b>(7,453,984)</b> | <b>(8,367,454)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                       |       |                    |                    |
| Payment of bank guarantee   |       | (2,022)            | (40,000)           |
| Purchase of plant and equipment                                   |       | (27,542)           | -                  |
| Acquisition of tenements  |       | -                  | (35,648)           |
| <b>Net cash outflow from investing activities</b>                 |       | <b>(29,564)</b>    | <b>(75,648)</b>    |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                        |       |                    |                    |
| Issue of shares net of capital raising costs                      |       | 5,303,032          | 6,570,471          |
| Exercise of options   |       | -                  | 10,858             |
| Lease payments  |       | (87,151)           | (78,053)           |
| <b>Net cash inflows from financing activities</b>                 |       | <b>5,215,881</b>   | <b>6,503,276</b>   |
| <b>Net (decrease) in cash and cash equivalents</b>                |       | <b>(2,267,667)</b> | <b>(1,939,826)</b> |
| Cash and cash equivalents at the beginning of the financial year  |       | 6,370,756          | 8,310,582          |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b> | 17(a) | <b>4,103,089</b>   | <b>6,370,756</b>   |

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

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## 1 CORPORATE INFORMATION

The financial report of St George Mining Limited (“St George Mining” or “the Company”) for the year ended 30 June 2022 was authorised for issue in accordance with a meeting of the directors on 23 September 2022.

St George Mining Limited is a company limited by shares, incorporated in Australia on 19 October 2009. The consolidated financial statements of the Company for year ended 30 June 2022 comprise of the Company and its subsidiaries together referred to as the Group or consolidated entity.

The nature of the operations and principal activity of the Group is mineral exploration.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) *Statement of compliance*

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

### (b) *Basis of Preparation of the Financial Report*

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars. The following accounting policies have been adopted by the consolidated entity.

#### ***Going Concern***

The directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The Consolidated Entity has recorded a net accounting loss of \$8,180,317 and net operating cash outflows of \$7,453,984 for the year ended 30 June 2022.

The net assets of the consolidated entity have decreased from \$5,808,106 at 30 June 2021 to net assets of \$2,868,822 as at 30 June 2022. Net assets and Shareholder’s equity decreased in 2022 due to a reduction in capital raising during the period and a decrease in cash and cash equivalents from \$6,370,756 as at 30 June 2021 compared to \$4,103,089 as at 30 June 2022.

At 30 June 2022 the Group held a cash balance of \$4,103,089.

Equity raisings or debt financing arrangements will be required in the future to fund the Group’s activities. The Directors are assessing a number of options in respect of equity and debt financing arrangements, and have reasonable expectations that further funding will be arranged to meet the Group’s objectives. There is no certainty that new funding will be successfully completed to provide adequate working capital for the Group.

The Board is confident that the Group will have sufficient funds to finance its operations in the 2022/2023 year following successful completion of equity raisings or debt financing arrangements.

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**(c) Principles of Consolidation**

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent St George Mining Limited and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 22.

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.

**(d) Significant accounting estimates and judgements**

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

**Share-based payment transactions**

The Group measures the cost of equity-settled and cash-settled transactions by reference to the fair value of the goods or services received in exchange if it can be reliably measured. If the fair value of the goods or services cannot be reliably measured, the costs are measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model and the assumptions and carrying amount at the reporting date, if any, are disclosed in note 18.

**Deferred taxation**

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of the tax losses is not yet considered probable (refer note 7).

**Exploration costs**

The Group expenses all exploration and evaluation expenditure incurred.

**Subsidiary Loans**

Provision has been made for all unsecured loans with subsidiaries as it is uncertain if and when the loans will be recovered. All inter-company loans have been eliminated on consolidation.

**(e) Revenue**

Under AASB 15 Revenue from contracts with customers, revenue is recognised when a performance obligation is satisfied, being when control of the goods or services underlying the performance obligations is transferred to the customer.

**Interest**

Interest revenue is recognised using the effective interest method.

**Government Grants**

Government grants are accounted for when received.

**(f) Employee benefits**

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated cash outflows to be made to those benefits.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

**(g) Share based payment transactions**

The Group accounts for all equity-settled stock-based payments based on the fair value of the award on grant date. Under the fair value-based method, compensation cost attributable to options granted is measured at fair value at the grant date and amortised over the vesting period. The amount recognised as an expense is adjusted to reflect any changes in the Group's estimate of the performance rights that will eventually vest and the effect of any non-market vesting conditions.

Share-based payment arrangements in which the Group receives goods or services as consideration are measured at the fair value of the good or service received, unless that fair value cannot be reliably estimated.

**(h) Research & Development Tax Incentives**

Refundable tax incentives are accounted for as a government grant under AASB 120 Accounting for Government Grants and Disclosure of Government Assistance.

**(i) Exploration and evaluation expenditure**

Exploration and evaluation expenditure on areas of interest are expensed as incurred. Costs of acquisition will normally be expensed but will be assessed on a case by case basis and may be capitalised to areas of interest and carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Where projects have advanced to the stage that directors have made a decision to mine, they are classified as development properties. When further development expenditure is incurred in respect of a development property, such

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expenditure is carried forward as part of the cost of that development property only when substantial future economic benefits are established. Otherwise such expenditure is classified as part of the cost of production or written off where production has not commenced.

**(j) Income Tax**

Current tax assets and liabilities for the period is measured at amounts expected to be recovered from or paid to the taxation authorities based on current year's taxable income. The tax rates and tax laws used for computation are enacted or substantially enacted by the balance date.

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

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

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

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

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and,
- in respect of deductible temporary differences with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Income taxes relating to items recognised directly in equity are not in the income statement.

**(k) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Consolidated Statement of Financial Position.

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Cash Flows are included in the Consolidated Statement of Cash Flows net of GST. The GST components of cash flows arising from investing and financial activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**(l) Plant and equipment**

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a diminishing value basis over the estimated useful life of the assets as follows:

| <b>Class of Fixed Asset</b> | <b>Depreciation Rate</b> |
|-----------------------------|--------------------------|
| <i>Plant and Equipment</i>  |                          |
| - Year 1                    | 18.75%                   |
| - Subsequent Years          | 37.50%                   |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

**(m) Earnings per share**

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

**(n) Cash and cash equivalents**

Cash and short-term deposits in the consolidated Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**(o) Impairment of assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value; less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and it is written down to its recoverable amount.

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

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot

exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systemic basis over its remaining useful life.

**(p) Contributed equity**

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

**(q) Financial Instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Trade receivables are initially measured at the transaction price if the receivables do not contain a significant financing component in accordance with AASB 15.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

**Financial assets**

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (FVOCI); and
- fair value through profit or loss (FVPL).

Classifications are determined by both:

- The contractual cash flow characteristics of the financial assets; and
- The entities business model for managing the financial asset.

*Financial assets at amortised cost*

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and

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- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

*Financial assets at fair value through other comprehensive income (Equity instruments)*

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling the financial asset.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI.

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading.

*Financial assets at fair value through profit or loss (FVPL)*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

***Financial liabilities***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

***Effective interest rate method***

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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**Transaction costs**

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

**Impairment of financial assets**

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**(r) Business combinations**

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interests issued by the acquirer.

Fair value uplifts in the value of pre-existing holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. Rights to refunds of consideration previously paid are recognised as a receivable. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value through the statement of comprehensive income unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the consolidated statement of comprehensive income.

**(s) Trade Receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 2(o).

**(t) Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised costs using the effective interest method.

**(u) Adoption of new and revised standards*****New and Amended Standards Adopted by the Group******AASB 2021-3: Amendments to Australian Accounting Standards – COVID-19 Related Rent Concessions beyond 30 June 2021***

The Group has applied AASB 2021-3: Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions beyond 30 June 2021 this reporting period.

The amendment amends AASB 16 to extend by one year, the application of the practical expedient added to AASB 16 by AASB 2020-4: Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions. The practical expedient permits lessees not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and instead, to account for those rent concessions as if they were not lease modifications. The amendment has not had a material impact on the Group's financial statements.

***AASB 2020-8: Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2***

The Group has applied AASB 2020-8 which amends various standards to help listed entities to provide financial statement users with useful information about the effects of the interest rate benchmark reform on those entities' financial statements. As a result of these amendments, an entity:

- will not have to derecognise or adjust the carrying amount of financial statements for changes required by the reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;
- will not have to discontinue its hedge accounting solely because it makes changes required by the reform, if the hedge meets other hedge accounting criteria; and
- will be required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates. The amendment has not had a material impact on the Group's financials.

**Other standards not yet applicable**

**AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current**

The amendment amends AASB 101 to clarify whether a liability should be presented as current or non-current. The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The amendment is not expected to have a material impact on the financial statements once adopted.

**AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments**

AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments is an omnibus standard that amends AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141. The Group plans on adopting the amendment for the reporting period ending 30 June 2023. The impact of the initial application is not yet known.

**AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates**

The amendment amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. These amendments arise from the issuance by the IASB of the following International Financial Reporting Standards: Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) and Definition of Accounting Estimates (Amendments to IAS 8).

The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

**AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

The amendment amends the initial recognition exemption in AASB 112: Income Taxes such that it is not applicable to leases and decommissioning obligations – transactions for which companies recognise both an asset and liability and that give rise to equal taxable and deductible temporary differences. The Group plans on adopting the amendment for the reporting period ending 30 June 2024. The impact of the initial application is not yet known.

**(v) Comparative information**

Comparative information is amended where appropriate to ensure consistency in presentation with the current year.

**3 REVENUE**

|                   | <b>CONSOLIDATED<br/>30 JUNE 2022<br/>\$</b> | <b>CONSOLIDATED<br/>30 JUNE 2021<br/>\$</b> |
|-------------------|---|---|
| Interest income   | 4,360                                       | 9,860                                       |
| Government grants | 74,053                                      | 181,000                                     |
|                   | <b>78,413</b>                               | <b>190,860</b>                              |

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**4 ADMINISTRATION EXPENSES**

Administration expenses include the following expenses:

|   | CONSOLIDATED<br>30 JUNE 2022<br>\$ | CONSOLIDATED<br>30 JUNE 2021<br>\$ |
|---|------------------------------------|------------------------------------|
| <b>Employee benefit expense</b>             |                                    |                                    |
| Wages and salaries                          | 600,215                            | 670,091                            |
| Accrued leave                               | 52,103                             | 50,824                             |
| Net of reversal of performance rights       | (161,998)                          | 79,556                             |
| Defined contribution superannuation expense | 44,351                             | 111,729                            |
|   | <u>534,671</u>                     | <u>912,200</u>                     |
| <b>Other administration costs</b>           |                                    |                                    |
| Accounting and administration fees          | 1,436                              | 6,749                              |
| Legal fees                                  | 24,919                             | 10,539                             |
| Publications and subscriptions              | 32,811                             | 168,480                            |
| Presentations and seminars                  | 102,724                            | 139,760                            |
| Rental expenses                             | 57,897                             | 48,705                             |
| Share registry costs                        | 41,957                             | 47,173                             |
| Travel expenses                             | 43,174                             | 38,698                             |
| ROU depreciation                            | 76,231                             | 67,000                             |
| Depreciation                                | 15,785                             | 16,995                             |
| Other                                       | 470,694                            | 315,774                            |
|   | <u>867,628</u>                     | <u>859,873</u>                     |
| <b>Total administration expenses</b>        | <u>1,402,299</u>                   | <u>1,772,073</u>                   |

**5 EXPLORATION EXPENDITURE WRITTEN OFF**

|                                     | CONSOLIDATED<br>30 JUNE 2022<br>\$ | CONSOLIDATED<br>30 JUNE 2021<br>\$ |
|-------------------------------------|------------------------------------|------------------------------------|
| Exploration expenditure written off | 6,828,382                          | 6,634,981                          |
| Tenement acquisition costs          | 13,248                             | 95,648                             |
|                                     | <u>6,841,630</u>                   | <u>6,730,629</u>                   |

**6 FINANCE EXPENSES**

|                  | CONSOLIDATED<br>30 JUNE 2022<br>\$ | CONSOLIDATED<br>30 JUNE 2021<br>\$ |
|------------------|------------------------------------|------------------------------------|
| Interest expense | -                                  | -                                  |
| Lease interest   | 14,801                             | 10,571                             |
|                  | <u>14,801</u>                      | <u>10,571</u>                      |

Refer to Note 11 for details in relation to the right of use asset and lease liability.

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**7 INCOME TAX**

- (a) **Prima facie income tax benefit at 25% on loss from ordinary activities is reconciled to the income tax provided in the financial statements**

|  | <b>CONSOLIDATED<br/>30 JUNE 2022</b> | <b>CONSOLIDATED<br/>30 JUNE 2021</b> |
|--|--------------------------------------|--------------------------------------|
|  | \$                                   | \$                                   |
| Loss before income tax                           | (8,180,317)                          | (8,322,413)                          |
| Income tax calculated at 25% (2021: 26%)         | (2,045,079)                          | (2,163,827)                          |
| Tax effect of:-                                  |                                      |                                      |
| Sundry – temporary differences                   | 20,888                               | 25,888                               |
| Section 40-880 deduction                         | (122,888)                            | (144,223)                            |
| Future income tax benefit not brought to account | 2,147,079                            | 2,282,162                            |
| <b>Income tax benefit</b>                        | <b>-</b>                             | <b>-</b>                             |

- (b) **Deferred tax assets**

The potential deferred tax asset arising from the tax losses and temporary differences have not been recognised as an asset because recovery of tax losses is not yet probable.

|   | <b>CONSOLIDATED<br/>30 JUNE 2022</b> | <b>CONSOLIDATED<br/>30 JUNE 2021</b> |
|---|--------------------------------------|--------------------------------------|
|   | \$                                   | \$                                   |
| Australian accumulated tax losses (i), (ii), (iii)                                  | 8,121,496                            | 8,114,640                            |
| Provisions - net of prepayments   | 57,707                               | 45,357                               |
| Section 40-880 deduction  | 235,781                              | 268,677                              |
| <b>Unrecognised deferred tax assets relating to the above temporary differences</b> | <b>8,414,984</b>                     | <b>8,428,674</b>                     |

The benefits will only be obtained if:

- (i) The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the losses to be realised;
- (ii) The Group continues to comply with the conditions in deductibility imposed by the Law; and
- (iii) No change in tax legislation adversely affects the Group in realising the benefits from the deductions or the losses.

**8 AUDITOR'S REMUNERATION**

|   | <b>CONSOLIDATED<br/>30 JUNE 2022</b> | <b>CONSOLIDATED<br/>30 JUNE 2021</b> |
|---|--------------------------------------|--------------------------------------|
|   | \$                                   | \$                                   |
| Auditing and review of the Group's financial statements | 51,201                               | 53,695                               |
|   | <b>51,201</b>                        | <b>53,695</b>                        |

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9 KEY MANAGEMENT PERSONNEL

(a) Details of key management personnel

**Directors**

John Prineas  
John Dawson  
Sarah Shipway

**Executive**

John Prineas – Executive Chairman

(b) Compensation of key management personnel

|   | CONSOLIDATED<br>30 JUNE 2022<br>\$ | CONSOLIDATED<br>30 JUNE 2021<br>\$ |
|---|------------------------------------|------------------------------------|
| Salaries and fees                         | 569,165                            | 565,068                            |
| Post employment benefits – superannuation | 41,245                             | 42,567                             |
| Equity settled share based payments       | (78,572)                           | (12,692)                           |
| Long service and annual leave benefits    | 44,140                             | 26,199                             |
|   | <u>575,978</u>                     | <u>621,142</u>                     |

10 CURRENT ASSETS

(a) Trade and Other Receivables

|         | CONSOLIDATED<br>30 JUNE 2022<br>\$ | CONSOLIDATED<br>30 JUNE 2021<br>\$ |
|---------|------------------------------------|------------------------------------|
| Current | 73,236                             | 53,317                             |
|         | <u>73,236</u>                      | <u>53,317</u>                      |

Other receivables include amounts outstanding for goods and services tax (GST) of \$57,533 (2021: \$49,274), interest receivable of \$779 (2021: \$592), reimbursements \$11,924 (2021: \$3,451) and security bond of \$3,000 (2021: \$0).

GST amounts are non-interest bearing and have repayment terms applicable under the relevant government authorities. No trade and other receivables are impaired or past due.

(b) Other Assets

|             | CONSOLIDATED<br>30 JUNE 2022<br>\$ | CONSOLIDATED<br>30 JUNE 2021<br>\$ |
|-------------|------------------------------------|------------------------------------|
| Prepayments | 124,434                            | 70,463                             |
|             | <u>124,434</u>                     | <u>70,463</u>                      |

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**11 RIGHT OF USE ASSET AND LEASE LIABILITY****(a) Right of use asset**

|  | <b>CONSOLIDATED 30<br/>JUNE 2022</b> | <b>CONSOLIDATED<br/>30 JUNE 2021</b> |
|--|--------------------------------------|--------------------------------------|
|  | \$                                   | \$                                   |
| Cost                                   | 527,491                              | 168,225                              |
| Accumulated depreciation               | (194,427)                            | (118,196)                            |
| <b>Carrying value at end of period</b> | <b>333,064</b>                       | <b>50,029</b>                        |
| Opening net carrying value             | 50,029                               | 117,029                              |
| Additions                              | 359,266                              | -                                    |
| Depreciation for the period            | (76,231)                             | (67,000)                             |
| <b>Carrying value at end of period</b> | <b>333,064</b>                       | <b>50,029</b>                        |

**(b) Lease Liability**

|                                | <b>CONSOLIDATED<br/>30 JUNE 2022</b> | <b>CONSOLIDATED<br/>30 JUNE 2021</b> |
|--------------------------------|--------------------------------------|--------------------------------------|
|                                | \$                                   | \$                                   |
| <b>Current</b>                 |                                      |                                      |
| Property lease liability       | 82,070                               | 37,701                               |
| <b>Non-Current</b>             |                                      |                                      |
| Property lease liability       | 261,544                              | 18,995                               |
| <b>Total lease liabilities</b> | <b>343,614</b>                       | <b>56,696</b>                        |

**Property leases**

The above right-of-use asset (ROU) and lease liability relate to the office lease and storage lease entered into by the Group. The lease has been accounted in accordance with AASB 16.

The right-of-use asset is measured at the amount equal to the lease liability at initial recognition and then amortised over the life of the lease. The lease liability and ROU asset at initial recognition is \$527,491.

The right-of-use asset is being depreciated over the lease term on a straight-line basis which is approximately 60 and 24 months for the office and storage lease, respectively, in place at 30 June 2022. Depreciation expense of \$76,231 (2021: \$67,000) was included in corporate administration expense in the consolidated statement of profit or loss and other comprehensive income.

At initial recognition, the lease liability was measured as the present value of minimum lease payments using the Group's incremental borrowing rate of 5.4%. The incremental borrowing rate was based on the unsecured interest rate that would apply if finance was sought for an amount and time period equivalent to the lease requirements of the Group. Each lease payment is allocated between the liability and interest expense. The interest expense of \$14,801 (2021: \$10,571) was included in finance expense in the consolidated statement of profit or loss and other comprehensive income. Lease payments during the year was \$87,151 including interest.

**Option to extend or terminate**

The Group uses hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

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12 PLANT AND EQUIPMENT

|  | CONSOLIDATED<br>30 JUNE 2022<br>\$ | CONSOLIDATED<br>30 JUNE 2021<br>\$ |
|--|------------------------------------|------------------------------------|
| <b>Plant and Equipment</b>                   |                                    |                                    |
| At Cost                                      | 104,144                            | 137,415                            |
| Accumulated depreciation                     | (64,063)                           | (109,090)                          |
| <b>Total plant and equipment</b>             | <b>40,081</b>                      | <b>28,325</b>                      |
| <b>Plant and Equipment</b>                   |                                    |                                    |
| Carrying amount at the beginning of the year | 28,325                             | 45,320                             |
| Additions                                    | 27,541                             | -                                  |
| Disposals                                    | -                                  | -                                  |
| Depreciation expense                         | (15,785)                           | (16,995)                           |
| <b>Total carrying amount at end of year</b>  | <b>40,081</b>                      | <b>28,325</b>                      |

13 CURRENT LIABILITIES

|                          | CONSOLIDATED<br>30 JUNE 2022<br>\$ | CONSOLIDATED<br>30 JUNE 2021<br>\$ |
|--------------------------|------------------------------------|------------------------------------|
| Trade and other payables | 1,294,595                          | 591,294                            |
|                          | <b>1,294,595</b>                   | <b>591,294</b>                     |

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values due to their short-term nature. As at 30 June 2022 \$38,538 (2021: \$13,576) was past 30 days due.

14 ISSUED CAPITAL

| Australian Dollar \$  | CONSOLIDATED<br>30 JUNE 2022<br>\$ | CONSOLIDATED<br>30 JUNE 2021<br>\$ |
|---|------------------------------------|------------------------------------|
| <b>(a) Issued and paid up capital</b>   |                                    |                                    |
| At the beginning of the reporting period  | 57,336,331                         | 50,695,011                         |
| Shares issued during the prior period   | -                                  | 7,000,000                          |
| March 2022: 94,230,769 shares issued at \$0.052   | 4,800,000                          | -                                  |
| April 2022: 12,749,948 shares issued at \$0.052   | 663,000                            | -                                  |
| June 2022: 3,846,154 shares issued at \$0.052   | 200,000                            | -                                  |
| Exercise of Options   | -                                  | 10,858                             |
| Share based payments (i)  | 100,000                            | 83,100                             |
| Transactions costs arising from issue of shares   | (359,968)                          | (452,638)                          |
| <b>At reporting date 700,017,808 (30 June 2021: 589,190,937)<br/>fully paid ordinary shares</b> | <b>62,739,363</b>                  | <b>57,336,331</b>                  |

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| <b>Movements in Ordinary Shares</b>             | <b>Number</b>      | <b>Number</b>      |
|---|--------------------|--------------------|
| At the beginning of the reporting period        | 589,190,937        | 502,889,079        |
| Shares issued during the prior period           | -                  | 85,365,854         |
| Shares issued during the year                   |                    |                    |
| March 2022: 92,307,692 shares issued at \$0.052 | 92,307,692         | -                  |
| April 2022: 12,749,948 shares issued at \$0.052 | 12,749,948         | -                  |
| June 2022: 3,846,154 shares issued at \$0.052   | 3,846,154          | -                  |
| Options exercised during the year               | -                  | 54,297             |
| Share based payments (i)                        | 1,923,077          | 881,707            |
| <b>At reporting date</b>                        | <b>700,017,808</b> | <b>589,190,937</b> |

- (i) During the year ended 30 June 2022 the following share-based payments were made:
- (a) 1,923,077 fully paid ordinary shares were issued at \$0.052 per share as consideration for services provided to the Company.
- (ii) During the year ended 30 June 2021 the following share-based payments were made:
- (a) 600,000 fully paid ordinary shares were issued at \$0.10 per share as consideration to acquire an exploration licence;
- (b) 281,707 fully paid ordinary shares were issued at \$0.082 per share as consideration for capital raising costs.

| <b>Movements in Performance Rights</b>               | <b>Number</b> | <b>Number</b> |
|--|---------------|---------------|
| At the beginning of the reporting period             | 265           | 172           |
| Changes to Performance Rights issued during the year |               |               |
| Performance Rights cancelled during the year         | (265)         | (32)          |
| Issued during the year (i)                           | -             | 125           |
| <b>At reporting date</b>                             | <b>-</b>      | <b>265</b>    |

- (i) The Company issued no performance rights (2021: 125) during the year. Please refer to note 18.

**(b) Reserve**

| <b>Movements in reserve</b>                         | <b>CONSOLIDATED<br/>30 JUNE 2022<br/>\$</b> | <b>CONSOLIDATED<br/>30 JUNE 2021<br/>\$</b> |
|---|---|---|
| At the beginning of the year                        | 658,425                                     | 588,369                                     |
| Expiry of options transferred to accumulated losses | -   | (9,500)                                     |
| Expiry of performance rights (i)                    | (511,500)                                   | (88,000)                                    |
| Reversal of performance rights                      | -   | (588,882)                                   |
| Share based payments expense                        | 349,501                                     | 756,438                                     |
| <b>At reporting date</b>                            | <b>496,426</b>                              | <b>658,425</b>                              |

- (i) Performance rights expense (see note 18).

A summary of the outstanding options at 30 June 2022 in the Company is listed below:

| <b>Class</b>     | <b>Number of Options</b> | <b>Exercise Price</b> | <b>Expiry Date</b> |
|------------------|--------------------------|-----------------------|--------------------|
| Unlisted Options | 2,500,000                | \$0.15                | 31 July 2022       |
| Unlisted Options | 5,000,000                | \$0.095               | 24 March 2024      |

15 ACCUMULATED LOSSES

|   | CONSOLIDATED<br>30 JUNE 2022 | CONSOLIDATED<br>30 JUNE 2021 |
|---|------------------------------|------------------------------|
|   | \$                           | \$                           |
| Accumulated losses at the beginning of the year       | (52,186,650)                 | (43,873,737)                 |
| Loss for the year                                     | (8,180,317)                  | (8,322,413)                  |
| Expiry of options transferred from accumulated losses | -                            | 9,500                        |
| <b>Accumulated losses at the end of the year</b>      | <b><u>(60,366,967)</u></b>   | <b><u>(52,186,650)</u></b>   |

16 LOSS PER SHARE

|  | CONSOLIDATED<br>30 JUNE 2022 | CONSOLIDATED<br>30 JUNE 2021 |
|--|------------------------------|------------------------------|
|  | \$                           | \$                           |
| Basic loss per share after income tax attributable to members of the Company (cents per share) | (1.33)                       | (1.61)                       |
| <b>Diluted loss per share (cents per share)</b>  | <b><u>(1.33)</u></b>         | <b><u>(1.61)</u></b>         |

|  | 2022<br>Number            | 2021<br>Number            |
|--|---------------------------|---------------------------|
| Weighted average number of shares on issue during the financial year used in the calculation of basic earnings per share | 617,303,308               | 515,459,075               |
| <b>Weighted average number of ordinary shares for diluted earnings per share</b>   | <b><u>617,303,308</u></b> | <b><u>515,459,075</u></b> |

17 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

|                        | CONSOLIDATED<br>30 JUNE 2022 | CONSOLIDATED<br>30 JUNE 2021 |
|------------------------|------------------------------|------------------------------|
|                        | \$                           | \$                           |
| Current – cash at bank | 4,103,089                    | 6,370,756                    |
|                        | <b><u>4,103,089</u></b>      | <b><u>6,370,756</u></b>      |

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(b) Reconciliation of loss after tax to net cash flows from operations

|  | CONSOLIDATED<br>30 JUNE 2022<br>\$ | CONSOLIDATED<br>30 JUNE 2021<br>\$ |
|--|------------------------------------|------------------------------------|
| Loss after income tax                                | (8,180,317)                        | (8,322,413)                        |
| Share based payments                                 | (161,998)                          | 79,556                             |
| Depreciation expense                                 | 92,017                             | 83,995                             |
| Lease interest                                       | 14,801                             | 10,571                             |
| Non-cash exploration costs and tenement acquisitions | 100,000                            | 95,648                             |
| (Increase)/decrease in assets                        |                                    |                                    |
| Trade and other receivables                          | (19,919)                           | 43,833                             |
| Other assets   | (53,971)                           | 77,594                             |
| Increase/(decrease) in liabilities                   |                                    |                                    |
| Trade and other payables                             | 703,301                            | (487,061)                          |
| Provisions   | 52,102                             | 50,823                             |
|  | <u>(7,453,984)</u>                 | <u>(8,367,454)</u>                 |

Non-cash investing and financing activities:

- (i) 1,923,077 shares were issued at \$0.052 per share for consideration for exploration expenses.

**18 SHARE BASED PAYMENTS**

At the beginning of the year the Company had 265 performance rights on issue. The Performance Rights milestones were not achieved, the Class E, F and G have been reversed in the current year, a total of \$511,500 has been reversed.

During the year no performance rights were issued and as at the date of this report there are no performance rights were on issue.

- (i) On 16 July 2018 at the general meeting of shareholders, the Company agreed and Shareholders approved the issue of 58 performance rights to Directors of the Company. An additional 67 performance rights were issued to employees of the Company.

The Performance Rights issued had the following milestones attached to them:

- (i) **Class E Performance Rights:** An announcement by the Company to the ASX is made by 30 June 2022 stating that the Company has commenced production at the Mt Alexander Project of Nickel that will be commercially sold under an offtake or sales agreement.
- (iv) **Class F Performance Rights:** An announcement by the Company to the ASX is made by 30 June 2022 stating that the Company has defined an inferred 2012 JORC compliant resource at the Mt Alexander Project of not less than 100,000 tonnes contained nickel based on a cut-off grade of not less than 0.5%.
- (v) **Class G Performance Rights:** drill intersections of economically significant mineralisation at the Company's Paterson Project by 30 June 2022 that the Board believes are indicative of the discovery of an ore deposit.

Each performance right converts to 50,000 fully paid ordinary shares on achievement of the milestone.

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The performance rights were ascribed the below value:

| Class                    | Date of Issue    | Number of Performance Rights (i) | Expiry Date | Number of Ordinary Shares on Achievement | Price of Shares (\$) | Total Value (\$) (ii) | Expense for the period (\$) |
|--------------------------|------------------|----------------------------------|-------------|--|----------------------|-----------------------|-----------------------------|
| <b>Class A</b>           |                  |                                  |             |  |                      |                       |                             |
|                          | 15.08.18         | 25                               | 31.07.21    | 1,250,000                                | 0.125                | 156,250               | 6,559                       |
|                          | 17.12.18         | 8                                | 31.07.21    | 400,000                                  | 0.135                | 54,000                | 1,199                       |
|                          | 03.12.19         | 5                                | 15.08.21    | 250,000                                  | 0.135                | 33,750                | 1,695                       |
| <b>Total Class A</b>     | -                | <b>38</b>                        |             | <b>1,900,000</b>                         | -                    | <b>244,000</b>        | <b>9,453</b>                |
| <b>Class B</b>           |                  |                                  |             |  |                      |                       |                             |
|                          | 15.08.18         | 25                               | 31.07.21    | 1,250,000                                | 0.125                | 156,250               | 6,555                       |
|                          | 17.12.18         | 8                                | 31.07.21    | 400,000                                  | 0.135                | 54,000                | 1,195                       |
|                          | 03.12.19         | 5                                | 15.08.21    | 250,000                                  | 0.135                | 33,750                | 1,852                       |
| <b>Total Class B</b>     | -                | <b>38</b>                        |             | <b>1,900,000</b>                         | -                    | <b>244,000</b>        | <b>9,602</b>                |
| <b>Class C (iii)</b>     |                  |                                  |             |  |                      |                       |                             |
|                          | 15.08.18         | 70                               | 31.07.21    | 3,500,000                                | 0.125                | -                     | -                           |
|                          | 17.12.18         | 16                               | 31.07.21    | 800,000                                  | 0.135                | -                     | -                           |
|                          | 03.12.19         | 10                               | 15.08.21    | 500,000                                  | 0.135                | -                     | -                           |
| <b>Total Class C</b>     | -                | <b>96</b>                        |             | <b>4,800,000</b>                         | -                    | -                     | -                           |
| <b>Class E</b>           | 24.07.20         | 32                               | 30.06.22    | 1,600,000                                | 0.110                | 176,000               | (176,000)                   |
| <b>Class F</b>           | 24.07.20         | 45                               | 30.06.22    | 2,250,000                                | 0.110                | 247,500               | (247,500)                   |
| <b>Class G</b>           | 24.07.20         | 16                               | 30.06.22    | 800,000                                  | 0.110                | 88,000                | (88,000)                    |
| <b>Total E-G (iv)</b>    | -                | <b>93</b>                        | -           | <b>4,650,000</b>                         | -                    | <b>511,500</b>        | <b>(511,500)</b>            |
| <b>Total</b>             | -                | <b>265</b>                       | -           | <b>13,250,000</b>                        | -                    | <b>999,500</b>        | <b>(492,445)</b>            |
| <b>Class E, F, G (v)</b> | <b>Cancelled</b> | <b>(265)</b>                     |             | <b>(13,250,000)</b>                      | -                    | <b>(511,500)</b>      | -                           |
| <b>Total</b>             | -                | -                                | -           | -  | -                    | <b>488,000</b>        | <b>(492,445)</b>            |

- (i) Each Performance Right will convert into 50,000 shares.
- (ii) The value of the rights was determined as per the date the rights were issued.
- (iii) At the yearend 30 June 2021, it was deemed that the Class C Performance Rights were unlikely to vest given the rights were scheduled to expire and expired on 15 August 2021 and amounts expensed in the prior years were reversed in the 2021 financial year.
- (iv) The share based payment expense for the year relating to class E, F and G, before the reversal of \$511,500 was \$255,750.
- (v) A total of 93 performance rights were cancelled during the year as the vesting conditions were not fulfilled.

It has been deemed that the milestones occurring for the performance rights on issue as at reporting date will more likely than not occur and therefore expenses were accounted in full over the vesting period. The performance rights expired on 30 June 2022.

Each performance right converts to 50,000 fully paid ordinary shares on achievement of the milestone.

Of the above performance rights granted, the following were issued to key management personnel, and had not expired as at 30 June 2021 (but expired on 30 June 2022):

| Key Management Personnel | Grant Date | Number of Performance Rights |
|--------------------------|------------|------------------------------|
| <b>J Prineas</b>         |            |                              |
| Class E                  | 24.07.20   | 8                            |
| Class F                  | 24.07.20   | 10                           |
| <b>J Dawson</b>          |            |                              |
| Class E                  | 24.07.20   | 5                            |
| Class F                  | 24.07.20   | 6                            |
| <b>S Shipway</b>         |            |                              |
| Class E                  | 24.07.20   | 5                            |
| Class F                  | 24.07.20   | 6                            |

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

|   | Number            | Weighted Average Exercise Price \$ |
|---|-------------------|------------------------------------|
| <b>Options outstanding as at 30 June 2020</b> | <b>27,076,114</b> | <b>0.206</b>                       |
| Granted                                       | -                 | -                                  |
| Forfeited                                     | -                 | -                                  |
| Exercised                                     | (54,297)          | 0.20                               |
| Expired                                       | (24,521,817)      | 0.20                               |
| <b>Options outstanding as at 30 June 2021</b> | <b>2,500,000</b>  | <b>0.15</b>                        |
| Granted                                       | 5,000,000         | 0.095                              |
| Forfeited                                     | -                 | -                                  |
| Exercised                                     | -                 | -                                  |
| Expired                                       | -                 | -                                  |
| <b>Options outstanding as at 30 June 2022</b> | <b>7,500,000</b>  | <b>0.11</b>                        |
| Options exercisable as at 30 June 2022        | 7,500,000         | -                                  |
| Options exercisable as at 30 June 2021        | 2,500,000         | -                                  |

The weighted average remaining contractual life of options outstanding at the year-end was 1.18 years (2021: 1.08 years). The weighted average exercise price of outstanding options at the end of the report period was \$0.11 (2021: \$0.15).

## 19 COMMITMENTS AND CONTINGENCIES

### (a) Commitment

#### Mineral exploration commitments

The Group has the following minimum exploration expenditure requirements in connection with its exploration tenements.

|  | 30 June<br>2022 | 30 June<br>2021 |
|--|-----------------|-----------------|
|  | \$              | \$              |
| Not later than one year                          | 265,082         | 350,963         |
| Later than one year but not later than two years | 207,606         | 329,117         |
|  | <u>472,688</u>  | <u>680,080</u>  |



**(b) Contingent liabilities and commitments**

The Group fully owns three subsidiaries, Desert Fox Resources Pty Ltd, Blue Thunder Resources Pty Ltd and Destiny Nickel Pty Ltd, the main activities of which are exploration. The effect of these subsidiaries is to make the St George Mining owned subsidiaries contractually responsible for any transactions undertaken by the subsidiary. The parent entity has provided certain guarantees to third parties whereby certain liabilities of the subsidiary are guaranteed.

There are no contingent liabilities as at the date of this report.

**20 EVENTS SUBSEQUENT TO BALANCE DATE**

On 29 September 2022 the Company issued 10,500,000 unlisted performance options to members of St George's in-house technical team under the Company's Employee Option Plan.

On 31 July 2022 2,500,000 unlisted options expired unexercised.

Other than the above there have been no matters or circumstances that have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

**21 FINANCIAL INSTRUMENTS**

**(a) Interest Rate Risk**

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

| <b>2022</b>                  | <b>Note</b> | <b>Floating<br/>interest<br/>rate<br/>\$</b> | <b>Fixed<br/>interest<br/>rate<br/>\$</b> | <b>Non-<br/>interest<br/>bearing<br/>\$</b> | <b>Total<br/>\$</b> | <b>Weighted<br/>average<br/>interest rate<br/>%</b> |
|------------------------------|-------------|--|---|---|---------------------|---|
| <b>Financial assets</b>      |             |  |   |   |                     |   |
| Cash and cash equivalents    | 17(a)       | 4,097,544                                    | -   | 5,545                                       | 4,103,089           | 0.11%   |
| Trade and other receivables  | 10(a)       | -  | -   | 73,236                                      | 73,236              | -   |
| Security bond                | -           | 68,682                                       | -   | 3,000                                       | 71,682              | 0.11%   |
|                              |             | <b>4,166,226</b>                             | <b>-</b>                                  | <b>81,781</b>                               | <b>4,248,007</b>    | <b>-</b>  |
| <b>Financial liabilities</b> |             |  |   |   |                     |   |
| Trade and other payables     | 13          | -  | -   | 1,294,595                                   | 1,294,595           | -   |
| Lease liability              | 11(b)       | -  | 343,614                                   | -   | 343,614             | 5.40%   |
|                              |             | <b>-</b>                                     | <b>343,614</b>                            | <b>1,294,595</b>                            | <b>1,638,209</b>    | <b>-</b>  |
| <b>2021</b>                  |             |  |   |   |                     |   |
| <b>2021</b>                  | <b>Note</b> | <b>Floating<br/>interest<br/>rate<br/>\$</b> | <b>Fixed<br/>interest<br/>rate<br/>\$</b> | <b>Non-<br/>interest<br/>bearing<br/>\$</b> | <b>Total<br/>\$</b> | <b>Weighted<br/>average<br/>interest rate<br/>%</b> |
| <b>Financial assets</b>      |             |  |   |   |                     |   |
| Cash and cash equivalents    | 17(a)       | 6,292,629                                    | -   | 78,127                                      | 6,370,756           | 0.16  |
| Trade and other receivables  | 10(a)       | -  | -   | 53,317                                      | 53,317              | -   |
| Security bond                | -           | 68,658                                       | -   | 1,000                                       | 69,658              | 0.10  |
|                              |             | <b>6,361,287</b>                             | <b>-</b>                                  | <b>132,444</b>                              | <b>6,493,731</b>    | <b>-</b>  |

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| <b>Financial liabilities</b> |       |   |               |                |                |        |   |
|------------------------------|-------|---|---------------|----------------|----------------|--------|---|
| Trade and other payables     | 13    | - | -             | 591,294        | 591,294        | -      | - |
| Lease liability              | 11(b) | - | 56,696        | -              | 56,696         | 11.24% | - |
|                              |       | - | <b>56,696</b> | <b>591,294</b> | <b>647,990</b> |        | - |

Based on the balances at 30 June 2022 a 1% movement in interest rates would increase/decrease the loss for the year before taxation by \$38,226 (2021: \$63,046).

**(b) Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any allowance for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

**(c) Financial liabilities**

Financial liabilities are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised costs using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

The contractual maturities of the Group's financial liabilities are as follows:

| <b>Contractual maturities of financial liabilities As at 30 June 2022</b> | <b>Less than 6 months</b> | <b>6 – 12 months</b> | <b>Between 1 and 2 years</b> | <b>Between 2 and 5 years</b> | <b>Over 5 years</b> | <b>Total contractual cash flows</b> | <b>Carrying amount (assets)/liabilities</b> |
|---|---------------------------|----------------------|------------------------------|------------------------------|---------------------|-------------------------------------|---|
| <b>Non-derivatives</b>  |                           |                      |                              |                              |                     |                                     |   |
| Lease liability   | 41,035                    | 41,035               | 261,544                      | -                            | -                   | 343,614                             | 343,614                                     |
| Trade and other payables  | 1,294,595                 | -                    | -                            | -                            | -                   | 1,294,595                           | 1,294,595                                   |
| <b>Total non-derivatives</b>  | <b>1,335,630</b>          | <b>41,035</b>        | <b>261,544</b>               | <b>-</b>                     | <b>-</b>            | <b>1,638,209</b>                    | <b>1,638,209</b>                            |

**(d) Net Fair Values**

The carrying amount of financial assets and financial liabilities recorded in the financial statements represent their respective net fair value and is determined in accordance with the accounting policies disclosed in note 2 to the financial statements.

**(e) Financial Risk Management**

The Group's financial instruments consist mainly of deposits with recognised banks, investment in term deposits up to 90 days, accounts receivable, accounts payable and borrowings. Liquidity is managed, when sufficient funds are available, by holding sufficient funds in a current account to service current obligations and surplus funds invested in term deposits. The directors analyse interest rate exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The main risks the Group is exposed to through its financial instruments are the depository banking institution itself, holding the funds, and interest rates. The Group's credit risk is minimal as being an exploration Company, it has no significant financial assets other than cash and term deposits.

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**(f) Foreign Currency Risk**

The Group is not exposed to any significant foreign currency risk as at 30 June 2022.

**(g) Market Price Risk**

The Group is not exposed to market price risk as it does not have any investments other than an interest in the subsidiaries.

**22 RELATED PARTIES**

The Group has 100% owned subsidiaries Blue Thunder Resources Pty Ltd, Desert Fox Resources Pty Ltd and Destiny Nickel Pty Ltd. St George Mining is required to make all the financial and operating decisions of these subsidiaries.

| Subsidiaries of St George Mining Limited | Country of Incorporation | Percentage Owned % |              |
|--|--------------------------|--------------------|--------------|
|  |                          | 30 June 2022       | 30 June 2021 |
| Desert Fox Resources Pty Ltd             | Australia                | 100%               | 100%         |
| Blue Thunder Resources Pty Ltd           | Australia                | 100%               | 100%         |
| Destiny Nickel Pty Ltd                   | Australia                | 100%               | 100%         |

At 30 June 2022 balances due from the subsidiaries were:

|                                | 30 JUNE 2022      | 30 JUNE 2021      |
|--------------------------------|-------------------|-------------------|
|                                | \$                | \$                |
| Blue Thunder Resources Pty Ltd | 26,645,431        | 22,521,900        |
| Desert Fox Resources Pty Ltd   | 23,364,118        | 23,307,988        |
| Destiny Nickel Pty Ltd         | -                 | -                 |
|                                | <u>50,009,549</u> | <u>45,829,888</u> |

These amounts comprise of funds provided by the parent company for exploration activities. The amounts were fully provided for as at 30 June 2022 and have been eliminated on consolidation.

During the year, the Company paid \$51,500 (2021: \$61,711) on behalf of American West Metals Limited (American West Metals), of which John Prineas is a director. American West Metals fully reimbursed the company \$51,500 (2021: \$61,711) for these expenses during the year.

**23 SEGMENT REPORTING**

For management purposes, the Group is organised into one main operating segment, which involves the exploration of minerals in Australia. All of the Group's activities are interrelated, and discrete financial information is reported to the Board as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these financial statements.

**24 JOINT VENTURES**

The Group recognises that joint ventures are a key mechanism for sharing of risk on individual exploration projects. Where appropriate for a particular project, the Group will consider a joint venture with a suitable party in order

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to share the exploration risk. Those funds otherwise set aside for the project will be employed to advance another project.

There were no joint ventures in place during and at the end of the financial year.

**25 PARENT COMPANY DISCLOSURE**

**(a) Financial Position**

| Australian Dollar (\$)   | 30 JUNE 2022     | 30 JUNE 2021     |
|--------------------------|------------------|------------------|
|                          | \$               | \$               |
| <b>Assets</b>            |                  |                  |
| Current assets           | 4,685,936        | 6,492,139        |
| Non-current assets       | 40,080           | 78,484           |
| <b>Total assets</b>      | <u>4,726,016</u> | <u>6,570,623</u> |
| <b>Liabilities</b>       |                  |                  |
| Current liabilities      | 1,615,213        | 805,551          |
| Non-current liabilities  | 261,544          | 18,995           |
| <b>Total liabilities</b> | <u>1,876,757</u> | <u>824,546</u>   |
| <b>Net assets</b>        | <u>2,849,259</u> | <u>5,746,077</u> |
| <b>Equity</b>            |                  |                  |
| Issued capital           | 62,739,362       | 57,336,331       |
| Reserves                 | 496,427          | 658,425          |
| Accumulated losses       | (60,386,530)     | (52,248,679)     |
| <b>Total equity</b>      | <u>2,849,259</u> | <u>5,746,077</u> |

**(b) Financial Performance**

| Australian Dollar \$                     | 30 JUNE 2022       | 30 JUNE 2021       |
|--|--------------------|--------------------|
|  | \$                 | \$                 |
| Profit (loss) for the year               | (8,137,851)        | (8,298,784)        |
| Other comprehensive income               | -                  | -                  |
| <b>Total comprehensive income (loss)</b> | <u>(8,137,851)</u> | <u>(8,298,784)</u> |

**(c) Guarantees entered into by the Parent Entity**

Other than as disclosed in Note 19 (b) the parent entity has not provided guarantees to third parties as at 30 June 2022.

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In the opinion of the Directors of St George Mining Limited ("the Company")

- (a) The financial statements and the notes and the additional disclosures included in the directors' report designated as audited of the Group are in accordance with the Corporations Act 2001, including:
  - (i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended that date; and
  - (ii) Complying with Accounting Standards and Corporations Regulations 2001, and:
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) The financial statements and notes comply with International Financial Reporting Standards as disclosed in note 2.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2022.

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

On behalf of the Board



John Prineas  
Executive Chairman

Dated: 30 September 2022  
Perth, Western Australia





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30 September 2022

Board of Directors  
St George Mining Limited  
Suite 2, 28 Ord Street  
West Perth WA 6005

Dear Directors

**RE: ST GEORGE MINING LIMITED**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of St George Mining Limited.

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

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

Yours sincerely

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**

A handwritten signature in blue ink that reads "Martin Michalik".

**Martin Michalik**  
Director

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
ST GEORGE MINING LIMITED****Report on the Audit of the Financial Report****Opinion**

We have audited the financial report of St George Mining Limited ("the Company") and its subsidiaries ("Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis for Opinion**

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

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

**Key Audit Matters**

We have defined the matters described below to be the key audit matter to be communicated in our report.

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

**Key Audit Matters**
**How the matter was addressed in the audit**
**Issued Capital**  
*(refer to Note 14(a))*

The Group's Issued Capital amounted to \$62,739,363. During the reporting year, 110,826,871 ordinary shares were issued through placements and for consideration for services, resulting in an increase in Contributed Equity of \$5,403,032 net of capital raising costs (*refer to Note 14(a) to the financial report*).

Contributed Equity is a key audit matter due to:

- the quantum of share capital issued during the year; and
- the varied nature of the movements during the year.

We have spent significant audit effort on ensuring the Issued Capital was appropriately accounted for and disclosed.

Inter alia, our audit procedures included the following:

- i. Obtaining an understanding of the underlying transactions;
- ii. Verifying all issued capital movements to the relevant ASX announcements;
- iii. Vouching proceeds from capital raisings to bank statements and other relevant supporting documentation;
- iv. Verifying underlying capital raising costs and ensuring these costs were appropriately recorded;
- v. Ensuring consideration for services provided are measured in accordance with AASB 2 *Share-Based Payments* and agreed the related costs to relevant supporting documentation; and
- vi. Ensuring the requirements of the relevant accounting standards and disclosures achieve fair presentation and reviewing the financial statements to ensure appropriate disclosures are made.

**Key Audit Matters****How the matter was addressed in the audit****Share based payments - Performance rights and share options  
(refer to Note 18)**

During the year, the Company granted 5,000,000 share options to brokers. In prior year, the Company awarded 125 performance rights (each performance right to convert into 50,000 ordinary shares on conversion).

The awards vest subject to the achievement of certain vesting conditions. During the year, the performance rights did not meet the performance milestones by the vesting date, resulting in reversal of the previous accounted for share-based payment expenses.

The Group valued the share options using the Black-Scholes methodology and the performance rights based on the share price at grant date and estimated likelihood of performance conditions being achieved over the vesting period for each tranche of awards.

The Group has performed calculations to record the related share-based payment expense of \$349,501 before the reversal of the performance rights that did not ultimately vest amount to \$511,500, resulting in a net reversal in the consolidated statement of profit or loss and other comprehensive income of \$161,999.

Due to the complex nature of the transactions and estimates used in determining the valuation of the share-based payment arrangements and vesting periods, we consider the Group's calculation of the share-based payment expense to be a key audit matter.

Inter alia, our audit procedures included the following:

- i. Verifying the inputs and examining the assumptions used in the Group's valuation of performance rights, being the share price of the underlying equity, time to maturity (expected life) and grant date;
- ii. Challenging management's assumptions in relation to the likelihood of achieving the performance conditions;
- iii. Assessing the fair value of the calculation through re-performance using appropriate inputs; and
- iv. Assessing the accuracy of the share-based payments expense and the adequacy of disclosures made by the Group in the financial report.

---

**Other Information**

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the Financial Report**

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

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

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

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

As part of an audit in accordance with 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 the 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 Company 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 on the Remuneration Report*

We have audited the Remuneration Report included in pages 22 to 26 of the directors' report for the year ended 30 June 2022.

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

#### *Responsibilities*

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

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(An Authorised Audit Company)**

*Stantons International Audit & Consulting Pty Ltd*

A handwritten signature in blue ink that reads "Martin Michalik".

**Martin Michalik**  
Director

West Perth, Western Australia  
30 September 2022

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**1 Distribution of holders**

As at 30 September 2022 the distribution of shareholders was as follows:

**Ordinary shares**

| Size of holding  | Number of holders |
|------------------|-------------------|
| 1 – 1,000        | 257               |
| 1,001 – 5,000    | 369               |
| 5,001 – 10,000   | 543               |
| 10,001 – 100,000 | 1,929             |
| 100,001 and over | 1,090             |
| <b>Total</b>     | <b>4,188</b>      |

**2 Voting rights**

There are no restrictions to voting rights attached to the ordinary shares. On a show of hands every member present in person will have one vote and upon a poll, every member present or by proxy will have one vote each share held.

**3 Substantial shareholders**

The company has no substantial shareholders who have notified the Company in accordance with Section 671B of the Corporation Act 2001.

**4 Top 20 shareholders**

The names of the 20 largest shareholders on the share register as at 30 September 2022, who hold 20.34% of the ordinary shares of the Company, were as follows;

| Shareholder  | Number     |
|--|------------|
| Citicorp Nominees Pty Limited  | 16,213,137 |
| Toronga Pty Ltd  | 14,500,000 |
| Mr Lee Ramon Cunningham + Mrs Nancy Lynne Cunningham < L R Cunningham S/F A/C> | 13,860,341 |
| BNP Paribas Noms Pty Ltd <DRP>   | 10,587,766 |
| John Prineas   | 10,504,501 |
| Impulzive Pty Ltd <Dawson Superannuation A/C>                                  | 8,504,641  |
| Allcap Pty Ltd <S&L Capannolo Family A/C>                                      | 7,268,085  |
| AEE Gold AG  | 6,459,036  |
| Ms Betty Frilingos   | 6,318,182  |
| Shinas Investments Pty Ltd <George Shinas S/F A/C>                             | 5,964,446  |
| DDH 1 Drilling Pty Ltd   | 5,029,137  |
| Mr Paul Sumade Lee   | 4,770,833  |
| North Harbour Assessment Centre Pty Ltd <C & J Bell SF A/C>                    | 4,402,592  |
| Rigi Investments Pty Limited <The Cape A/C>                                    | 4,127,621  |
| Zeus Super Pty Ltd <Zeus Super Fund A/C>                                       | 4,124,980  |
| Ms Swee Hoong Tan  | 4,078,600  |
| Ms Kathryn Silas   | 4,056,131  |
| Mr David Davidson  | 4,000,000  |
| Mr Paul Malcolm Koshy  | 3,980,588  |
| BNP Paribas Nominees Pty Ltd ACF Clearstream                                   | 3,667,657  |

**5 Consistency with business objectives**

The Company has used its cash and assets in a form readily convertible to cash that it had at the time of listing in a way the consistent with its stated objectives.

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St George Mining Limited mineral interests as at 30 September 2022

**MT ALEXANDER:**

| Tenement ID | Registered Holder              | Location     | Ownership (%) |
|-------------|--------------------------------|--------------|---------------|
| E29/638     | Blue Thunder Resources Pty Ltd | Mt Alexander | 75            |
| E29/548     | Blue Thunder Resources Pty Ltd | Mt Alexander | 100           |
| E29/954     | Blue Thunder Resources Pty Ltd | Mt Alexander | 100           |
| E29/962     | Blue Thunder Resources Pty Ltd | Mt Alexander | 100           |
| E29/972     | Blue Thunder Resources Pty Ltd | Mt Alexander | 100           |
| E29/1041    | Blue Thunder Resources Pty Ltd | Mt Alexander | 100           |
| E29/1093    | Blue Thunder Resources Pty Ltd | Mt Alexander | 100           |
| E29/1126    | Blue Thunder Resources Pty Ltd | Mt Alexander | 100           |

**PATERSON:**

| Tenement ID | Registered Holder        | Location | Ownership (%) |
|-------------|--------------------------|----------|---------------|
| E45/5226    | St George Mining Limited | Paterson | 100           |
| E45/5422    | St George Mining Limited | Paterson | 100           |

**BROADVIEW:**

| Tenement ID | Registered Holder        | Location  | Ownership (%) |
|-------------|--------------------------|-----------|---------------|
| E70/5525    | St George Mining Limited | Broadview | 100           |
| E70/5526    | St George Mining Limited | Broadview | 100           |

**AJANA:**

| Tenement ID | Registered Holder        | Location | Ownership (%) |
|-------------|--------------------------|----------|---------------|
| E70/5521    | St George Mining Limited | Ajana    | 100           |
| E70/5522    | St George Mining Limited | Ajana    | 100           |

**REGIONAL TENEMENTS:**

| Tenement ID | Registered Holder        | Location        | Ownership (%) |
|-------------|--------------------------|-----------------|---------------|
| E69/3772    | St George Mining Limited | Gary Highway    | 100           |
| E70/5626    | St George Mining Limited | Boddington East | 100           |
| E37/1382    | St George Mining Limited | Stuart Meadows  | 100           |

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