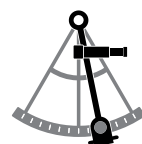


Annual Report 2022

For the year ending 31 December 2022



AKORA

Resources Limited

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Inside this report

| | |
|---|----|
| Chairman's Letter | 2 |
| Review of Operations | 4 |
| Directors Report | 14 |
| Remuneration Report | 22 |
| Auditor's Independence Declaration | 27 |
| Financial Statements | 28 |
| Consolidated Statement of Profit or Loss and other Comprehensive Income | 29 |
| Consolidated Statement of Financial Position | 30 |
| Consolidated Statement of Changes in Equity | 31 |
| Consolidated Statement of Cash Flows | 32 |
| Directors' Declaration | 58 |
| Independent Auditor's Report | 59 |
| ASX Information | 65 |
| Corporate Directory | 68 |

Chairman's Letter



The Company released an Inferred Resource of 194.7 Mt including a DSO “cap” on 11 April 2022 and a Scoping Study on 14 November 2022 with potential for initial DSO mining operation and over time a premium grade iron concentrate mining operation.

Dear Shareholder

2022 was an exceptional year for your company in delivering the milestones set out in the 2020 Prospectus for the listing on the Australian Securities Exchange.

Your Company:

- delivered the first Mineral Resource at the Bekisopa project in April and
- completed a Scoping Study in November.

Both these important milestones were achieved within 2 years from the date of listing, and would be the envy of many listed small cap resource companies.

It is disappointing that the achievement of these important milestones has not been consistently reflected in the share price. As you are aware the Company completed a equity raising in June 2022 at 32 cents per share, a 28% premium to the listing price, which at that time better reflected the advancement of the Bekisopa project.

The second-half of 2022 was negatively impacted by global concerns over the war in Ukraine, inflation pressures and the potential impact these issues might have on global economic growth. These factors adversely affected the market such that equity prices for many listed junior resource entities no longer reflect the performance of the companies or the quality of their projects.

The recently announced infill drilling assays (see ASX Announcement, dated 22 March 2023) warrants consideration for advancing an initial DSO project at Bekisopa, and examining options to develop a large iron concentrate project over the longer term. In this regard, the board is also keenly aware of the additional potential at nearby Bekisopa West and Satrokala, plus the Company's other projects, Tratramarina and Ambodilafa.

Every mining project from frontier exploration through exploration and evaluation to development and operations is a journey which is suited to investors who have this vision of the project value creation chain. We thank our shareholders for choosing to join us in this pursuit.

I wish to thank the executive directors, Paul Bibby and John Madden, and our consultants, who succeeded in delivering the initial Mineral Resource, developed the various scenarios for the Scoping Study, and continue to advance the Bekisopa Project.

Yours sincerely



MH Stirzaker
Non-executive Chairman

30 March 2023

Review of Operations



The Company achieved a number of significant milestones during the financial year, including delivery of a Mineral Resource (H&S Consultants), completion of a Scoping Study (Wardell Armstrong International); infill drilling at the Southern Zone to upgrade the Direct Ship Ore (DSO) resource and reconnaissance geological activities that returned exciting rock chip samples at the Satrokala prospect.

MINERAL RESOURCE

The Company delivered in the first-half of the financial year a maiden JORC Resource at Bekisopa which was virtually double the volume forecast in the December 2020 prospectus. With mineralisation achieved in all but two drill holes during 2021, the Company brought forward the proposed work programmes for 2022 to better manage exploration costs and, most importantly, maximise the potential the JORC Resource. The Mineral Resource was achieved within 15 months from the date of listing on the Australian Securities Exchange.

The Inferred Resource of 194.7 Mt for 75.4 Mt of iron concentrate at a grade of 67.6% Fe was achieved across three ore zones:

Table 1: Bekisopa Maiden JORC Inferred Resource

| LOCATION | INFERRED RESOURCE | | CONCENTRATE | | DAVIS TUBE |
|-------------------------|-------------------|-------------|-------------|-------------|-------------|
| | TONNES | HEAD GRADE | TONNES | GRADE | RECOVERY |
| | MT | % FE | MT | % FE | % |
| Southern | 110.2 | 32.0 | 42 | 67.6 | 37.8 |
| Central | 41.2 | 30.0 | 15 | 67 | 36.3 |
| Northern | 43.3 | 33.3 | 19 | 68.2 | 43.3 |
| Total (Inferred) | 194.7 | 32.0 | 75.4 | 67.6 | 38.7 |

Three products may be produced from Bekisopa. By selectively targeting the high-grade outcropping and high-grade weathered material using conventional shovel and truck operations, lump and fines products could be produced as DSO. DSO refers to the fact that apart from simple mechanical processes such as crushing, screening, and blending, the iron ore is shipped in essentially the same form as that extracted from the ground with potential significant capital and operating cost advantages.

Within the maiden JORC Resource, H&S Consultants identified 7.8 Mt of outcrop and weathered high-grade DSO. It is this DSO tonnage that is the near-term focus of the Company in upcoming exploration and economic studies. In-fill drilling commencing late-August 2022 is aimed at expanding the existing resource, and better delineating the extent and grade of the weathered zone.

The board of directors believe there is potential above the 7.8 Mt of DSO defined by H&S. The present resource modelling used typically large-scale bulk mining blocks of 5 metres by 15 metres by 25 metres, which is acceptable for mining of fresh iron mineralisation. At Bekisopa, it is highly likely that mineralisation at surface will be extracted using a selective mining approach based on smaller mining blocks of about 2 metres in height. This should minimise dilution and enable the Company to achieve increased DSO tonnage and higher grades.

Although this DSO tonnage represents a small portion of the JORC Resource, it clearly the best and fastest strategy to cash flows.

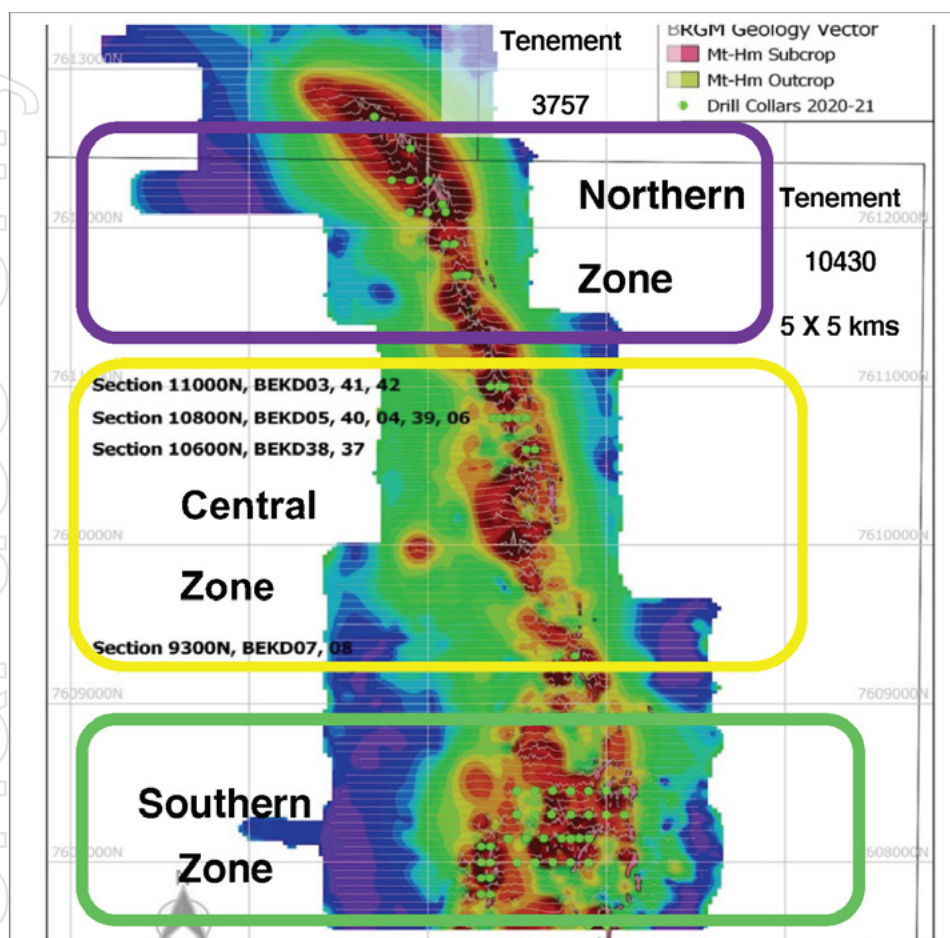


Figure 1: Bekisopa PR 10430

The third product from Bekisopa will be a high-grade iron concentrate. (The board of directors have identified the potential for three products from the iron mineralisation at the Bekisopa project – DSO from the outcrop and weathered zone, Fines and/or high-grade iron concentrate from the Mineral Resource making the second and third products.)

The production of high-grade fines will require crushing fresh iron ore to a relatively coarse 75 microns to produce a premium-grade 67% or better iron concentrate. This concentrate would be an optimal feedstock for the production of Direct Reduced Iron (DRI) pellets. DRI is produced by the removal (reduction) of oxygen from iron ore using natural gas as the reducing agent instead of coal. Increased use of DRI is one of the key decarbonisation strategies of the global steel industry.

Metallurgical tests suggest the Inferred Resource at Bekisopa could be upgraded to a high-grade iron concentrate with potential to produce product at a grade of 67.6% Fe with low impurities.

The board of directors believe there is potential for a significantly larger Mineral Resource at Bekisopa. H&S Consultants (see ASX Announcement, dated 11 April 2022) identified exploration potential comprising two components:

- (i) Exploration potential for 20-40 Mt @30-45% Davis Tube recovery (DTR) for a total of 8-16 Mt of concentrate grading 66-69% Fe exists in the Northern and Central zones.
- (ii) The new Mineral Resource plus the above Exploration Targets represent approximately 3.3 kilometres of a 5-kilometre-long zone of mineralisation and therefore, allows for an additional 2 km of exploration potential along strike between known deposits. Two magnetite-bearing diamond drillholes located halfway between the Southern and Central deposits suggest a further Exploration Target of 30-50 Mt @ 20-40% DTR for a total 10-20 Mt of concentrate grading 66-69% Fe.

DRILLING AND ASSAYS

the Company released to the ASX a number of announcements that outlined detailed drilling and assaying results across three mineralised zones.

Northern Zone

The Northern Zone covers some 1.5 kilometres from north to south and is about 200 metres across strike. It extends to a depth of 270 metres with true thicknesses of 50 to 106 metres. Assays demonstrate significant readily upgradeable iron mineralisation that continues more than 300 metres down dip from surface.

Several of the drillholes intersected high-grade outcrops:

| | |
|---|----------|
| BEKD 01 From surface to 6.9 metres | 64.7% Fe |
| BEKD 19 From surface to 4.6 metres | 63.9% Fe |
| BEKD 24 From surface to 3.9 metres | 63.7% Fe |

These iron grades are DSO and therefore, providing the Company with potential to produce product which will only require mining, crushing and screening.

Drilling also intercepted substantial iron mineralisation at depth:

| | |
|--|----------|
| BEKD 51 From 135 metres to 203 metres | 30.5% Fe |
| BEKD 53 From 144.7 metres to 249.3 metres | 31.4% Fe |

The true thickness in these holes were 78 metres and 105.5 metres of continuous iron mineralisation.

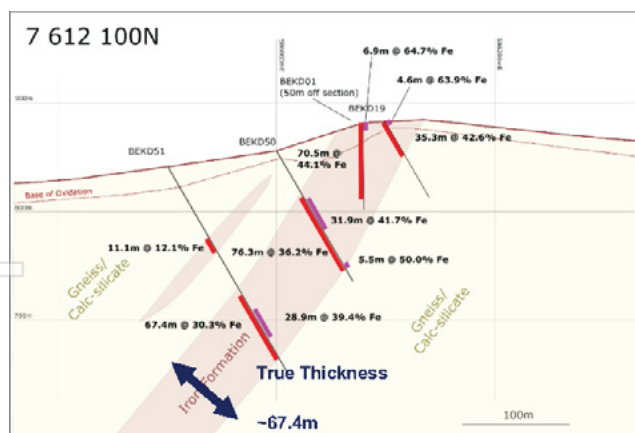


Figure 2: Northern Zone cross Section 7,612,100N covering drill holes BEKD 01, BEKD 19, BEKD 50 and BEKD 51.

High-grade ~64% Fe at surface and continuous iron mineralisation down dip to plus 260 metres

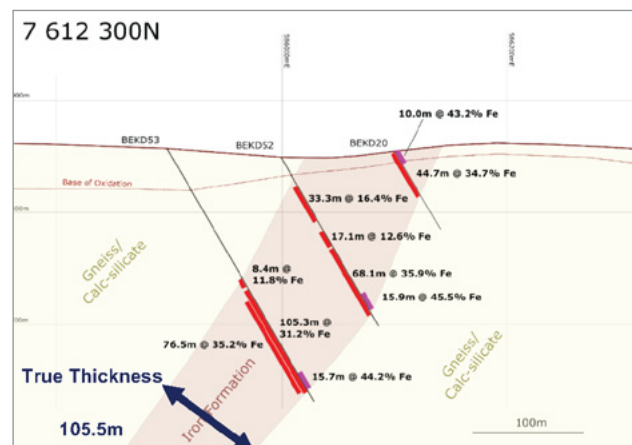


Figure 3: Northern Zone cross Section 7,612,300N covering BEKD 20, BEKD 52 and BEKD 53

High-grade ~64% Fe at surface and continuous iron mineralisation down dip to plus 270 metres

Central Zone

The Central Zone covers approximately 1.8 kilometres from north to south and is some 300 metres across strike. The Central Zone hosts a relatively flat, westerly dipping ore body suitable for a low strip ratio open-pit mining operation. In addition to identifying mineralisation that is readily upgradeable, geological mapping indicates that there is a consistent flat lying, surficial zone, measuring 50 metres to 70 metres in width, where weathering has upgraded the average grade of the primary mineralisation, with some areas potentially DSO.

Drill holes completed in this mineralisation were BEKD 03 to BEKD 08 and BEKD 37 to BEKD 42.

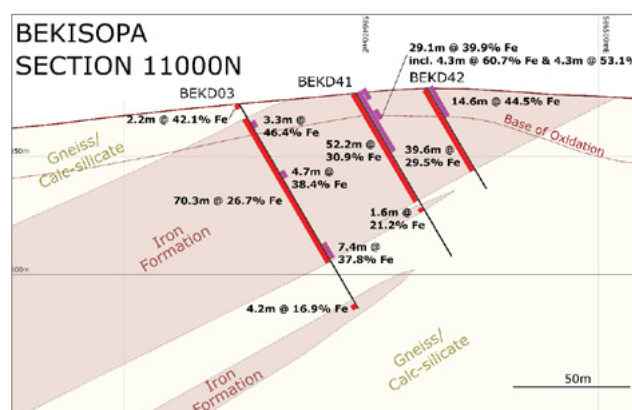


Figure 4: Central Zone cross section along latitude 7611000 incorporating Bekisopa drill holes. BEKD 03, BEKD 41 and BEKD 42

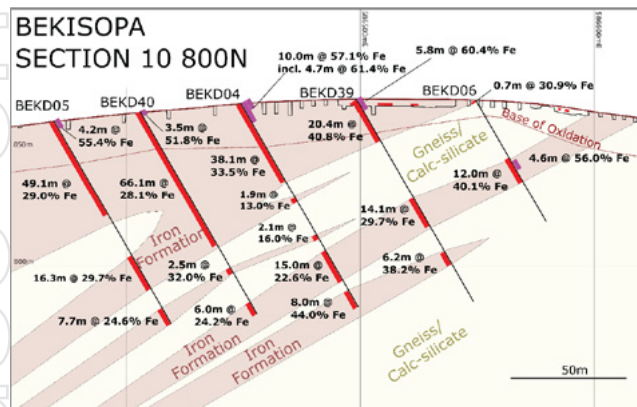
Figure 5: Central Zone cross section along latitude 7610800 incorporating Bekisopa drill holes. BEKD 04, BEKD 05 and BEKD 06 from the 2020 drilling programme and drill holes. BEKD 39 and BEKD 40 from the 2021 drilling campaign

The Southern Zone covers an area of approximately 1.5 kilometres from the north to south and approximately 700 metres across strike and, like the other Zones, has potential to achieve a large, near surface high-grade region with DSO as well as readily upgradeable mineralisation.

Several of the drillholes intersected high-grade outcrops:

At depth, several drill holes recorded substantial iron mineralisation grading 63%+ Fe including:

| | | |
|----------------|----------------------------------|----------|
| BEKD 46 | From 16.1 meters to 178.9 meters | 35.6% Fe |
| BEKD 43 | From 35.8 metres to 185.4 meters | 37.6% Fe |
| BEKD 59 | From 23.1 metres to 173.9 meters | 33.2% Fe |



7,608,450N

Iron Formation

Gneiss/Calc-silicate

Scale of Overlap

400m

Drill sites and data points:

- BRD040: 43.6m @ 15.2% Fe
- BRD041: 86.7m @ 21.2% Fe
- BRD042: 82.7m @ 31.8% Fe
- BRD043: 46.3m @ 44.7% Fe
- BRD044: 27.9m @ 34.1% Fe
- BRD045: 9.4m @ 63.9% Fe
- BRD046: 6.1m @ 60.4% Fe
- BRD047: 1.4m @ 60.7% Fe
- BRD048: 5.0m @ 28.3% Fe
- BRD049: 118.5m @ 19.6% Fe
- BRD050: 8.2m @ 52.0% Fe
- BRD051: 8.8m @ 36.9% Fe
- BRD052: 114.7m @ 40.7% Fe
- BRD053: 45.7m @ 29.6% Fe
- BRD054: 10.1m @ 34.8% Fe
- BRD055: 14.4m @ 38.1% Fe
- BRD056: 10.6m @ 59.8% Fe
- BRD057: 23.5m @ 60.7% Fe

Figure 6: Southern Zone cross Section 7,608,450N. High-grade ~60% Fe and ~61% Fe at surface in BEKD 18 and BEKD 55 and at depth a continuous 150.8 metres iron intercept at 33.2% Fe in BEKD 59.

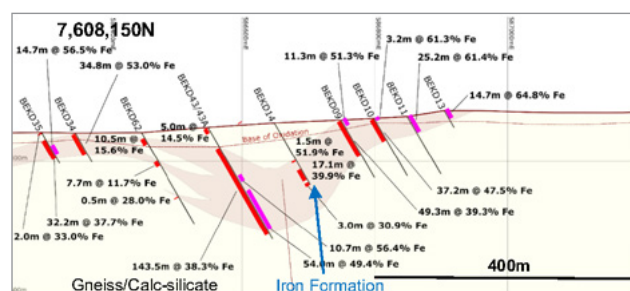


Figure 7: Southern Zone cross Section 7,608,150N demonstrating high-grade intercepts at surface and at depth.

In early September 2022, the Company commenced an in-fill drilling programme at the Southern Zone which was completed on 24 October 2022.

The location of the in-fill drill holes was determined with reference to the DSO assays from the 2020-2021 drilling and further targets the near-surface eastern and western areas in the Southern Zone where previous drilling intercepted high-grade iron mineralization, (see Figure 8). In-fill drilling programme was conducted on a 50-metre by 50-metre grid. Drill hole depth ranged from 5.6 metres to 29.6 metres, averaging 13.6 metres.

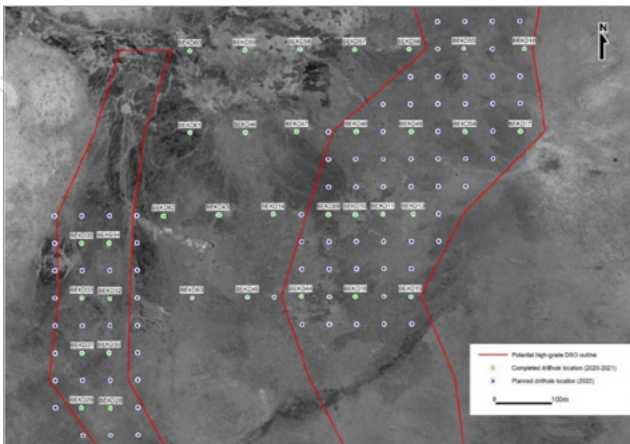


Figure 8: The in-fill drilling grid on the eastern and western areas of the Southern Zone. The drilling comprises 85 drill holes for 1,165 meters. Three extra drill holes were incorporated into the campaign, in all an extra 315 meters, a 37% increase, than planned was drilled.

Generally, mineralized intercepts were thicker than anticipated, hence an additional 315 metres or 37% more meters were drilled than planned. The first batch of assay pulps is being prepared for dispatch to ALS Perth, and when completed these results should produce a better-defined DSO Resource for production planning.

Following are examples of the 2022 in-fill drill core at surface with encouraging iron mineralisation believed suitable for DSO lump and fines iron ore products, Figures 9 (a) to (d).

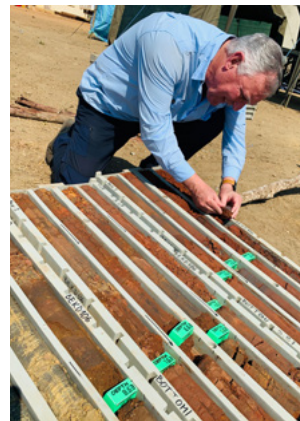


Figure 9: Drill core from the in-fill drilling showing high-grade iron mineralisation as determined by magnetic susceptibility reading of >1000, these drill intercepts appear to be between ~10 metres to ~14 metres thick.



METALLURGICAL TESTWORK REPORTED DURING THE FIRST-HALF

As part of the identification of a JORC Mineral Resource, the Company completed both Davis Test Tube (DTT) and wet Low Intensity Magnetic Separation (wLIMS) testwork.

(DTT is a laboratory instrument designed to separate magnetic ores into strongly magnetic and weakly magnetic fractions. It has become a standard laboratory test used for the assessment of the upgradeability of magnetic ores by magnetic separation techniques. In laboratory wLIMS tests, the iron ores are process wet, to suppress dust, then pass over a rotating magnetic drum separating the magnetic iron from non-magnetic material.)

The goal from these metallurgical tests is to better understand the upgradability of the iron mineralisation for the development of a larger mining operation based on producing an iron concentrate.

The DTT and wLIMS testwork trials were undertaken on continuous drill core composites and intervals from surface to varying depths downhole for a number of drill holes. Overall, the outcomes were excellent across all the drill holes.

wLIMS and DTT for BEKD 01 testwork generated the following results:

| BEKD 01 | COMPOSITE | HEAD GRADE | | | WLIMS IRON FINES GRADE | | | DAVIS TUBE TEST GRADE | | |
|----------------|---------------|-------------|-------------|------------|------------------------|------------|------------|-----------------------|------------|------------|
| SAMPLE | INTERVAL (M) | FE % | SILICA % | ALUMINA % | FE % | SILICA % | ALUMINA % | FE % | SILICA % | ALUMINA % |
| 1 | 0 – 8.0 | 60.6 | 6.6 | 2.8 | 67.6 | 1.5 | 1.4 | 69.9 | 0.7 | 0.8 |
| 2 | 8.0 – 13.54 | 49.6 | 15.1 | 2.9 | 63.6 | 4.3 | 2.0 | 69.6 | 0.8 | 0.7 |
| 3 | 13.54 – 20.27 | 45.1 | 16.7 | 4.4 | 63.3 | 4.0 | 2.1 | 69.6 | 0.7 | 0.8 |
| 4 | 20.27 – 26.54 | 42.5 | 17.1 | 4.4 | 60.5 | 5.3 | 2.5 | 69.4 | 0.8 | 0.7 |
| 5 | 26.54 – 32.30 | 38.9 | 18.9 | 3.5 | 63.4 | 4.0 | 1.6 | 70.1 | 0.4 | 0.6 |
| 6 | 32.30 – 37.75 | 31.4 | 24.8 | 5.6 | 59.5 | 6.8 | 2.4 | 70.1 | 0.5 | 0.8 |
| 7 | 37.75 – 43.54 | 47.5 | 12.8 | 2.4 | 63.0 | 4.1 | 1.3 | 69.9 | 0.4 | 0.5 |
| Average | | 45.1 | 16.0 | 3.7 | 63.0 | 4.3 | 1.9 | 69.8 | 0.6 | 0.7 |

Table 2: wLIMS/DTT Results from BEKD 01 Composite Sample

Testwork on drill hole BEKD 01 clearly indicates that the iron mineralisation is readily upgradable using wLIMS magnetic separation to an average of 63% Fe after crushing to <2 mm, and then to 69.9% Fe after DTT processing at a -75 µm grind. This premium high-grade at 69.8% Fe contains very low impurity levels of 0.5% Silica, 0.7% Alumina, 0.003% Phosphorous and 0.06% Sulphur. Bekisopa represents a potential long-term producer of very clean, premium grade iron concentrate suitable for DRI pellet production.

Similar metallurgical testwork was undertaken on the Central Zone at BEKD 04. Table 3 indicates that the average head-grades varied from a high of 60.1% Fe to a low of 24.2% Fe (the lowest interval grade being 9.48% Fe) and that all composites were upgraded to better than benchmark grade iron levels. The average DTT result for drill hole BEKD 04, from surface to 38.1 metre downhole, was 70.2% Fe.

| BEKD 04 | COMPOSITE | HEAD GRADE | | | WLIMS IRON FINES GRADE | | | DAVIS TUBE TEST GRADE | | |
|----------------|--------------|-------------|-------------|------------|------------------------|------------|------------|-----------------------|-------------|-------------|
| SAMPLE | INTERVAL (M) | FE % | SILICA % | ALUMINA % | FE % | SILICA % | ALUMINA % | FE % | SILICA % | ALUMINA % |
| 1 | 0 - 5.5 | 60.1 | 7.9 | 4.1 | 69.7 | 0.8 | 1.2 | 70.1 | 0.15 | 0.54 |
| 2 | 5.5 - 11.1 | 43.9 | 17.3 | 2.9 | 69.6 | 1.2 | 0.4 | 70.0 | 0.30 | 0.24 |
| 3 | 11.1 - 19.4 | 37.4 | 27.5 | 3.1 | 69.2 | 1.7 | 0.4 | 69.6 | 0.20 | 0.20 |
| 4 | 19.4 - 25.7 | 26.4 | 31.5 | 2.9 | 63.7 | 5.8 | 0.3 | 71.1 | 0.34 | 0.01 |
| 5 | 25.7 - 31.3 | 25.5 | 22.2 | 2.3 | 61.9 | 4.3 | 0.2 | 70.8 | 0.18 | 0.01 |
| 6 | 31.3 - 38.1 | 24.2 | 32.3 | 3.5 | 62.2 | 5.4 | 1.0 | 69.8 | 0.69 | 0.45 |
| Average | | 35.1 | 23.1 | 3.1 | 66.1 | 3.2 | 0.6 | 70.2 | 0.31 | 0.24 |

Table 3: wLIMS/DTT Results from BEKD 04 Composite Sample

The Company also conducted metallurgical testwork on drill holes BEKD 10 and BEKD 34, located in the Southern Zone.

Processing trial results for BEKD 10, on the eastern side of the Southern Zone, from surface to 37.2 metres downhole showed this mineralisation readily upgraded at a 2 mm crush to 62.4% Fe and at a 75-micron sizing to an outstanding 69.3% Fe. The same metallurgical testwork on BEKD 34, on the western side of the Southern Zone, delivered 66.0% Fe after a 2 mm crush and 69.5% Fe at a 75-micron sizing, all with substantial reduction in impurities.

These processing trials show the consistency of upgradability across the expansive Southern Zone and largely replicate the results achieved on the Northern and Central Zones and therefore, along the main 5-kilometre strike length.

| BEKD 34 | COMPOSITE | HEAD GRADE | | | WLIMS IRON FINES GRADE | | | DAVIS TUBE TEST GRADE | | |
|----------------|--------------|-------------|------------|------------|------------------------|------------|------------|-----------------------|------------|------------|
| SAMPLE | INTERVAL (M) | FE % | SILICA % | ALUMINA % | FE % | SILICA % | ALUMINA % | FE % | SILICA % | ALUMINA % |
| 1 | 0 – 4.9 | 59.4 | 7.2 | 2.7 | 69.0 | 0.6 | 0.9 | 68.9 | 1.2 | 1.0 |
| 2 | 4.9 – 10.43 | 62.1 | 4.7 | 1.6 | 68.1 | 1.0 | 0.9 | 69.4 | 0.6 | 0.7 |
| 3 | 10.43 – 14.8 | 41.1 | 18.2 | 1.8 | 64.3 | 3.3 | 0.6 | 69.7 | 0.9 | 0.2 |
| 4 | 14.8 – 18.7 | 51.0 | 8.6 | 1.5 | 65.0 | 2.5 | 0.7 | 70.4 | 0.4 | 0.3 |
| 5 | 18.7 – 23.0 | 54.1 | 4.9 | 1.1 | 66.2 | 1.6 | 0.7 | 69.5 | 0.4 | 0.5 |
| 6 | 23.0 – 29.36 | 59.2 | 3.5 | 0.9 | 66.0 | 1.5 | 0.7 | 70.0 | 0.4 | 0.4 |
| 7 | | 45.6 | 6.9 | 1.3 | 63.3 | 2.5 | 0.8 | 68.8 | 0.5 | 0.4 |
| Average | | 53.2 | 7.7 | 1.6 | 66.0 | 1.9 | 0.8 | 69.5 | 0.6 | 0.5 |

Table 4: wLIMS/DTT Results from BEKD 34 Composite Sample

These outstanding iron concentrate grades, achieved at a relatively coarse 75-micron sizing, highlight the potential for Bekisopa to be able to deliver DRI pellet grade iron concentrates to meet the growing demand for decarbonisation in the iron and steel industry. Premium grade iron feed, with very low impurity levels as seen from BEKD 10 and 34, Table 7, is what is forecast to be required to produce DRI pellets from natural gas or green hydrogen iron making processes. Bekisopa, is well placed to provide these growing markets that have an abundance of natural gas, for example the Middle East, or those locations that will be producing green hydrogen.

DTT conducted on BEKD 10 and BEKD 34 shows very high iron grades, averaging 69.4% Fe, with low impurities, Table 5.

| AVERAGE | HEAD GRADE | DAVIS TUBE TEST GRADE | | | | |
|---------------------------------------|------------|-----------------------|----------|-----------|--------------|-----------|
| | % | % FE | % SILICA | % ALUMINA | % PHOSPHORUS | % SULPHUR |
| BEKD 10 0 to 37.2 metres | 47.9 | 69.3 | 1.1 | 0.8 | 0.062 | 0.006* |
| BEKD 34 0 to 34.8 metres | 53.2 | 69.5 | 0.6 | 0.5 | 0.016 | 0.004* |

Table 5: BEKD 10 and BEKD 34 DTT achieves premium grade iron levels, average 69.4% Fe, and low impurity levels from surface to ~37 metres downhole.

Note *: A few high S assays at depth is likely due to the presence of pyrite.

SCOPING STUDY

The Company retained WAI to prepare the scoping study for the advancement of the Bekisopa project as a low-cost, DSO mining, crushing and screening operation utilising the Mineral Resource prepared by H&S Consultants.

Three project scenarios were developed by WAI based on the 194.7 Mt Mineral Resource for the Company:

Scenario 1

DSO mining and processing of known DSO mineralisation within the Inferred Mineral Resource

Production profiles were developed for a early-startup operation with production (both lump and fines iron ore products) ranging from 0.5 to 2.0 million tonnes per annum (mtpa).

This scenario is the starting phase for each of the other two scenarios:

Scenario 2

DSO production, as described in Scenario 1, followed by the mining and producing of a high-grade crushed 2 mm fines product.

Scenario 3

DSO production, as described in Scenario 1, followed by mining and producing a premium grade concentrate at 75 microns.

The Bekisopa DSO project is relatively uncomplicated in process with a low strip ratio mining operation designed to produce both lump and fines iron ore products at better than benchmark grades.

WAI concluded that the Bekisopa project has significant potential and each of the above scenarios is worthy of further consideration through the feasibility phase.

SATROKALA PROSPECT

The Company completed its first regional reconnaissance exploration programme and the first rock chip sampling from the 100% owned Bekisopa Southwest tenements, called Satrokala. Satrokala is approximately 40 kilometres southwest of Bekisopa PR 10430. In total, 102 rock chip samples were collected, and assayed, and demonstrated very encouraging assay results.

The sample locations cover a strike length of approximately ten kilometres with a potential width of one kilometre within tenements 27211 and 35827. The first rock chip assay results ranged in iron grade from 16.3% up to 68.0% Fe and averaged 58.8% Fe. Excluding iron assays less than 58% Fe, the average iron grade increases to an excellent 64.5% Fe.

Of the 102 rock chip assays, 89 samples delivered iron grades greater than 50%, and an average of 62.1% Fe, the benchmark iron grade. The 66 highest-grading samples delivered iron grades from 58% to 68% Fe, with an average iron grade of 64.5% Fe. These are encouraging first iron results that indicate, subject to the completion of systematic and successful exploration activities, should add tonnes to the existing AKORA's flagship Bekisopa project.

The Satrokala tenements include PR 27211 and PR 35827 with Figure 11 showing the location of these tenements and the 102 rock chip sample locations.

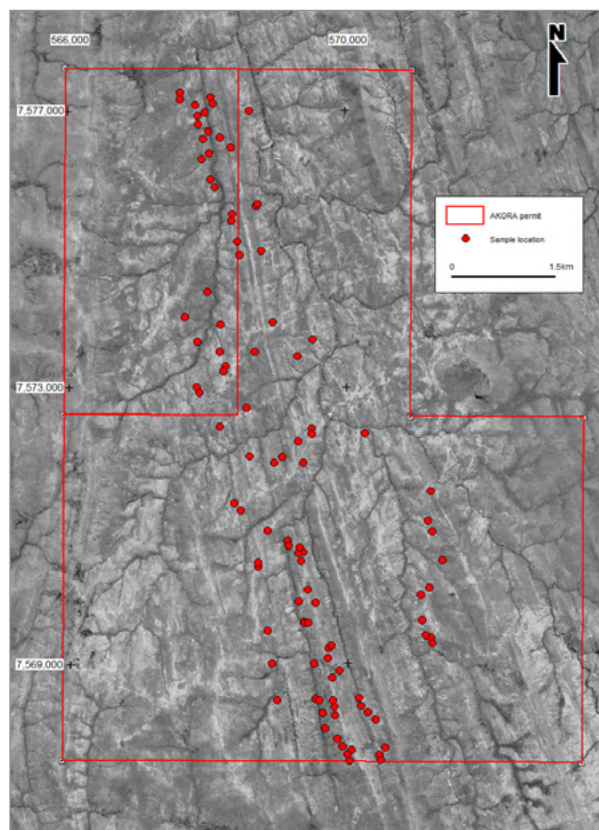


Figure 11: AKORA's 100% owned Bekisopa Southwest tenements, in an area called Satrokala. On the two tenements, 35827 and 27211, are the location of the 102 rock chip samples.

Figure 12 shows specific rock chips and the countryside where the rocks were located. This shows lump iron rocks at surface that are potentially high-grade iron ore lump product in an undulating barren to grassland area.

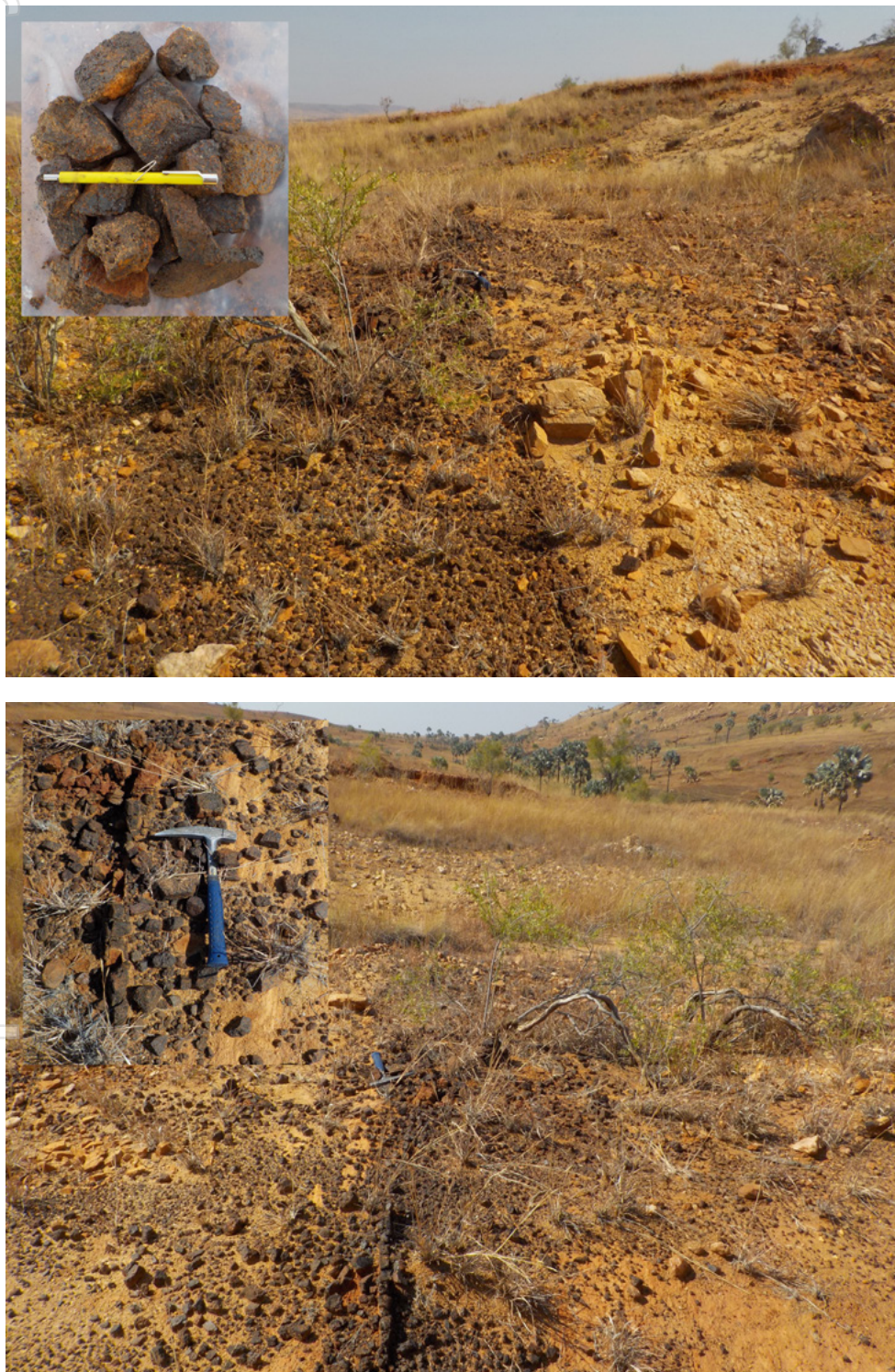
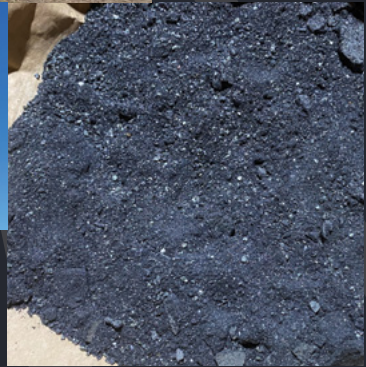


Figure 12: Location of rock chip sample TA468, assay number V2138, average iron grade 64.63%.

The directors present their report, together with the financial statements of AKORA Resources Limited (formerly Indian Pacific Resources Limited) (ACN 139 847 555) (hereafter referred to as the “Company”), for the financial year ended 31 December 2022.



Directors Report



PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year were exploration for iron ore in Madagascar. There was no significant change in the nature of these activities during the year.

OPERATING RESULTS, REVIEW OF OPERATIONS FOR THE YEAR AND SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The net loss after tax attributable to shareholders of AKORA Resources Limited of \$1,051,025 for the year ended 31 December 2022 (the net loss after tax for the previous financial year was A\$1,077,391).

DIVIDENDS

No dividends were declared and paid during the year.

EVENTS AFTER BALANCE DATE

On 23 March 2023, the Company released on the ASX platform the results from its infill drilling programme conducted at the Bekisopa project and specifically the Southern Zone. The Company completed 86 drill holes as part of the infill drilling programme with every drill hole intercepting iron mineralisation. 72 drill holes intercepted high-grade iron mineralisation within the weathered zone and at surface with the final assays clearly indicating the intercepts have the potential for DSO lump and fines products. The goal of the infill drilling programme was to increase both the size and the confidence in the Mineral Resource.

The highest intercepts are set out below:

| DRILL HOLE NUMBER | INTERCEPT FROM SURFACE (M) | WEIGHTED % IRON |
|-------------------|----------------------------|-----------------|
| BEKD090 | 9.80 | 66.27 |
| BEKD092 | 11.20 | 66.05 |
| BEKD132 | 11.59 | 66.00 |
| BEKD091 | 9.72 | 65.25 |
| BEKD081 | 9.10 | 65.10 |

ENVIRONMENTAL ISSUES

The Company's projects are subject to the laws and regulations regarding environmental matters in Madagascar. Many of the activities and operations of the Company cannot be carried out without prior approval from and compliance with all relevant authorities. The company conducts its activities in an environmentally responsible manner and in accordance with all applicable laws. However, the company could be subject to liability due to risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances.

OVERVIEW

The Company expended \$3,445,007 during the financial year on exploration and evaluation of the Bekisopa project. The expenditure represents more than 75.4% of total expenditure for the year.

The board of directors accelerated 2022 expenditure during the financial year to take advantage of economies of scale following significant exploration success at Bekisopa PR 10430.

The financial performance of the Company since its listing on the ASX is as follows:

| 31 DECEMBER | 2022 | 2021 | 2020 |
|-------------------------------------|-----------|-----------|-----------|
| Net loss after tax | 1,051,025 | 1,077,391 | 1,456,540 |
| Earnings percent (cents) | (2.18) | (1.77) | (3.76) |
| Share price at balance date (cents) | 17 | 24 | 35 |

INFORMATION ON DIRECTORS

The following persons were the directors in office during the period 1 January 2022 to 31 December 2022 and since year-end unless otherwise stated:

MH Stirzaker

Independent Non-executive Chairman

Qualifications: BCom, CA

Experience:

Mr Stirzaker was appointed to the board of directors on 22 August 2022.

Mr Stirzaker has over 30 years' commercial experience, mainly in mining finance and mining investment. Mr Stirzaker began his career in Sydney as a Chartered Accountant with KMPG before moving into investment banking with HSBC Group and then Kleinwort Benson in London.

From 1993 to 2007, Mr Stirzaker was part of the natural resource advisory and investment firm, RFC Group, where he became Joint Managing Director.

From 2010 until 2021, Mr Stirzaker was a partner with the private equity mining fund manager, Pacific Road Capital.

Interest in shares and options:

500,000 ordinary shares indirectly held in the Company.

Directorships held in other listed entities in last 3 years:

Base Resources Ltd since 19 November 2014 and Chairman from 26 November 2021; Firestone Diamonds plc since 22 July 2019 (until delisted on 20 March 2020); Prodigy Gold NL from 3 December 2018 to 1 December 2021; and Southern Palladium Ltd from incorporation on 4 December 2020 and from 8 June 2022 on listing on ASX and JSE.

PG Bibby

Chief Executive Officer and Managing Director

Qualifications: Dip App Sc (Secondary Metallurgy), B App Sc (Metallurgy)

Experience:

Mr Bibby was appointed to the board of directors on 9 July 2015 and appointed CEO/Managing Director on 1 January 2020.

Mr Bibby is a metallurgist with over 35 years' experience in both mining and metals industries. Mr Bibby worked for 23 years with Rio Tinto Limited (formerly CRA Limited) in various operational, technological, and business development roles.

With Rio Tinto, Mr Bibby held various operational roles at Rio Tinto Aluminium (formerly Comalco), Kaltim Prima Coal and Rio Tinto Iron Ore (Hamersley Iron). At Rio Tinto Iron Ore, Mr Bibby was manager of metallurgy at both Dampier and Paraburdoo.

Mr Bibby joined Zinifex Limited in 2004 as General Manager-Technology and then played a leading role in the merging of Umicore and Zinifex smelting businesses to form Nyrstar and became Chief Development Officer based in London.

On returning to Australia, Mr Bibby was appointed Managing Director of OceanaGold Corporation and following OceanaGold, Mr Bibby performed various consulting roles.

Interest in shares and options:

1,584,758 ordinary shares directly and 838,660 ordinary shares indirectly and 1,200,000 options over ordinary shares in the Company.

Directorships held in other listed entities in last 3 years:

No other directorships in the past three years.

JM Madden

Executive Director and Company Secretary

Qualifications: BCom (Melb) FCPA FGIA FTIA

Experience:

Mr Madden was appointed to the board of directors on 6 October 2009 and is the founder of the Company.

Mr Madden has over 40 years' experience in the mining industry. Mr Madden joined Rio Tinto (formerly CRA Limited) from the University of Melbourne in 1981 and held several corporate positions including accounting, planning, business analysis, strategy and acquisition and taxation. Between 1996 and 2000, Mr Madden was Manager-Finance for the Rio Tinto/Freeport Joint Venture in West Papua.

From 2001 to 2003, Mr Madden was General Manager-Commercial Morobe Consolidated Goldfields Limited (Morobe controlled the Hidden Valley and Wafi projects) in Papua New Guinea.

On his return to Australia, Mr Madden was General Manager-Commercial, Indophil Resources NL where he was responsible for all accounting, business analysis, corporate secretarial, legal and taxation functions in Australia and the Philippines.

Since 2007, Mr Madden has provided consulting services to various mining projects in Africa, Asia, and Australia for entities such as Australian Premium Iron Ore JV, Intrepid Mines Limited, Mesa Minerals Limited, and Ok Tedi Mining Limited.

Mr Madden negotiated the acquisition of the exploration projects held by the Company and managed the Company since its incorporation.

Interest in shares and options:

662,344 ordinary shares directly and 1,014,682 ordinary shares indirectly in the Company and 750,000 options over ordinary shares in the Company.

Directorships held in other listed entities in last 3 years:

Otto Energy Limited (appointed non-executive director on 1 July 2022).

MEETINGS OF DIRECTORS

During the financial year, the board of directors held 4 meetings with the remainder of meetings conducted by way of written resolution. Attendances by each director during the year were as follows:

| DIRECTORS | COMMITTEE MEETINGS | | | | | |
|---------------|--------------------|----------|-------------------------------------|----------|---------------------------------|----------|
| | DIRECTORS MEETINGS | | AUDIT AND RISK MANAGEMENT COMMITTEE | | REMUNERATION COMMITTEE MEETINGS | |
| | NO. | ATTENDED | NO. | ATTENDED | NO. | ATTENDED |
| MH. Stirzaker | 4 | 4 | - | - | - | - |
| PG. Bibby | 4 | 4 | - | - | - | - |
| JM. Madden | 4 | 4 | - | - | - | - |

OPTIONS

At as the date of this report, the unissued ordinary shares of the Company under unlisted options are as follows:

| GRANT DATE | EXPIRY DATE | EXERCISE PRICE | OPTION NUMBER |
|-------------|-------------|----------------|---------------|
| 17 May 2022 | 17 May 2026 | \$0.3000 | 1,950,000 |

On 17 May 2022, shareholders approved the grant of 1,950,000 options over ordinary shares to Executive Directors in each equal tranches with exercise prices of 45 cents, 55 cents and 65 cents per each respective tranche.

PERFORMANCE RIGHTS

On 4 September 2022., Mr MH Stirzaker converted 400,000 performance rights into fully paid ordinary shares with a fair value of 38 cents per fully paid ordinary shares. The performance rights were previously approved by shareholders on 13 April 2021 and backdated to the date of execution of the Letter of Appointment between the Company and Mr Stirzaker for the latter to take up the position of Non-executive Chairman.

On 25 February 2022, the Company and Vert Capital Pty Ltd agreed to terminate the Letter of Engagement for the latter to act as a corporate advisor with the previously awarded 1,000,000 performance rights over ordinary shares being cancelled.

RISK MANAGEMENT

The board of directors regular review the key risks associated with conducting exploration and evaluation in Madagascar and steps to manage the risk. The board of directors also implications of these risk on corporate activities and particularly, equity raising capabilities.

The key risks are:

1. Titles and research permits

Whilst the Company is satisfied that it has taken reasonable measures to ensure an unencumbered right to explore its licence areas in Madagascar, they are subject to greater risks than more developed markets, including significant legal, economic and political risks.

Most of the research permits are in the process of being renewed. Due to the moratorium caused by the political crisis that affected Madagascar between 2009-2013, the Bureau du Cadastre de Madagascar Minier has only been operating a limited service largely limited to collection of annual fees in respect of mining permits.

The Company has paid all annual renewal fees on its research permits with all research permits annual administration fees paid up to 31 December 2022. The government has publicly stated it will award renewals to all entities that have paid all administration fees that their rights to the research and exploitation permits is assured. These issues are not particular to the Company and impact on the majority of tenement holders.

In recent times, the International Monetary Fund and World Bank Group have become increasingly involved in the issues surrounding the mining sector with aid subject to the government achieving specific policy milestones such as issue of issuance of permit renewals.

2. Exploration and development

The future value of the Company will depend on its ability to find and develop resources that are economically recoverable.

Mineral exploration and development is a speculative undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things; discovery and proving-up an economically recoverable resource or reserve, access to adequate capital throughout the project development phases, securing and maintaining title to mineral exploration projects, obtaining required development consents and approvals and accessing the necessary experienced operational staff, the financial management, skilled contractors, consultants and employees.

The Company is entirely dependent upon the Projects, which are the sole potential source of future revenue, and any adverse development affecting these projects would have a material adverse effect on the Group, its business, prospects, results of operations and financial condition.

Since late 2019, the Company has de-risked one of its projects with highly successful exploration and evaluation activities at the Bekisopa project. The exploration and evaluation have resulted in the Company releasing a JORC Mineral Resource in April 2023 and a "lite" Scoping Study undertaken Wardell Armstrong International in November 2023. Further reconnaissance exploration has returned excellent rock chip samples from its Satrokala prospect 30 kilometres from the Bekisopa project.

3. Future authorisations to able the grant of an exploitation permit

If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit.

There is no guarantee that the Company will be able to obtain all required approvals, licences and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.

4. Reliance on key personnel

The Company's success is to a large extent dependent upon the retention of key personnel.

There is no assurance that engagement contracts for members of the senior management team personnel will not be terminated or will be renewed on their expiry. If such contracts were terminated, or if members of the senior management team were otherwise no longer able to continue in their role, the Company would need to replace them which may not be possible if suitable candidates are not available. Furthermore, there is no guarantee the Company is able to attract, train and retain key individuals and other highly skilled employees and consultants. As a result, the Company's operations and financial performance would likely be adversely affected. There is no key person insurance policy in place, meaning that if a key employee were to cease employment, the Company may not be able to find a replacement at a reasonable cost.

The board of directors acknowledge that the existing executive directors are committed to advance the exploration and evaluation activities of the Company.

5. Future funding risk

Continued exploration and evaluation is dependent on the Company being able to secure future funding from equity markets. The successful development of a mining project will dependent on the capacity to raise funds from equity and debt markets.

The Company will need to engage in equity for continued exploration and evaluation and equity and debt markets to undertake development. Any additional equity financing may be dilutive to Shareholders, as pricing of the Company's shares are dependent on endogenous and exogenous outcomes.

There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Company's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Company.

6. Unforeseen expenditure risk

Exploration and evaluation expenditures and development expenditures may increase significantly above existing costs.

Although the Company is not currently aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company and its proposed business plans.

The board of directors note that the Company has completed exploration and evaluation activities that have resulted in the release a JORC Mineral Resource and Scoping Study within the budgeted costs and continues to manage costs cautiously.

7. Commodity prices and exchange rates risk

The value of the Company's assets and potential earnings in future years may be affected by fluctuations in commodity prices and exchange rates, such as the USD and AUD denominated iron ore prices (among other commodities) and the AUD / USD exchange rate.

These prices can significantly fluctuate and are exposed to numerous factors beyond the control of the Company such as world demand for precious and other metals, forward selling by producers, and production cost levels in major metal producing regions. Other factors include expectations regarding inflation, the financial impact of movements in interest rates, commodity price forward curves, global economic trends, and domestic and international fiscal, monetary and regulatory policy settings. In the event the Company achieves exploration success leading to viable mining production, the Company's financial performance will be highly dependent on commodity prices and exchange rates.

8. Future profitability risk

The Company is in the early-stage exploration at this time. The Company's performance will be impacted by, among other things, the success of its exploration and mining activities, economic conditions in the markets in which it operates, competition factors and any regulatory developments.

Accordingly, the extent of future profits and the time required to achieve sustained profitability are uncertain and cannot be reliably predicted at this time.

9. Investments in developing countries are generally subject to increased risk

The Company is committed to conducting business in Madagascar and investors should be aware that these investments are generally subject to greater risk than investments in the securities of issuers from more developed countries and carry risks that are not typically associated with investing in more mature markets.

These risks include, but are not limited to, greater political risk, budget deficits, lack of adequate infrastructure necessary to sustain economic growth and changes in the political and economic environment.

10. Sovereign and political risks

The mining industry in Madagascar is in its early stages and is not as developed as other, more established jurisdictions in which the Company's competitors operate. As such, Madagascar currently has limited resources, infrastructure and experience to support mining operations.

There has been significant investment in the mining sector with the development and operation of two significant projects involving Rio Tinto and Sumitomo. Further there is no material history of mining operations in Madagascar meaning that there is limited "in-country" experience available and that the Company will need to both develop and train workers and supply sufficiently qualified workers to develop the Projects.

Further, due to the lack of historical mining operations in Madagascar, the legislative and regulatory framework (and application and interpretation thereof) under which the Group operates is largely untested both by operators but also the government, relevant ministries and regulatory bodies that regulate such operations and, consequently, may be subject to further development, amendment, interpretation, litigation or change in a relatively short space.

11. Legal system

Madagascar has a less developed legal system than more established economies.

Legal risks such as:

- effective legal redress in the Malagasy courts, whether in respect of a breach of law or regulation, or in an ownership dispute, being more difficult to obtain;
- a higher degree of discretion on the part of Governmental authorities who may be susceptible to corruption;
- the lack of judicial or administrative guidance on interpreting applicable rules and regulations;
- inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or
- relative inexperience of the judiciary and courts in such matters.

There can be no assurance that property title, joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of Government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

12. Regulatory, political, economic and social risks

The Company's exploration and evaluation activities are undertaken in Madagascar which has from time to time experienced political instability.

The Company may be affected by possible political or economic instability and the related risks, including, among other things, security concerns, labour disputes, government policy with respect to mining, labour, monetary and fiscal issues, fluctuations in currency exchange rates and high rates of inflation.

Changes to government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, nationalisation of assets, maintenance of claims, environmental legislation, land use, land claims, water use and mine safety, or a combination of any of these factors could materially and adversely affect the Company's business, financial condition and results of operations.

Madagascar is largely dependent on aid donors such as the International Monetary Fund and World Bank Group for funding human development programmes and infrastructure. The international community has welcomed the progress made by Madagascar, however, if aid is withdrawn it could affect Company's operations.

Possible disruptions to exploration and evaluation activities by members of the local community or from non-governmental organisations opposed to mining, development or foreign investment may attempt to disrupt or halt the Company's exploration activities.

In addition, there can be no assurance that the Group will be able to obtain or maintain effective security of any of the Company's assets or personnel in Madagascar or any future region or country in which it operates.

The Company has taken significant steps to build good relations with the local community and works closely with the local community to continue to enjoy the good relationships.

13. Share market conditions

There can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase.

There may be relatively few buyers or sellers of the Shares on the ASX at any given time. The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource stocks in particular. These factors may materially affect the market price of the Shares, regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

14. Economic risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration and evaluation and eventual development and production activities, as well as on its ability to fund those activities.

General economic conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: general economic outlook; interest rates and inflation rates; currency fluctuations; changes in investor sentiment toward particular market sectors; the demand for, and supply of, capital; pandemics and terrorism or other hostilities.

15. Change in regulation

Any material adverse changes in government policies, legislation or shifts in political attitude in Australia, Madagascar or any other jurisdiction in which the Company operates in the future, that affect mineral mining and exploration activities, tax laws, carbon markets, royalty regulations, government subsidies and environmental issues may affect the viability of a Project or the Company.

No assurance can be given that amendments to current laws and regulations or new rules and regulations will not be enacted, or that existing rules and regulations will not be applied in a manner which could substantially limit or affect the Company's planned and future activities.

PROCEEDINGS ON BEHALF OF COMPANY

The Company has no outstanding or pending litigation whether brought by the Company or brought against the Company by a third party.

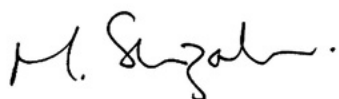
NON-AUDIT SERVICES

Hall Chadwick has not provided any non-audit services during the financial year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 27.

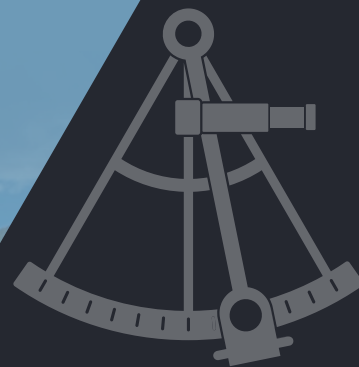
This report of the directors is signed in accordance with a resolution of the Board of Directors.



MH Storzaker
Non-executive Chairman

Dated this 30 March 2023

Remuneration Report



REMUNERATION COMMITTEE AND REMUNERATION POLICY

The Company has established, on Listing, a Remuneration Committee which comprises Messrs MH Stirzaker and SL Fabian, both non-executive directors, as part of the processes adopted to list on the ASX. SL Fabian resigned as director of the Company on 31 October 2021 and as a result, the board of directors suspended the operation of the Remuneration Committee. Mr JM Madden did attend meetings of the Remuneration Committee in his capacity as Secretary to the Committee and accordingly, was not a participant in deliberations or decisions made by the Remuneration Committee.

The board of directors is looking to appoint a replacement for Mr SL Fabian and expects to make such an appointment during the course of this financial year, 31 December 2023.

The role of the Remuneration Committee is to determine for the board of directors in fulfilling its responsibilities to shareholders by:

- (a) establishing and reviewing executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- (b) ensuring executive remuneration policy displays a clear linkage between performance and remuneration and therefore, fairly and responsibly rewarding performance under prevailing market conditions;
- (c) reviewing the recruitment, retention and termination policies of the Company and procedures for executives;
- (d) reviewing and recommending to the board of directors' equity-based plans and other equity-based incentive schemes;
- (e) evaluating the performance of non-executive directors;
- (f) ensuring non-executive directors' remuneration is fair and responsible under prevailing market conditions; and
- (g) recommending to the board of directors (and in accordance with the Corporations Act shareholders) equity-based plans and other equity-based incentives schemes for non-executive directors to participate.

The Remuneration has the right to retain consultants to assist it in performing its role. The Remuneration Committee, as at the date of this report, has not used consultants to assist with its role.

The Remuneration Committee tests its decisions through instructing management to develop a Peer Group of exploration entities at a similar stage in advancement of exploration projects. The goal of this Peer Review is to ensure that fixed remuneration and incentive-based remuneration sit comfortably within the range of the Peer Group. The Remuneration Committee also has authority to secure advice on remuneration from consultants specialising assisting entities with remuneration of executives.

CONTRACTS OF EMPLOYMENT AND LETTERS OF APPOINTMENT

As part of the listing process, the Company formalised contracts of employment with its two executive directors (Messrs PG Bibby and JM Madden), reviewed the terms and conditions of the appointment of its non-executive director (SL Fabian) and established the terms and conditions of appointment of a non-executive chairman. The fixed remuneration principles set out above were used as the basis for setting the fixed remuneration.

PG Bibby

The Company executed a Contract of Employment with Mr Bibby on 3 September 2020 but was effective from 1 July 2019 (the MD Agreement). Mr Bibby is engaged as a full-time employee of the Company in the role of Managing Director and Chief Executive Officer. Mr Bibby is responsible for overseeing the Company's projects in Madagascar and in particular, coordinating and implementing the exploration strategy for these projects with input from other senior

executive staff, and subject to the overall control and direction of the board of directors.

The remuneration payable to Mr Bibby for the MD Services is \$250,000 exclusive of statutory superannuation (Base Salary). In addition to the Base Salary, the Company has granted Mr Bibby an annual performance bonus of up to 25% of the Base Salary during the exploration phase (MD Bonus), initially to a maximum of \$62,500, based on key performance indicators (KPIs) agreed between the Company and Mr Bibby. If the KPIs are met, the Company will pay the MD Bonus within three months of the end of the relevant financial year. The MD Bonus can also be payable on a pro rata basis.

The MD Agreement is for an indefinite term, continuing until terminated in accordance with the MD Agreement. Either the Company or Mr Bibby may terminate the MD Agreement by giving 12 months' notice in writing to the other party. The Company may terminate the MD Agreement without notice in certain limited circumstances.

JM Madden

The Company entered into an employment agreement with Mr John Madden on 3 September 2020 but effective from 1 July 2019 (CFO Agreement). Mr Madden is engaged by the Company full-time as Chief Financial Officer and Company Secretary and is responsible for the provision of company secretarial and financial management services (Services), reporting to the Managing Director and Chief Executive Officer.

The remuneration payable to Mr Madden for the Services is \$150,000 exclusive of superannuation (Base Salary). Mr Madden may also be paid an annual performance bonus of up to 20% of the Base Salary during the development phase (CFO Bonus), conditional upon KPIs agreed between the Company and Mr Madden. If the KPIs are met, the CFO Bonus will be paid within three months of the end of the relevant financial year. The CFO Bonus is payable on a pro rata basis.

The CFO Agreement commenced on 1 July 2019 for an indefinite term and may be terminated by either party giving 12 months' notice in writing. The Company may terminate the CFO Agreement without notice or prior warning in certain limited circumstances.

During the financial year Mr Madden reverted to a part-time role as Company Secretary/Chief Financial Officer in order to reduce future costs to the Company.

MH Stirzaker

The Company entered into a Letter of Appointment on 22 August 2020 and an amended Letter of Appointment on 9 October 2020 with Mr MH Stirzaker. Under the Letter of Appointment Mr Stirzaker was entitled to a cash remuneration of \$70,000 plus the 10.5% superannuation levy. (The Superannuation levy has increased to 10.5% since the date of appointment.)

Shareholders on 13 April 2021 agreed to award Mr Stirzaker 400,000 Performance Rights for nil consideration. On 2 September 2022, the performance rights were converted into fully paid ordinary shares with a fair value of \$152,000 following the satisfaction by Mr Stirzaker the performance milestone.

During the process for recruiting a non-executive chairman for the Company, the board of directors concluded that to secure an appropriately skilled non-executive chairman it was important to provide both fixed remuneration and an incentive-based remuneration.

2022 Remuneration

In relation to non-executive directors, the maximum remuneration pool available under the Constitution of the Company under 6.3(a) is \$750,000. The total remuneration payable to Mr Stirzaker, the only non-executive director of the Company during the financial year was \$77,350 (inclusion of superannuation contributions (2021: \$109,500 in the previous financial year when the Company had non-executive directors for both Messrs Stirzaker and Fabian).

LTIP

The Company adopted on 11 August 2011 a Long-term Incentive Plan (LTIP) which provides the board of directors to make offers to eligible directors and employees to acquire securities in the Company.

Under the terms of the LTIP, the board of directors may award performance rights or grant options.

Performance rights:

The performance rights require no payment for the grant to be made; and subject to certain rules relating to cessation of employment, takeovers or insolvency events, will vest only where certain performance conditions have been satisfied (or waived).

Upon vesting of a performance right, Ordinary Shares will be allocated to the participant without any further action on the part of the participant.

On vesting of a performance right, the Board must allocate the relevant number of Shares due to the participant by either issuing new Shares, procuring the transfer of Shares or procuring the setting aside of Shares for the participant.

A performance right will lapse on the earlier of, amongst other things, the occurrence of specific instances or if the participant has failed to meet a performance condition within the prescribed period.

Options:

Options require no payment for the grant to be made will only vest and become exercisable where certain performance conditions have been satisfied.

The exercise of any option granted under the LTIP will be effected in the form and manner determined by the board of directors and must be accompanied by payment of the relevant exercise price (if any) advised to the participant by the board of directors.

Following the exercise of an option, the board of directors must allocate the relevant number of Shares due to the participant by either issuing new shares, procuring the transfer of shares or procuring the setting aside of shares for the participant.

An option will lapse on the earlier of, amongst other things, the occurrence of specific instances, if the participant has failed to meet a performance condition within the prescribed period or seven years from the grant of the option (or on any other date nominated as the expiry date in the invitation letter).

Prohibited dealings:

The LTIP prohibits any dealing (which includes, amongst other things, selling, transferring, assigning, encumbering the relevant performance right or option, or attempting to do any of these actions) in respect of an LTIP Security unless the Board determines otherwise, or it is required by law.

If a participant deals in an LTIP Security in contravention of this rule, it will immediately lapse.

The Board may also impose restriction on dealing in respect of any Ordinary Shares that are allocated on the vesting of a performance right or the exercise of an option.

Cessation of employment:

Where a participant ceases to be a director or employee of the Group, that participant's LTIP Securities will continue to be held by the participant and continue to be subject to the terms of the LTIP. However, the Board may determine that some or all of the participants LTIP Securities will vest or become exercisable, or lapse.

Takeovers and insolvency events:

In the event of a takeover bid, or on certain insolvency events, the Board may determine that all (or a specified number of) a participant's unvested LTIP Securities will vest. Any such vested options will be exercisable for a period of time as specified by the Board, after which they will lapse.

Power to make amendments:

The Board has the right to, amongst other things to make any adjustments to the terms of a performance right or option (in order to minimise or eliminate and material advantage or disadvantage to a participant resulting from a corporate action or capital reconstruction) by resolution, and subject to the terms set out in the LTIP or suspend or terminate the operation of the Long Term Incentive Plan; and be reimbursed by the participant any amount to account for income tax (or any other tax of a similar nature) due from the Company in connection with the grant of any LTIP Securities.

Other than to comply with a relevant law, correct a manifest error or to take into account possible adverse tax implications, without the consent of the participant, the Board may not exercise its rights above in a manner which reduces the rights of the participant in respect of an LTIP Security already granted.

Remuneration details for the financial years ended 31 December 2022 and 2021

| GROUP KMP | SHORT-TERM BENEFITS | | | | POST-EMPLOYMENT BENEFITS | LONG-TERM BENEFITS | SHARE-BASED PAYMENTS | | TOTAL | % S-BP |
|---|---------------------|-----------------------|---------------|-------|--------------------------|--------------------|----------------------|------------------------------|---------|--------|
| | SALARY/ FEES | PROFIT SHARE/ BONUSES | NON-MON-ETARY | OTHER | SUPER-ANNU-ATION¹ | OTHER | EQUITY | OPTIONS/ PERFOR-MANCE SHARES | | |
| For Financial Year Ended 31 December 2022 | | | | | | | | | | |
| MH Stirzaker | 70,000 | - | - | - | 7,350 | - | - | 69,487 | 146,837 | 47.3% |
| PG Bibby | 250,000 | 50,000 | - | - | 38,125 | - | - | 26,664 | 364,789 | 7.31% |
| JM Madden | 112,802 | 25,000 | - | - | 18,547 | - | - | 16,665 | 173,014 | 9.63% |
| | 432,802 | 75,000 | - | - | 64,022 | - | - | 112,816 | 684,640 | 16.5% |
| For Financial Year Ended 31 December 2021 | | | | | | | | | | |
| MH Stirzaker | 70,000 | - | - | - | 6,650 | - | - | 54,762 | 131,412 | 41.7% |
| PG Bibby | 250,000 | - | - | - | 25,000 | - | - | - | 275,000 | - |
| SL Fabian | 32,850 | - | - | - | - | - | - | - | 32,850 | - |
| JM Madden | 150,000 | - | - | - | 14,250 | - | - | - | 164,250 | - |
| | 502,850 | - | - | - | 45,900 | - | - | 54,762 | 603,512 | 9.1% |

1. Superannuation contributions for Mr PG Bibby and JM Madden for the financial year 31 December 2022 include amounts due to them for the previous financial year which were not accrued as at 31 December 2021.

Equity holdings of each director

| GROUP KMP | BALANCE AT START OF YEAR | RECEIVED DURING THE YEAR AS COMPENSATION | CONVERSION OF PERFORMANCE SHARES DURING THE YEAR | SUBSCRIPTIONS TO ISSUES OF IPO SHARES | OTHER CHANGES DURING THE YEAR | BALANCE AT END OF YEAR |
|--------------|--------------------------|--|--|---------------------------------------|-------------------------------|------------------------|
| GROUP KMP | NO | NO | NO | NO | NO | NO |
| 2022 | | | | | | |
| MH Stirzaker | 100,000 | - | 400,000 | - | - | 500,000 |
| PG Bibby | 2,261,720 | - | - | - | 161,698 | 2,423,418 |
| JM Madden | 1,377,026 | - | - | - | 300,000 | 1,677,026 |
| | 3,738,746 | - | 400,000 | - | 461,698 | 4,600,444 |
| 2021 | | | | | | |
| MH Stirzaker | 100,000 | - | - | - | - | 100,000 |
| PG Bibby | 2,165,201 | - | - | - | 96,519 | 2,261,720 |
| SL Fabian | 893,636 | - | - | - | (893,636) | - |
| JM Madden | 1,177,026 | - | - | - | 200,000 | 1,377,026 |
| | 4,335,863 | - | - | - | (597,117) | 3,738,746 |

Mr PG Bibby holds 1,584,758 ordinary shares directly and 348,901 ordinary shares indirectly via his superannuation fund. In addition, the holding of Ms JA Bibby, the daughter of Mr PG Bibby, is included in the holding of Mr PG Bibby, as Ms JA Bibby satisfied the definition of a related party under AASB 124 Related Parties Disclosure. Ms JA Bibby held 489,759 ordinary shares in the Company as at 31 December 2022.

Mr JM Madden directly holds 662,344 ordinary shares and indirectly holds 514,682 ordinary shares via his superannuation fund and via 500,000 ordinary shares via his partner Ms JFE Woodford.

Options over ordinary shares held by each director

| | BALANCE AT START OF YEAR | RECEIVED DURING THE YEAR AS COMPENSATION | EXERCISED DURING THE YEAR | ISSUED UNDER IPO | OTHER CHANGES DURING THE YEAR | BALANCE AT END OF YEAR |
|--------------|-----------------------------|---|---------------------------------|------------------------|-------------------------------------|---------------------------|
| GROUP KMP | NO | NO | NO | NO | NO | NO |
| 2022 | | | | | | |
| MH Stirzaker | 50,000 | - | - | - | (50,000) | - |
| PG Bibby | 100,000 | 1,200,000 | - | - | (100,000) | 1,200,000 |
| JM Madden | - | 750,000 | - | - | - | 750,000 |
| | 150,000 | 1,950,000 | - | - | (150,000) | 1,950,000 |
| 2021 | | | | | | |
| MH Stirzaker | 50,000 | - | - | - | - | 50,000 |
| PG Bibby | 100,000 | - | - | - | - | 100,000 |
| JM Madden | - | - | - | - | - | - |
| | 150,000 | - | - | - | - | 150,000 |

The option holding of Mr PG Bibby includes 50,000 options over ordinary shares issued to Ms JA Bibby, the daughter of Mr PG Bibby, that were issued to Ms Bibby pursuant to participation in the IPO.

Options issued to Mr MH Stirzaker and Mr PG Bibby and his related parties pursuant to the IPO offering expired without being exercised on 7 December 2022.

There are no other related party transactions with Key Management Personnel and their related parties as at 31 December 2022 (2021: nil).

Performance rights held by each director

| | BALANCE AT START OF YEAR | AWARDED DURING THE YEAR AS COMPENSATION | PERFORMANCE MILESTONE ACHIEVED | PERFORMANCE MILESTONE LAPSED | OTHER CHANGES DURING THE YEAR | BALANCE AT END OF YEAR |
|--------------|-----------------------------|--|--------------------------------------|------------------------------------|-------------------------------------|---------------------------|
| GROUP KMP | NO | NO | NO | NO | NO | NO |
| 2022 | | | | | | |
| MH Stirzaker | 400,000 | - | (400,000) | - | - | - |
| PG Bibby | - | - | - | - | - | - |
| SL Fabian | - | - | - | - | - | - |
| JM Madden | - | - | - | - | - | - |
| | 400,000 | - | (400,000) | - | - | - |
| 2021 | | | | | | |
| MH Stirzaker | - | 400,000 | - | - | - | 400,000 |
| PG Bibby | - | - | - | - | - | - |
| SL Fabian | - | - | - | - | - | - |
| JM Madden | - | - | - | - | - | - |
| | - | 400,000 | - | - | - | 400,000 |

Shareholders resolved at the annual general meeting on 13 April 2021 to award Mr MH Stirzaker 400,000 performance rights for zero consideration with the performance rights milestone being the continuation of directorship of the Company for two years.

On 2 September 2022, the performance milestones were achieved by Mr MH Stirzaker and the performance rights over ordinary shares were converted into fully paid ordinary shares at a fair value of 38 cents per ordinary share.

Auditor's Independence Declaration

HALL CHADWICK 

To the Board of Directors,

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

As lead audit Director for the audit of the financial statements of Akora Resources Limited for the financial year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated in Perth, Western Australia this 30th day of March 2023

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Financial Statements

For the year ending 31 December 2022



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | NOTE | 31 DECEMBER | |
|---|------|-------------|-------------|
| | | 2022 \$ | 2021 \$ |
| Total revenue and other income | 6 | 148 | 78 |
| Expenditure | | | |
| Administration costs | | 43,548 | 81,206 |
| Employee costs | | 500,970 | 471,646 |
| Contractors and consultants | | 392,988 | 328,454 |
| Exchange fluctuation | | 992 | (107,256) |
| Listing costs | 7 | - | 22,344 |
| Travel | | 38,868 | 1,997 |
| Secretarial | | 187,168 | 136,229 |
| Insurances | | 44,028 | 51,683 |
| Investor relations | | 173,181 | - |
| Share-based payments | | 112,816 | 82,353 |
| Depreciation | | 4,829 | 5,490 |
| Other | | 1,785 | 3,323 |
| Total expenditure | | 1,501,173 | 1,077,469 |
| Loss before tax for year | | (1,501,025) | (1,077,391) |
| Income tax (expense)/benefit | 8 | - | - |
| Net loss | | (1,501,025) | (1,077,391) |
| Net loss for the year | | (1,501,025) | (1,077,391) |
| Items that have been or may be subsequently reclassified to profit or loss | | | |
| Translation reserve | | (76,388) | 27,961 |
| | | (76,388) | 27,961 |
| Total comprehensive loss for the year | | (1,577,413) | (1,049,430) |
| Loss per share | 9 | | |
| Basic earnings per share/cents | | (2.18) | (1.77) |
| Diluted earnings per share/cents | | (2.18) | (1.77) |

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | NOTE | 31 DECEMBER | |
|----------------------------------|-------|--------------|--------------|
| | | 2022 \$ | 2021 \$ |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 11 | 721,766 | 1,045,851 |
| Receivables | 12 | 16,822 | 20,933 |
| Other | 13 | 2,316 | 2,429 |
| Total current assets | | 740,904 | 1,069,213 |
| Non-current assets | | | |
| Exploration and evaluation | 14 | 8,890,924 | 7,215,084 |
| Property plant and equipment | 15 | - | 4,812 |
| Total non-current assets | | 8,890,924 | 7,219,896 |
| Total assets | | 9,631,828 | 8,289,109 |
| Liabilities | | | |
| Current liabilities | | | |
| Payables | 16 | 121,083 | 578,075 |
| Provisions | 17 | 68,135 | 51,052 |
| Total current liabilities | | 189,218 | 629,127 |
| Total liabilities | | 189,218 | 629,127 |
| Net assets | | 9,442,610 | 7,659,982 |
| Equity | | | |
| Contributed equity | 18 | 28,186,123 | 24,786,898 |
| Reserves | 20-22 | (242,072) | 141,451 |
| Accumulated losses | 23 | (18,501,441) | (17,268,367) |
| Total equity | | 9,442,610 | 7,659,982 |

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | NOTE 18 | NOTE 19 | NOTE 20 | NOTE 21 | NOTE 22 | NOTE 23 | |
|---|-------------------|--------------------------|---------------------|------------------------------|----------------|---------------------|------------------|
| | SHARE CAPITAL | OTHER CONTRIBUTED EQUITY | TRANSLATION RESERVE | SHARE-BASED PAYMENTS RESERVE | OTHER RESERVES | ACCUMULATED LOSSES | TOTAL EQUITY |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| As at 31 December 2020 | 24,467,443 | 4,800 | (263,684) | 268,111 | 26,710 | (16,190,976) | 8,312,404 |
| Transactions with owners in their capacity as owners of the Company | | | | | | | |
| Share issues | - | - | - | - | - | - | - |
| Equity raising costs | 24,034 | - | - | - | - | - | 24,034 |
| Exercise of options | 295,421 | (4,800) | - | - | - | - | 290,621 |
| Share-based payments | - | - | - | 82,353 | - | - | 82,353 |
| | 319,455 | (4,800) | - | 82,353 | - | - | 397,008 |
| Net loss for the year | - | - | - | - | - | (1,077,391) | (1,077,391) |
| Other comprehensive income | - | - | 27,961 | - | - | - | 27,961 |
| Total comprehensive income | - | - | 27,961 | - | - | (1,077,391) | (1,049,430) |
| Income and expense for the year recognised directly in equity | - | - | - | - | - | - | - |
| As at 31 December 2021 | 24,786,898 | - | (235,723) | 350,464 | 26,710 | (17,268,367) | 7,659,982 |
| Transactions with owners in their capacity as owners of the Company | | | | | | | |
| Share issues | 3,427,377 | - | - | - | - | - | 3,427,377 |
| Equity raising costs | (180,152) | - | - | - | - | - | (180,152) |
| Conversion of performance rights into ordinary shares | 152,000 | - | - | (152,000) | - | - | - |
| Expired options over ordinary shares | - | - | - | (267,951) | - | 267,951 | - |
| Share-based payments | - | - | - | 112,816 | - | - | 112,816 |
| | 3,399,225 | - | - | (307,135) | - | 267,951 | 3,360,041 |
| Net loss for the year | - | - | - | - | - | (1,501,025) | (1,501,025) |
| Other comprehensive income | - | - | (76,388) | - | - | - | (76,388) |
| Total comprehensive income | - | - | (76,388) | - | - | (1,501,025) | (1,577,413) |
| Income and expense for the year recognised directly in equity | - | - | - | - | - | - | - |
| As at 31 December 2022 | 28,186,123 | - | (312,111) | 43,329 | 26,710 | (18,501,441) | 9,442,610 |

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

| | NOTE | 31 DECEMBER | |
|---|------|---------------------------|---------------------------|
| | | 31 DECEMBER 2022 \$ | 31 DECEMBER 2021 \$ |
| Cash flows from/(used) in operating activities | | | |
| Payments to employees and suppliers | | (1,389,045) | (1,123,732) |
| Interest received | | 148 | 78 |
| Net cash flows from/(used) in operating activities | 29 | (1,388,897) | (1,123,654) |
| Cash flows from/(used) in investing activities | | | |
| Payments for exploration and evaluation | | (2,204,458) | (2,998,284) |
| Net cash flows from/(used) in investing activities | | (2,204,458) | (2,998,284) |
| Cash flows from financing activities | | | |
| Proceeds from the issue of shares | | 3,427,377 | - |
| Equity raising costs | | (157,115) | - |
| Exercise of options | | - | 290,621 |
| | | 3,270,262 | 290,621 |
| Net cash flows | | (323,093) | (3,831,317) |
| Cash and cash equivalents as at the start of the financial year | | 1,045,851 | 4,769,912 |
| Exchange fluctuation | | (992) | 107,256 |
| Cash and cash equivalents as at the end of the financial year | 11 | 721,766 | 1,045,851 |
| The accompanying notes form part of these financial statements | | | |

NOTE 1: CORPORATE INFORMATION

The Financial Statements of AKORA Resources Limited and its controlled entities comprising Malagasy Holdings (Tratramarina Pty Ltd and its controlled entity Universal Exploration Madagascar sarl) and Malagasy Holdings (Bekisopa) Pty Ltd and its controlled entity Iron Ore Corporation of Madagascar sarl) for the financial year ended 31 December 2022.

The Financial Statements were authorised for issue in accordance with a resolution of the Board of Directors on 30 March 2023.

The parent entity is an entity incorporated in Australia limited by shares and listed on the Australian Securities Exchange.

The principal activities of the parent entity are exploration for ferrous metals.

NOTE 2(A): BASIS OF PREPARATION AND ACCOUNTING POLICIES

Preparation

This general-purpose financial report has been prepared in accordance with Australian Accounting Standards Board (hereafter referred to as "AASB") standards and other authoritative pronouncements of the AASB and the *Corporations Act 2001*.

The financial report has been prepared on an historical cost basis.

The financial report is presented in Australian dollars.

The Statement of Comprehensive Income for both 2022 and 2021 covers the period 1 January to 31 December in each year.

Statement of compliance

The financial report complies with Australian Accounting Standards as issued by the AASB and International Financial Reporting Standards as issued by the International Accounting Standards Board.

Going concern

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

The consolidated entity incurred a loss for the half year ended 31 December 2022 of \$1,501,025 (2021 loss: \$1,077,391) and incurred cash outflows from operating and investing activities of \$3,593,355 for the year ended 31 December 2022 (2021: cash outflows of \$4,121,938).

The Directors have prepared a cash flow forecast which indicates that the consolidated entity will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report. The Directors believe it is appropriate to prepare these accounts on a going concern basis because of the following factors:

- the Directors have an appropriate plan to raise additional funds as and when they are required.
- the Consolidated Entity has the ability to scale down its operations in order to curtail expenditure, in the event that any capital raisings are delayed or insufficient cash is available to meet projected expenditure; and

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

Should the Consolidated Entity not achieve the matters set out above, there is material uncertainty whether it would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classifications of liabilities that might be necessary should the Entity not be able to continue as a going concern.

Critical accounting estimates

The preparation of the financial report requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial report are disclosed in Note 3.

NOTE 2(B): CAPITAL MANAGEMENT POLICY

The goal of management is to ensure that the Group continues as a going concern whilst simultaneously managing the dilution. The Group seeks to add value through its exploration and evaluation activities so that new issues of shares can be undertaken at a premium to previous issues.

The Group is involved in high-risk exploration and therefore, it looks to raise equity rather than debt or quasi-equity instruments.

NOTE 2(C): PRINCIPLES OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of AKORA Resources Limited and its controlled entities as at and for the period ended 31 December each year (the Group).

Controlled entities are those entities over which the Group has the power to govern the financial and operating policies to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the controlled entities are prepared for the same reporting period as the parent entity, using consistent accounting policies, in preparing and consolidated financial statements, all inter-parent entity balances, transactions, unrealised gains and losses resulting from the intra-group transactions have been eliminated in full.

Controlled entities are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in controlled entities by AKORA Resources Limited are accounted for at cost in the separate financial statements of the parent entity less any impairment charges.

The acquisition of controlled entities is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the entity acquired. The identifiable assets acquired, and the liabilities assumed are measured at their acquisition date fair values.

The difference between the identifiable assets acquired less the liabilities assumed and the fair value of the consideration is goodwill or discount on acquisition.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquired entity are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent entity.

Total comprehensive income within a controlled entity is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a controlled entity that does not result in a loss of control, is accounted for as an equity transaction.

A change in the ownership interest of a controlled entity, without a loss of control, is accounted for as an equity transaction, if the Group loses control over a controlled entity, it:

- (i) Derecognises the assets (including goodwill) and liabilities of the controlled entity;
- (ii) Derecognises the carrying amount of any non-controlling interest;
- (iii) Derecognises the cumulative translation differences recorded in equity;
- (iv) Recognises the fair value of the consideration received;
- (v) Recognises the fair value of any investment retained;
- (vi) Recognises any surplus or deficit in the Statement of Comprehensive Income statement; and
- (vii) Reclassifies the parent entity's share of components previously recognised in other comprehensive income to Statement of Comprehensive Income or retained earnings, as appropriate.

NOTE 2(D): FOREIGN CURRENCY TRANSLATION

The financial report of the Group is presented in Australian dollars, which is the functional and presentation currency of the parent entity. Each entity in the Group determines its own functional currency.

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the reporting date and the income statements for foreign operations are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income.

NOTE 2(E): REVENUE RECOGNITION

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group:

- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price which takes into account estimates of variable consideration and the time value of money;
- allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

NOTE 2(F): INCOME TAX

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

The current tax charge is calculated on the basis of the tax laws acted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial report of the Group. Deferred income tax; however, is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit and loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the financial period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same tax authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

NOTE 2(G): LEASES

The Group has applied AASB 16 Leases to its lease obligations. Under this new standard, the group is required to recognise all right of use assets and lease liabilities, except for short-term (12 months or fewer) and low value leases, on the balance sheet. The lease liability is initially measured at the present value of future lease payments for the lease term. Where a lease contains an extension option, the lease payments for the extension period will be included in the liability if the Group is reasonably certain that it will exercise the option. The liability includes variable lease payments that depend on an index or rate but excludes other variable lease payments. The right of use asset at initial recognition reflects the lease liability, initial direct costs and any lease payments made before the commencement date of the lease less any lease incentives and, where applicable, provision for dismantling and restoration.

The Group has recognised depreciation of right of use assets and interest on lease liabilities in the statement of comprehensive income over the lease term. Separate the total amount of cash paid into a principal portion (presented within financing activities) and interest portion (which the Group presents in operating activities) in the cash flow statement.

The Group has measured the rights to use as if AASB 16 has applied since the commencement date of the lease arrangements and used the incremental borrowing rate at the date of transition. Under this approach the Group has capitalised the rights to use and recorded the present value of obligations to pay as a liability by applying a single incremental borrowing rate with an adjustment to the opening balance of accumulated losses.

The Group has assessed the financial implications of application of AASB 16 Leases and concluded that there is no impact.

NOTE 2(H): IMPAIRMENT OF ASSETS

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each financial period.

NOTE 2(I): CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash at banks and at hand and short-term deposits with an original maturity of three months or less.

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

NOTE 2(J): TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

The amount of impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The amount of the impairment is recognised in Statement of Comprehensive Income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent financial period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in Statement of Comprehensive Income.

NOTE 2(K): INVESTMENTS AND OTHER FINANCIAL ASSETS

Classification

The Group classifies its financial assets in the following categories: financial assets at fair value through Statement of Comprehensive Income, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, re-evaluates this designation at the end of each financial period.

(i) Financial assets at fair value through Statement of Comprehensive Income

Financial assets at fair value through Statement of Comprehensive Income include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the financial period which are classified as non-current assets.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit and loss through the amortisation process and when the financial liability is derecognised.

Re-classification

The Group may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification. Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through Statement of Comprehensive Income. Financial assets carried at fair value through Statement of Comprehensive Income, are initially recognised at fair value and transaction costs are expensed in Statement of Comprehensive Income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to Statement of Comprehensive Income as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Available-for-sale financial assets and financial assets at fair value through Statement of Comprehensive Income are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through Statement of Comprehensive Income' category are presented in Statement of Comprehensive Income within other income or other expenses in the period in which they arise.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in Statement of Comprehensive Income, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

Impairment

The Group assesses at the end of each financial period whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in Statement of Comprehensive Income - is reclassified from equity and recognised in Statement of Comprehensive Income as a reclassification adjustment. Impairment losses recognised in Statement of Comprehensive Income on equity instruments classified as available-for-sale are not reversed through Statement of Comprehensive Income.

If there is evidence of impairment for any of the Group's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in Statement of Comprehensive Income.

NOTE 2(L): PROPERTY, PLANT AND EQUIPMENT

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Computer hardware and software 3 years
- Exploration equipment 5 years
- Motor vehicles 4 years
- Office furniture and fittings 5 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Comprehensive Income. When revalued assets are sold, it is the Group's policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

NOTE 2(M): EXPLORATION AND EVALUATION EXPENDITURE

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method. Once the legal right to explore has been acquired, exploration and evaluation expenditure is charged to Statement of Comprehensive Income as incurred, unless the board of directors conclude that a future economic benefit is more likely to be realised.

Exploration and evaluation expenditure is capitalised provided the rights to tenure of the area of interest are current and either:

- (i) the exploration and evaluation activities are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale;
- (ii) the exploration and evaluation activities in the area of interest have not at the end of a financial period reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or relating to, the area of interest are continuing.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to this reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

Impairment

The carrying amount of capitalised exploration and evaluation expenditure is assessed for impairment at the cash generating unit level whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

Impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in Statement of Comprehensive Income.

NOTE 2(N): TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

NOTE 2(O): PROVISIONS

Provisions for legal claims and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the financial period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

NOTE 2(P): EMPLOYEE BENEFITS

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits. These long-term benefits are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination

benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

NOTE 2(Q): CONTRIBUTED EQUITY

Ordinary shares are classified as equity.

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

If the Group reacquires its own equity instruments, for example, as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in Statement of Comprehensive Income and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

NOTE 2(R): DIVIDENDS

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the financial period.

NOTE 2(S): GOODS AND SERVICES TAX (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

NOTE 2(T): SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting structure provided to the board of directors, the chief operating decision making body, which is responsible for the allocation of resources and performance assessment of the operating segments.

NOTE 2(U): NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2022. New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2021-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework
- AASB 2021-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform
- AASB 2021-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia.

The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Group has not applied the new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective. Based on a preliminary review of the standards and amendments, the Directors do not anticipate a material change to the Group's accounting policies, however further analysis will be performed when the relevant standards are effective.

NOTE 3: SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements is described below.

(i) Functional currency

The functional currency of foreign operations has been determined as Australian dollars. This outcome has resulted from examination of the prevailing facts and circumstances, including the basis on which the entities incur obligations for exploration and evaluation activities and the basis on which the foreign operations are funded.

(ii) Exploration and evaluation expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits are likely from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of a resource, in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code 2012 Edition, is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about the future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

Significant judgement is required in determining whether it is likely that future economic benefits will be derived from the capitalised exploration and evaluation expenditure. In the judgement of the Directors, at 31 December 2022 exploration activities in each area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. Active and significant operations in relation to each area of interest are continuing and nothing has come to the attention of the Directors to indicate future economic benefits will not be achieved. The Directors are continually monitoring the areas of interest and are exploring alternatives for funding the development of areas of interest when economically recoverable reserves are confirmed.

If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely or exploration activities in the area have ceased, the amount capitalised is written off in Statement of Comprehensive Income in the period when the new information becomes available.

NOTE 4: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise of cash and short-term deposits and other financial assets.

The main purpose of these financial instruments is to invest funds raised by the Group until utilised in exploration activities.

The Group has other financial instruments such as current receivables and payables arising from corporate activities.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Chief Financial Officer is responsible for the management of the Group's financial risk. The Chief Financial Officer updates the board of directors regularly on financial risk management measures that he implements.

Risk exposures and responses

Interest rate risk

The Group is exposed to market interest rates on moneys it has deposited with Australian banking institutions in form of short-term deposits.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Chief Financial Officer is responsible for the management of the Group's financial risk in consultation with the board of directors. The Chief Financial Officer updates the board of directors regularly on financial risk management measures that he implements.

| | 31 DECEMBER | |
|---------------------------|-------------|------------|
| | 2022 \$ | 2021 \$ |
| Cash and cash equivalents | 721,766 | 1,045,851 |

At the end of the financial period, the Group had no financial liabilities exposed to variable interest rate risks.

The Group's cash management policy is to invest surplus funds at the best available rate received from Westpac Banking Corporation.

Set out below is a sensitivity analysis of the financial implications of interest rate risk exposure as at the end of the financial year. If interest rates had moved, with all other variables constant, profit after tax and equity would have been:

| | 31 DECEMBER | |
|-------------------------|-------------|------------|
| | 2022 \$ | 2021 \$ |
| Profit after tax | | |
| Higher/(lower) | | |
| +1% (100 basis points) | 9,722 | 31,987 |
| -1% (100 basis points) | (7,954) | (26,171) |
| Equity | | |
| Higher/(lower) | | |
| +1% (100 basis points) | 9,574 | 31,909 |
| -1% (100 basis points) | (8,102) | (26,244) |

The movement in equity is directly linked to the movement in the Statement of Comprehensive Income as the Group does not undertake any interest rate hedging.

Foreign currency risk

The Group incurs US dollar denominated consulting and contracting costs on exploration work programmes and transfers US dollars to Madagascar to extinguish day-to-day country costs. At balance date, the obligations outstanding in US dollars are recorded as payables in the Statement of Financial Position. The Group will continue to incur US dollar financial obligations into the future and the Banque Centrale de Malgache has mandated through its regulatory role to limit the number of foreign currencies in which Malagasy entities can conduct business to Euros and US dollars.

As at 31 December 2022, the Group had US dollar payables of US\$43,099 or A\$63,335 (2021: US\$339,582 or A\$451,872). The Group holds its cash balances equally in Australian and US dollars.

The table below sets out the financial impact of the strengthening or weakening of the Australian dollar against the US dollar on a profit after tax and equity basis as at the end of the financial year, with all other variables constant:

| | 31 DECEMBER | |
|---------------------------|-------------|------------|
| | 2022 \$ | 2021 \$ |
| Profit after tax | | |
| Higher/(lower) | | |
| +5% AUD/USD exchange rate | (1,374) | (6,156) |
| -5% AUD/USD exchange rate | 5,003 | 40,761 |
| Equity | | |
| Higher/(lower) | | |
| +5% AUD/USD exchange rate | (1,374) | (6,156) |
| -5% AUD/USD exchange rate | 5,003 | 40,761 |

NOTE 4: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

Commodity price risk

Presently, the principal activities of the Group are the exploration and evaluation of ferrous-based minerals in Madagascar and, as at the date of this financial report, does not have any commodity price risk exposure from the production of ferrous-based minerals.

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and other receivables. The parent entity invests only in short-term deposits with institutions that have AA /A-1+ with a stable outlook rating. In Madagascar, the Group banks with Banque Malgache de l'Océan Indien, a banking institution controlled by Banque populaire-Caisse d'épargne. BPCE is rated A+/A-1+ with a stable outlook rating. The Group maintains minimal cash balances in its Malagasy controlled entities.

Current receivables are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Concentration risk

The Group does not have any concentration risk.

Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the ability of the Group to meet these obligations as and when they fall due.

The Group does not have any external borrowings; however, the Group will need additional equity funds in order to explore and evaluate its ferrous-based minerals in Madagascar.

The maturity analysis of financial assets and financial liabilities is set out below:

| | 0-30 DAYS | 31-60 DAYS | 61-90 DAYS | 91-180 DAYS | TOTAL |
|------------------------------------|----------------|---------------|---------------|----------------|----------------|
| Year ended 31 December 2022 | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 721,764 | - | - | - | 721,764 |
| Receivables | 16,822 | - | - | - | 16,822 |
| Other current assets | 2,316 | - | - | - | 2,316 |
| | 740,902 | - | - | - | 740,902 |
| Financial liabilities | | | | | |
| Payables | (121,083) | - | - | - | (121,083) |
| Other payables | - | - | - | - | - |
| Net maturity | 619,819 | - | - | - | 619,819 |
| Year ended 31 December 2021 | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | 1,045,851 | - | - | - | 1,045,851 |
| Receivables | 20,933 | - | - | - | 20,933 |
| Other current assets | 2,429 | - | - | - | 2,429 |
| | 1,069,213 | - | - | - | 1,069,213 |
| Financial liabilities | | | | | |
| Payables | (578,075) | - | - | - | (578,075) |
| Other payables | - | - | - | - | - |
| Net maturity | 491,138 | - | - | - | 491,138 |

Fair values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised as amounts that represent a reasonable approximation of fair values unless otherwise stated in the applicable notes.

NOTE 5: SEGMENT REPORTING

The group operates solely in the mineral exploration industry and is focused on iron ore exploration.

The Group has identified two geographical segments – Australia and Madagascar. All corporate activities, equity raising related activities and project management is conducted in Australia whilst all exploration activities are conducted in Madagascar.

| | FINANCIAL YEAR 2022 | | |
|----------------------------|---------------------|------------|-------------|
| | AUSTRALIA | MADAGASCAR | TOTAL |
| Revenue | 148 | - | 148 |
| Segment result | (1,394,736) | (105,297) | (1,500,033) |
| Unallocated costs | | | |
| Exchange fluctuation | | | (992) |
| Listing costs | | | - |
| Net loss after tax | | | (1,501,025) |
| Segment assets | | | |
| Cash and cash equivalents | 677,131 | 44,635 | 721,766 |
| Receivables | 16,822 | - | 16,822 |
| Other | - | 2,316 | 2,316 |
| Fixed assets | - | - | - |
| Exploration and evaluation | - | 8,890,924 | 8,890,924 |
| | 693,953 | 8,937,875 | 9,631,828 |
| Segment liabilities | | | |
| Payables | 121,083 | - | 121,083 |
| Provisions | 68,135 | - | 68,135 |
| | 189,218 | - | 189,218 |
| Net assets | 504,735 | 8,937,875 | 9,442,610 |
| Capital expenditure | | | |
| Exploration and evaluation | - | 1,675,840 | 1,675,840 |
| Impairment | - | - | - |
| | - | 1,675,840 | 1,675,840 |

NOTE 5: SEGMENT REPORTING CONTINUED

| | FINANCIAL YEAR 2021 | | |
|----------------------------|---------------------|------------|-------------|
| | AUSTRALIA | MADAGASCAR | TOTAL |
| Revenue | 78 | - | 78 |
| Segment result | (1,073,485) | (88,818) | (1,162,303) |
| Unallocated costs | | | |
| Exchange fluctuation | | | 107,256 |
| Interest expense | | | (22,344) |
| Listing costs | | | (1,077,391) |
| Net loss after tax | | | |
| Segment assets | | | |
| Cash and cash equivalents | 1,023,320 | 22,531 | 1,045,851 |
| Receivables | 20,933 | - | 20,933 |
| Other | - | 2,429 | 2,429 |
| Fixed assets | 3,084 | 1,728 | 4,812 |
| Exploration and evaluation | - | 7,215,084 | 7,215,084 |
| | 1,047,337 | 7,241,772 | 8,289,109 |
| Segment liabilities | | | |
| Payables | 95,629 | 482,446 | 578,075 |
| Provisions | 36,464 | 14,588 | 51,052 |
| Other | 132,093 | 497,034 | 629,127 |
| | 915,244 | 6,744,738 | 7,659,982 |
| Net assets | | | |
| Capital expenditure | | | |
| Exploration and evaluation | - | 3,445,007 | 3,445,007 |
| Impairment | - | - | - |
| | - | 3,445,007 | 3,445,007 |

NOTE 6: TOTAL REVENUE AND OTHER INCOME

| | 31 DECEMBER | |
|---------------------------------|-------------|------------|
| | 2022 \$ | 2021 \$ |
| Other income | | |
| Interest on short-term deposits | 148 | 78 |

NOTE 7: LISTING COSTS

The Company under-accrued listing costs at balance date 31 December 2020 and accordingly recognised the under-accrual in 2021 of \$22,344.

NOTE 8: INCOME TAX

| | 31 DECEMBER | |
|---|-------------|-------------|
| | 2022 \$ | 2021 \$ |
| Accounting profit/(loss) | (1,501,025) | (1,077,391) |
| At the statutory income tax rate applicable to the Company 27.5% (2021: 27.5%) | 412,782 | 296,283 |
| Tax losses for the current year for which no deferred tax asset is recognised | (315,668) | (194,257) |
| Depreciation | (1,328) | (1,510) |
| Exchange fluctuation | (273) | 29,495 |
| Listing costs | (46,039) | (46,039) |
| Non-deductible expenditure | - | (43,147) |
| Provisions | (4,656) | (9,241) |
| Share-based payments | (31,068) | (22,647) |
| Other | (13,750) | (8,937) |
| Income tax (expense)/benefit | - | - |

Deferred tax assets are recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable taxable profits will be available against which the unused tax losses/credits can be utilised.

NOTE 8: INCOME TAX CONTINUED

| | 31 DECEMBER | |
|---|-------------|-------------|
| | 2022 \$ | 2021 \$ |
| Deferred tax assets | | |
| Tax losses | 1,152,711 | 706,388 |
| Provisions and accruals | 66,931 | 66,103 |
| Other | 173,236 | 304,900 |
| | 1,392,878 | 1,077,391 |
| Set-off deferred tax liabilities | - | - |
| Net deferred tax assets | 1,392,878 | 1,077,391 |
| less Deferred tax assets not recognised | (1,392,878) | (1,077,391) |
| Net tax assets | - | - |
| Deferred tax liabilities | | |
| Exploration expenditure | - | - |
| Set-off deferred tax assets | - | - |
| net deferred tax liabilities | - | - |
| Tax losses | | |
| The tax-effect of unused tax losses for which no deferred tax asset has been recognised that may be utilised to offset tax liabilities: | | |
| Revenue losses | 2,151,114 | 1,834,119 |
| Capital losses | 759,678 | 759,678 |
| | 2,910,792 | 2,593,797 |

The Group reviewed its tax losses in Madagascar and noted that there is a likelihood that exploration and evaluation expenditures under a Research Permit may not be recoverable.

NOTE 9: LOSS PER SHARE

| | 31 DECEMBER | |
|---|-------------|-------------|
| | 2022 \$ | 2021 \$ |
| Loss from continuing operations for the year | (1,501,025) | (1,077,391) |
| Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS | 68,786,195 | 60,885,523 |
| Basic and diluted loss per share (cents per share) | (2.18) | (1.77) |

As at 31 December 2022 the Group has 1,950,000 unissued shares under options (December 2021: 10,837,016) on issue. The Group does not report diluted earnings per share on losses generated by the Group. During the year, the Group's unissued shares under option were anti-dilutive.

NOTE 10: DIVIDENDS PAID AND PROPOSED

No dividends were paid during the financial year and no dividend is proposed to be paid as at the end of the financial year, 31 December 2022.

NOTE 11: CASH AND CASH EQUIVALENTS

| | 31 DECEMBER | |
|--------------|-------------|------------|
| | 2022 \$ | 2021 \$ |
| Cash in hand | - | 36 |
| Cash at bank | 721,766 | 1,045,815 |
| | 721,766 | 1,045,851 |

NOTE 12: RECEIVABLES-CURRENT

| | 31 DECEMBER | |
|-------------------|-------------|------------|
| | 2022 \$ | 2021 \$ |
| GST input credits | 16,822 | 20,933 |

Receivables are non-interest bearing and are generally on 30 to 90-day terms.

NOTE 13: OTHER CURRENT ASSETS

| | 31 DECEMBER | |
|-------|-------------|------------|
| | 2022 \$ | 2021 \$ |
| Bonds | 2,316 | 2,429 |

NOTE 14: EXPLORATION AND EVALUATION

| | 31 DECEMBER | |
|--|-------------|------------|
| | 2022 \$ | 2021 \$ |
| At start of financial year | 7,215,084 | 3,770,077 |
| Additions | 1,732,875 | 3,420,263 |
| Exchange fluctuation | (57,035) | 24,744 |
| At end of financial year | 8,890,924 | 7,215,084 |
| The carrying value of exploration and evaluation expenditure at balance date is represented by the following projects: | | |
| Ambodilafa | 1,919,496 | 1,922,241 |
| Bekisopa | 6,411,376 | 4,757,558 |
| Tratramarina | 560,052 | 535,285 |
| | 8,890,924 | 7,215,084 |

Ambodilafa Farm-in Agreement

On 22 August 2012, the Company entered into a Farm-in Agreement with Jubilee Platinum plc which entitled the Company to earn a 90% interest in commodities other than platinum group elements, London Metal exchange traded metals and chrome.

Under the Farm-in Agreement, the Company will earn its interest in the commodities in three stages:

- Stage 1 US\$1.0 million expenditure 51%
- Stage 2 US\$1.0 million expenditure (cumulative) 81%
- Stage 3 US\$1.0 million expenditure (cumulative) 90%

The Company is required to give notice to Jubilee each time it has expended US\$1.0 million under the Farm-in Agreement. Jubilee has 30 days from the date of notice to inform the Company whether it wishes to take the unearned interest available to it through jointly funding all future work programmes. If Jubilee does not elect to take the unearned interest, the Company has automatic rights to move the next stage and earn additional interest in the commodities. Under the Farm-in Agreement the Company will have sole and exclusive rights to explore the Ambodilafa tenements in each stage.

NOTE 14: EXPLORATION AND EVALUATION CONTINUED

Where the Company has earned a 90% interest in the commodities and Jubilee does not elect to take up the unearned interest, the Company has a right to buy-out the unearned interest for \$1.5 million through either shares or cash or a royalty or a combination of these methods.

As at balance date, 31 December 2022 the Company had earned an 90% equity interest in the Ambodilafa tenements. The Company has advised Jubilee that it would elect to buy-out the residual interest by way of a royalty; however, as at the date of this report the Company and Jubilee have not formalised this arrangement.

In October 2017, the Ministry of Mines lifted the moratorium on the renewal, transfer and transformation of existing tenements; however, the progress in addressing the backlog has been slow. Malagasy counsel for the Company has concluded that the renewal and transformation applications submitted to the BCMM for permits held by the Company and confirmed that in each case the application was made in a form, which was acceptable to the BCMM and is deemed to hold beneficial title to these tenements. Accordingly, Malagasy counsel see no evidence, which would suggest that the Ministry of Mines would withhold its approval in respect of the renewal of the permits concerned and at this point in time the company has access to these tenements.

The BCMM advised tenement holders that it would not cancel any tenements that renewal fees became in arrears as a result of the failure of the government to grant, renew or transform tenements. The decision by the Company was consistent with other miners and explorers who have demanded the government address the shortcomings of previous administrations. On 31 December 2022 and 5 January 2022, the Company paid all outstanding annual administration fees (frais d'administration annuel) for the years 2021 and 2022.

The Company has sighted BCMM approved renewals and transformation of its tenements. The documents are now awaiting ministerial seal which is expected during the course of 2023. All administration fees levied on the tenements held by the Group's Malagasy entities have been, in full, up to and including 31 December 2022.

The value of the Group's exploration and evaluation expenditure is dependent on the ability of the Company to obtain further funding to enable it to:

- continue exploration in the areas of interest;
- meet tenement renewal payments to continue to satisfy rights to tenure; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively by their sale.

NOTE 15: PROPERTY PLANT AND EQUIPMENT

| | 31 DECEMBER | |
|--------------------------|-------------|------------|
| | 2022 \$ | 2021 \$ |
| Cost | | |
| Opening balance | 15,062 | 14,992 |
| Additions | - | - |
| Exchange fluctuation | (204) | 70 |
| Closing balance | 14,858 | 15,062 |
| Accumulated depreciation | | |
| Opening balance | 10,250 | 4,800 |
| Depreciation | 4,829 | 5,490 |
| Exchange fluctuation | (221) | (40) |
| Closing balance | 14,858 | 10,250 |
| Net carrying value | - | 4,812 |

NOTE 16: PAYABLES-CURRENT

| | 31 DECEMBER | |
|----------------|-------------|------------|
| | 2022 \$ | 2021 \$ |
| Trade payables | 86,083 | 545,575 |
| Other payables | 35,000 | 32,500 |
| | 121,083 | 578,075 |

Trade payables are non-interest bearing and are normally settled on 30-day terms. Other payables are also non-interest bearing and have an average term of 30 days.

Due to the short-term nature of these payables, the carrying amounts recorded in the financial statements for trade payables.

NOTE 17: PROVISIONS-CURRENT

| | 31 DECEMBER | |
|--------------|-------------|------------|
| | 2022 \$ | 2021 \$ |
| Annual leave | 68,135 | 51,062 |

NOTE 18: CAPITAL**(a) Equity**

| | NUMBER | \$ |
|--|------------|------------|
| At 31 December 2020 | 60,051,982 | 24,467,443 |
| Exercise of options by IPO subscribers | 984,737 | 295,421 |
| Equity raising (costs)/reclassification | - | 24,034 |
| | 984,737 | 319,455 |
| At 31 December 2021 | 61,036,719 | 24,786,898 |
| Exercise of options IPO Subscribers | 686,998 | 206,100 |
| Share Placement Tranche 1 | 7,922,115 | 2,535,077 |
| Share Placement Tranche 2 | 2,144,375 | 686,200 |
| Conversion of performance rights into fully paid ordinary shares on achievement of milestone | 400,000 | 152,000 |
| | 11,153,488 | 3,579,377 |
| Equity raising costs | - | (180,152) |
| | 11,153,488 | 3,399,225 |
| At 31 December 2022 | 72,190,207 | 28,186,123 |

Ordinary shares

Ordinary shares have the rights to receive dividends as declared and, in the event of winding up, participate in the proceeds from the sale of all surplus assets in proportion to the number of, and amounts paid up on, the shares held.

Each fully paid ordinary share carries one vote.

Ordinary shares issued to shareholders since incorporation have had no par value.

NOTE 18: CAPITAL CONTINUED**(b) Options**

The total number of options over ordinary shares on issue at balance date:

| | 31 DECEMBER | |
|--|-------------|-------------|
| | 2022 NO. | 2021 NO. |
| Unlisted options over ordinary shares | | |
| Exercisable | - | 8,592,266 |
| ESOP (subject to milestone achievements) | 1,950,000 | - |
| Escrow | - | 2,244,750 |
| Closing balance | 1,950,000 | 10,837,016 |

(c) Capital management**(i) Capital management policy**

The objectives of the board of directors when managing capital is to ensure that the Group can fund its exploration and corporate activities as a going concern in order to benefit stakeholders.

The business of the Group is an early, stage mineral exploration. As a consequence, the Group does not have access to credit facilities and therefore, its primary source of funding is equity raisings. The capital risk management for the Group is to ensure it has sufficient working capital in order to ensure its exploration tenements obligations in Madagascar can be extinguished as and when required and ensure its corporate obligations are minimised.

(ii) Working capital position

The working capital position of the group as at 31 December 2022 and 31 December 2021 was as follows:

| | 31 DECEMBER | |
|-----------------------------|-------------|------------|
| | 2022 \$ | 2021 \$ |
| Cash and cash equivalents | 721,766 | 1,045,851 |
| Trade and other receivables | 16,822 | 20,933 |
| Financial assets | 2,316 | 2,429 |
| Trade and other payables | (121,083) | (578,075) |
| Provisions | (68,135) | (51,052) |
| | 551,686 | 440,086 |

(iii) Current assets to current liabilities ratio

The current assets to current liabilities as at 31 December 2022 and 31 December 2021 was as follows:

| | 31 DECEMBER | |
|------------------------------------|-------------|------------|
| | 2022 \$ | 2021 \$ |
| Current assets | 740,904 | 1,069,248 |
| Current liabilities | 189,218 | 629,127 |
| Current assets:current liabilities | 3.92 | 1.7 |

NOTE 19: OTHER CONTRIBUTED EQUITY

| | 31 DECEMBER | |
|--|-------------|------------|
| | 2022 \$ | 2021 \$ |
| Opening balance | - | 4,800 |
| Proceeds for share issue received in advance | - | - |
| Transfer to share capital | - | (4,800) |
| Closing balance | - | - |

Other contributed equity relates to monies received from investors for shares have not been issued as at balance date.

NOTE 20: TRANSLATION RESERVE

| | 31 DECEMBER | |
|---|-------------|------------|
| | 2022 \$ | 2021 \$ |
| Opening balance at start of financial year | (235,723) | (263,684) |
| Translation of foreign currency financial statements into the functional currency | (76,388) | 27,961 |
| Closing balance at end of financial year | (312,111) | (235,723) |

NOTE 21: SHARE-BASED PAYMENTS

(a) Total number of options on issue

The number of options outstanding as at 31 December 2022 as are follows:

| GRANT DATE | EXPIRY DATE | EXERCISE PRICE | OPTION NUMBER |
|-------------|-------------------------|----------------|---------------|
| 17 May 2022 | 17 May 2026 (Tranche 1) | \$0.4500 | 650,000 |
| 17 May 2022 | 17 May 2026 (Tranche 2) | \$0.5500 | 650,000 |
| 17 May 2022 | 17 May 2026 (Tranche 3) | \$0.6500 | 650,000 |
| | | | 1,950,000 |

(b) Share-based payments reserve

Options

| | 31 DECEMBER | |
|--|-------------|------------|
| | 2022 \$ | 2021 \$ |
| Opening balance at start of the financial year | 268,111 | 268,111 |
| Fair value of ESOP granted to Management | 43,329 | - |
| Transfer from Share-based payments Reserve options over ordinary shares that expired | (268,111) | - |
| Closing balance at end of financial year | 43,329 | 268,111 |

On 17 May 2022, shareholders approved the granted of 1,950,000 options over ordinary shares to Executive Directors of the Company divided into three tranches of 650,000 options over ordinary shares at various exercise prices.

1,950,000 options over ordinary shares will vest over a three year period commencing 17 May 2023 and expiry four years after the date of grant by shareholders.

Pursuant to a Letter of Engagement with Harbury Advisors Pty Ltd, the Company granted Harbury 2,244,750 options over ordinary shares with an exercise price of 30 cents per option over ordinary share and an expiry date two years from the date of the completion of the IPO raising.

The options over ordinary shares granted to Harbury Advisors Pty Ltd expired on 7 December 2022 without being exercised.

The fair value of the options over ordinary shares granted to Executive Directors have been valued using a Black-Scholes methodology:

| | 31 DECEMBER | |
|--------------------------------------|---------------|------------|
| | 2022 \$ | 2021 \$ |
| Exercise price (cents) | 45-65 | - |
| Term | 5 years | - |
| Share price at date of grant (cents) | 22 | - |
| Risk-free rate | 3.38% | - |
| Volatility | 100% | - |
| Model used | Black-Scholes | - |
| Value per share (cents) | 10.68 | - |
| Number of options | 1,950,000 | - |
| Total value/\$ | 208,282 | - |

NOTE 21: SHARE-BASED PAYMENTS CONTINUED

The weighted average remaining contractual life for the options over ordinary shares outstanding as at 31 December 2022 was 3.38 years (2021: 0.94 years)

The weighted average fair value of options over ordinary shares granted during the financial year was 10.68 cents (2021: 11.94 cents).

The following table sets out the number and weighted average exercise prices of, and movements in, options over ordinary shares during the financial year.

| | 31 DECEMBER 2022 | | 31 DECEMBER 2021 | |
|-----------------|----------------------|------------------------------|----------------------|------------------------------|
| | NUMBER OF OPTIONS | WEIGHTED AVERAGE PRICE | NUMBER OF OPTIONS | WEIGHTED AVERAGE PRICE |
| Opening balance | 2,244,750 | 0.1194 | 2,244,750 | 0.1194 |
| Options: | | | | |
| Granted | 1,950,000 | 0.1068 | - | - |
| Cancelled | - | - | - | - |
| Expired | (2,244,750) | (0.1194) | - | - |
| Closing balance | 1,950,000 | 0.1068 | 2,244,750 | 0.1194 |

The Group has not issued any options over ordinary shares to employees.

Performance rights

| | 31 DECEMBER | |
|---|-------------|------------|
| | 2022 \$ | 2021 \$ |
| Opening balance at start of the financial year | 82,353 | - |
| Fair value of performance rights awarded to Chairman pursuant to terms and conditions | 69,647 | 82,353 |
| Conversion of performance rights during the year | (152,000) | - |
| Closing balance at end of financial year | - | 82,353 |

MH Stirzaker

On 13 April 2021, shareholders approved the award 400,000 performance rights to Mr MH Stirzaker the award milestone being the continuation of employment as a director of the Company for 2 years from the date of execution of the Letter of Appointment, 20 August 2020.

On 4 September 2022, the Company converted the performance rights into fully paid ordinary shares at a fair value of 32 cents per fully paid ordinary share.

NOTE 22: OTHER RESERVES

| | 31 DECEMBER | |
|--|-------------|------------|
| | 2022 \$ | 2021 \$ |
| Opening balance at start of financial year | 26,710 | 26,710 |
| Transaction with non-controlling interest | - | - |
| Closing balance at end of the financial year | 26,710 | 26,710 |

On 25 July 2020, the Company completed negotiations for the acquisition of the 25% equity interest held by Cline Mining Corporation, an entity incorporated under the laws of the Commonwealth of British Columbia, of Iron Ore Corporation of Madagascar sarl, an entity incorporated in the Republic of Madagascar.

Pursuant to the Shareholders Agreement, the Group is required to fund all expenditures by way of loans to Iron Ore Corporation Of Madagascar sarl until the payment of the Second Instalment set out in the Share Sale and Purchase Agreement and assign 25% of the loans made to Cline Mining Corporation.

Following the payment of the Second Instalment, both shareholders of IOCM must fund their share of expenditure by way of interest-free loans in proportion to their respective interests in the uncertificated shares of IOCM. The Group extinguished its obligation to pay the Second Instalment on 13 December 2019 and accordingly, Cline is required to fund its share of expenditure from 1 January 2020.

Under the Shareholders Agreement if a party fails to fund its share of the Cash Call made by IOCM to fund its expenditure, the non-defaulting shareholder can serve a Notice of Default on the defaulting shareholder and, if the defaulting does not rectify its default within 60 days, the non-defaulting share is entitled to exercise its right to dilute the defaulting shareholder by 50% of each default. Where the defaulting shareholder's equity interest falls below 5%, the defaulting shareholder is required to assign its equity interest and its shareholder loans to the non-defaulting shareholder for zero consideration and accordingly, will have no rights to any assets or obligation for any liabilities in IOCM.

Cline had informed the Company that it was not in a position to fund its share of Cash Calls made by IOCM in accordance with the Shareholders Agreement on 13 December 2019 which meant that the Company was continued to fund expenditure for and on behalf of Cline through to completion of the negotiation for the acquisition of the 25% equity interest in IOCM.

| | FAIR VALUE |
|--|------------|
| | \$ |
| Fair value of shares issued to Cline for acquisition of 25% equity interest in IOCM | 108,108 |
| Share capital | 2,552 |
| Reserves | 62,893 |
| Accumulated losses | (68,091) |
| | (2,646) |
| Loans contributed by the Company and assigned to Cline pursuant to Share sale and Purchase Agreement | 137,464 |
| Carrying value of non-controlling interest | 134,818 |
| Reserve recognised on transaction with non-controlling interest | (26,710) |

NOTE 23: ACCUMULATED LOSSES

| | 31 DECEMBER | |
|---|--------------|--------------|
| | 2022 \$ | 2021 \$ |
| Balance at start of the financial year | (17,268,367) | (16,190,976) |
| Net loss for the year | (1,501,025) | (1,077,391) |
| Transfer to accumulated losses share-based payments relating to options over ordinary shares that expired | 267,951 | - |
| Balance at end of the financial year | (18,501,441) | (17,268,367) |

NOTE 24: LIST OF CONTROLLED ENTITIES

The financial statements include the financial statements of the parent entity and the controlled entities listed in the following table:

| NAME | COUNTRY OF INCORPORATION | % EQUITY INTEREST | |
|---|--------------------------|-------------------|------|
| | | 2022 | 2021 |
| Malagasy Holdings (Bekisopa) Pty Limited | Australia | 100 | 100 |
| - Iron Ore Corporation of Madagascar sarl | Madagascar | 100 | 100 |
| Malagasy Holdings (Tratamarina) Pty Limited | Australia | 100 | 100 |
| - Universal Exploration Madagascar sarl | Madagascar | 100 | 100 |

NOTE 25: EXPLORATION COMMITMENTS

| | 31 DECEMBER | |
|--|-------------|------------|
| | 2022 \$ | 2021 \$ |
| Exploration annual administration fees | 425,000 | 400,000 |
| Payable: | | |
| no later than 1 year | 85,000 | 80,000 |
| between 1 year and 5 years | 340,000 | 320,000 |
| greater than 5 years | - | - |
| | 425,000 | 400,000 |

Exploration and evaluation expenditure commitments

Under 99-022 Mining Code (portant Code minier), the Group does not have any expenditure commitments on its tenements other than the annual renewal fees (*frais d'administration annuel*) which are payable to the Madagascar Mining Cadastre Bureau (*Bureau du Cadastre Minier de Madagascar*).

The annual renewal fees for Ambodilafa tenements, held by Mineral Resources of Madagascar sarl, an entity controlled by Jubilee Platinum plc, are approximately \$15,000 for the 2022 renewal period. Mineral Resources of Madagascar sarl is the entity through which the Company has earned its 90% equity interest in the Commodities discovered on the Ambodilafa tenements. The Company also holds reversal rights whereby it can earn up to 49% of LME Commodities discovered on the Ambodilafa tenements through contributing to expenditure.

NOTE 26: FINANCIAL OBLIGATIONS OF THE COMPANY AND ITS CONTROLLED ENTITIES

The Company

Ambodilafa tenements

On 22 August 2012, the Company entered into a Farm-in Agreement with Jubilee Platinum plc which entitled the Company to earn a 90% interest in commodities other than platinum group elements, London Metal exchange traded metals and chrome.

Under the Farm-in Agreement, the Company will earn its interest in the commodities in three stages:

| | |
|--|-----|
| • Stage 1 US\$1.0 million expenditure | 51% |
| • Stage 2 US\$1.0 million expenditure (cumulative) | 81% |
| • Stage 3 US\$1.0 million expenditure (cumulative) | 90% |

The Company is required to give notice to Jubilee each time it has expended US\$1.0 million under the Farm-in Agreement. Jubilee has 30 days from the date of notice to inform the Company whether it wishes to take the unearned interest available to it through jointly funding all future work programmes. If Jubilee does not elect to take the unearned interest, the Company has automatic rights to move the next stage and earn additional interest in the commodities. Under the Farm-in Agreement the Company will have sole and exclusive rights to explore the Ambodilafa tenements in each stage.

Where the Company has earned a 90% interest in the commodities and Jubilee does not elect to take up the unearned interest, the Company has a right to buy-out the unearned interest for \$1.5 million through either shares or cash or a royalty or a combination of these methods.

As at balance date, 31 December 2022 the Company had earned an 90% equity interest in the Ambodilafa tenements. The Company has advised Jubilee that it would elect to buy-out the residual interest by way of a royalty; however, as at the date of this report the Company and Jubilee have not formalised this arrangement.

Bekisopa tenements

On 16 June 2014, the Company acquired Iron Ore Corporation of Madagascar sarl pursuant to a Share Sale and Purchase Agreement and the simultaneous execution of a Shareholders Agreement with Cline Mining Corporation. Under the terms and conditions of the Share Sale and Purchase Agreement, the Company paid Cline US\$25,000 on execution of the above-mentioned agreement and agreed to pay, on 17 June 2014, a further US\$175,000. In addition, the Company agreed to pay outstanding annual administration fee (frais d'administration annuel) to the Bureau of Cadastre Mines of Madagascar (Bureau du Cadastre Minier de Madagascar or BCM) as well as settling outstanding liabilities in Madagascar.

On 27 October 2016, the Company renegotiated its obligations (principal excluding interest and penalties) due to Cline Mining Corporation for the Bekisopa DSO project. Under the revised terms the Company has move its outstanding obligations from June 2017 to June 2018 on the issue of US\$50,000 in shares in the Company on its listing and an option to extend the outstanding obligation to December 2018 for a further US\$25,000 in shares.

On 13 December 2019, the Company extinguished its obligation to Cline under the Share Sale and Purchase Agreement with the payment of A\$253,478. Further, on 25 July 2020 the Company agreed with Cline to acquire its remaining 25% equity interest in IOCM as well as convert its rights to fully paid ordinary shares under the Deeds of Variation at a price of 2.5 cents per fully paid ordinary shares.

Universal Exploration Madagascar sarl

On 23 June 2011, Universal Exploration Madagascar sarl (UEM) acquired two Reserved Licences for Small Mining Developers (du Permis Reserve Aux Petits Exploitants ou Permis) prospective for magnetite (the Tratramarina West tenements) by paying US\$200,000 and agreeing to pay, on the election of UEM, US\$250,000 (First Option) and US\$350,000 (Second Option) in 2012 and 2013, respectively, if UEM sarl elects to continue to explore and expend monies on the permits. In addition, if Universal Exploration Madagascar sarl undertakes a Mine Development that incorporates magnetite ore sourced from the Tratramarina West tenements, a royalty of 0.35% will be paid on the net sales revenue generated on magnetite concentrate produced from the Tratramarina West prospects. The Tratramarina West tenements are adjacent to the Tratramarina East.

The parent entity exercised the First Option during the course of the financial year and exercised the Second Option on 26 February 2013.

Following the exercise of the Second Option, the outstanding obligation of UEM under the Mining Permit Sale Agreement is a royalty equal to 0.35% of net sales revenue.

NOTE 27: EVENTS AFTER BALANCE DATE

On 23 March 2023, the Company released on the ASX platform the results from its infill drilling programme conducted at the Bekisopa project and specifically the Southern Zone. The Company completed 86 drill holes as part of the infill drilling programme with every drill hole intercepting iron mineralisation. 72 drill holes intercepted high-grade iron mineralisation within the weathered zone and at surface with the final assays clearly indicating the intercepts have the potential for DSO lump and fines products. The goal of the infill drilling programme was to increase both the size and the confidence in the Mineral Resource.

The highest intercepts are set out below:

| DRILL HOLE NUMBER | INTERCEPT FROM SURFACE (M) | WEIGHTED % IRON |
|-------------------|----------------------------|-----------------|
| BEKD090 | 9.80 | 66.27 |
| BEKD092 | 11.20 | 66.05 |
| BEKD132 | 11.59 | 66.00 |
| BEKD091 | 9.72 | 65.25 |
| BEKD081 | 9.10 | 65.10 |

NOTE 28: RELATED PARTY DISCLOSURE

Directors

The directors of the parent entity during the financial year and the prior period were:

PG Bibby

JM Madden

MH Stirzaker

NOTE 29: CASH FLOW STATEMENT RECONCILIATION

| | 31 DECEMBER | |
|---|-------------|-------------|
| | 2022 \$ | 2021 \$ |
| Net loss after tax | (1,501,025) | (1,077,391) |
| <i>Adjusted for:</i> | | |
| Depreciation | 4,829 | 5,490 |
| Exchange fluctuation | 992 | (107,256) |
| Provisions | 16,931 | 33,603 |
| Share-based payments | 112,816 | 82,353 |
| <i>Changes in other current assets and current liabilities:</i> | | |
| Current assets | | |
| Receivables | 4,111 | 10,592 |
| Other | - | (102) |
| Current liabilities | | |
| Payables | (27,551) | (70,943) |
| | (1,388,897) | (1,123,654) |

NOTE 30: KEY MANAGEMENT PERSONNEL

Details of key management personnel

Chief Executive officer and Managing Director

PG Bibby

Chief Financial Officer and Company Secretary

JM Madden

Non-executive directors

MH Stirzaker

SL Fabian (resigned 31 October 2021)

Compensation of key management personnel

Compensation paid to key management personnel is as follows:

| | 31 DECEMBER | |
|------------------------------|-------------|------------|
| | 2022 \$ | 2021 \$ |
| Short-term employee benefits | 507,802 | 502,850 |
| Post-employment benefits | 64,022 | 45,900 |
| Other long-term benefits | - | - |
| Equity based payments | 112,816 | 54,762 |
| | 684,640 | 603,512 |

There were no other transactions with Key Management Personnel or their related parties as 31 December 2021 and 2022. The Group has reclassified part of the remuneration paid to the Managing Director as exploration and evaluation expenditure.

NOTE 31: PARENT ENTITY

The following table sets out selective financial information relating to AKORA Resources Limited the parent entity of the Group:

| | 31 DECEMBER | |
|-----------------------------------|--------------|--------------|
| | 2022 \$ | 2021 \$ |
| Current assets | 694,145 | 1,044,312 |
| Financial assets | 8,937,683 | 7,227,928 |
| Total assets | 9,631,828 | 8,272,240 |
| Current liabilities | 189,218 | 612,258 |
| Non-current liabilities | - | - |
| Total liabilities | 189,218 | 612,258 |
| Net assets | 9,442,610 | 7,659,982 |
| Issued and paid-up capital | 28,186,123 | 24,786,897 |
| Other contributed equity | | |
| Reserves | 43,329 | 322,873 |
| Accumulated losses | (18,786,842) | (17,795,797) |
| Financial assets | | |
| Shares in controlled entities | 1,046,112 | 1,046,112 |
| Loans to controlled entities | 7,891,571 | 6,181,816 |
| Carrying value | 8,937,683 | 7,227,928 |
| Financial performance | | |
| Loss for year | (1,395,731) | (994,939) |
| Other comprehensive income/(loss) | - | - |
| Total comprehensive loss | (1,395,731) | (994,939) |

NOTE 32: AUDITOR'S REMUNERATION

| | 31 DECEMBER | |
|--|-------------|------------|
| | 2022 \$ | 2021 \$ |
| Amounts paid or due for payable to Hall Chadwick | | |
| Audit or review of the financial report | 35,000 | 32,500 |
| Half-year review | 22,000 | 17,500 |
| | 57,000 | 50,000 |

NOTE 33: CONTINGENT LIABILITIES

The Company has no contingent liabilities, other than that disclosed in Note 26.

NOTE 34: COMPANY DETAILS

The registered office and principal place of the Company is:

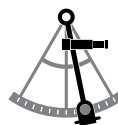
211 Mcllwraith Street, Princes Hill, Victoria Australia

Telephone: +61 (0)3 9381 0859

Website: www.akoravy.com

E-mail: info@akoravy.com

Directors' Declaration



AKORA

Resources Limited

ACN 139 847 555

In accordance with a resolution of the board of directors of AKORA Resources Limited, I state that:

In the opinion of the board of directors:

- (a) financial statements, the accompanying notes to the financial statements and the additional disclosures set out in the Directors' Report are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2022 and of their performance for the period ended on that date; and
 - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and *Corporations Regulations 2001*;
- (b) the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board, as disclosed in Note 2(a); and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed on behalf of the Board of Directors

MH Stirzaker

Chairman

30 March 2023

211 Mcllwraith Street North Carlton Victoria, Australia 3054
p: +61 3 9381 0859 e: info@akoravvy.com

Independent Auditor's Report

HALL CHADWICK 

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Akora Resources Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).

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 Consolidated Entity 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.

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Material Uncertainty Related to Going Concern

We draw attention to Note 2(a) in the financial report which indicates that the Consolidated Entity incurred a net loss of \$1,501,025 during the year ended 31 December 2022. As stated in Note 2(a), these events or conditions, along with other matters as set forth in Note 2(a), indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Key Audit Matters

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

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|--|---|
| <p>Exploration and evaluation</p> <p>As at balance date the Consolidated Entity had an exploration balance of \$8,890,924.</p> <p>Exploration and evaluation is a key audit matter due to:</p> <ul style="list-style-type: none"> The significance of the balance to the Consolidated Entity's financial position. The level of judgement required in evaluating management's application of the requirements of <i>AASB 6 Exploration for and Evaluation of Mineral Resources</i> ("AASB 6"). AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset. The assessment of impairment of exploration and evaluation expenditure being inherently difficult. | <p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the consolidated entity holds an interest and the exploration programmes planned for those tenements. For each area of interest, we assessed the Consolidated Entity's rights to tenure by corroborating to government registries and evaluating agreements in place with other parties as applicable; We tested the exploration and evaluation expenditure incurred during the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB 6; We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets. We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure: |

HALL CHADWICK

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|------------------|---|
| | <ul style="list-style-type: none"> - the licenses for the right to explore expiring in the near future or are not expected to be renewed; - substantive expenditure for further exploration in the specific area is neither budgeted or planned - decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and - data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale. <ul style="list-style-type: none"> • We assessed the appropriateness of the related disclosures in Note 14 to the financial statements. |

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 31 December 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 Note 2(a), the directors also state in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity'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 Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity 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.

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

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

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2022. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.



Auditor's Opinion

In our opinion, the Remuneration Report of Akora Resources Limited, for the year ended 31 December 2022, complies with section 300A of the Corporations Act 2001.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated in Perth, Western Australia this 30th day of March 2023

ASX Information

DISTRIBUTION OF SHAREHOLDINGS AS AT 27 MARCH 2023

| RANGE | SECURITIES | % |
|------------------|------------|---------|
| 1 – 1,000 | 6,272 | 0.01% |
| 1,001 – 5,000 | 467,737 | 0.65% |
| 5,001 – 10,000 | 749,233 | 1.04% |
| 10,001 – 100,000 | 10,705,327 | 14.83% |
| 100,001 and over | 60,261,641 | 83.48% |
| Rounding Total | 72,190,210 | 100.00% |

UNMARKETABLE PARCELS

| | MINIMUM PARCEL | UNITS | HOLDERS |
|------------------------------------|-------------------|---------|---------|
| Unmarketable Parcels @ 19 cents | 2,631 | 134,182 | 95 |

VOTING RIGHTS

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

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

COMPANY SECRETARY

The name of the Company Secretary is John Madden.

PRINCIPAL REGISTERED OFFICE

As disclosed in Note 34 Company Details of the Annual Report.

Registers of securities are held at the following address

Link Market Services
Tower 4, 727 Collins Street
Melbourne Victoria Australia 6000

Telephone 1300 554 474

TOP TWENTY SHAREHOLDERS AS AT 27 MARCH 2023

| RANK | NAME | SHARES | % |
|--|---|-------------------|----------------|
| 1 | CITICORP NOMINEES PTY LIMITED | 7,327,579 | 10.15% |
| 2 | MR NICHOLAS JOHN AXAM | 4,667,698 | 6.47% |
| 3 | TRAVIS ANDERSON | 3,473,855 | 4.81% |
| 4 | JOHN CHARLES TUMAZOS | 3,353,486 | 4.65% |
| 5 | HSBC GLOBAL CUSTODY NOMINEES UK LIMITED | 2,732,743 | 3.79% |
| 6 | JORDAN EQUITIES PTY LTD | 1,990,000 | 2.76% |
| 7 | EVANACHAN LIMITED | 1,811,628 | 2.51% |
| 8 | PAUL GERARD BIBBY | 1,584,758 | 2.20% |
| 9 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 1,366,167 | 1.89% |
| 10 | ALAFACI NOMINEES PTY LTD | 1,142,857 | 1.58% |
| 11 | MRS SONIA SHARMA | 1,107,069 | 1.53% |
| 12 | DALESAM PTY LTD | 1,010,000 | 1.40% |
| 13 | CLINE MINING CORPORATION | 981,492 | 1.36% |
| 14 | MA BAYRAM LLAMAS & EL GARCIA BAYRAM | 926,500 | 1.28% |
| 15 | DAVID YONAN | 900,000 | 1.25% |
| 16 | STEPHEN LESLIE FABIAN | 893,636 | 1.24% |
| 17 | MR MICHAEL FRANCIS & MRS MARYANNE FRANCIS | 830,000 | 1.15% |
| 18 | INTERCONTINENTAL PTY LIMITED | 762,500 | 1.06% |
| 19 | CAITHNESS RESOURCES PTY LTD | 708,260 | 0.98% |
| 20 | RUSSELL NEIL CREAGH | 679,999 | 0.94% |
| Top 20 Shareholders | | 38,250,227 | 52.99% |
| Remainder | | 33,939,983 | 47.01% |
| Total number of shares on issue | | 72,190,210 | 100.00% |

TENEMENT HOLDING IN MADAGASCAR

| TENEMENT NUMBER | NAME | GRANT DATE | ADMINI- STRATION FEES PAID | BLOCKS | HOLDER | EQUITY |
|--------------------|-----------------------|---------------|----------------------------------|--------|---|--------|
| 10340 | Bekisopa PR | 4/3/04 | 31/12/22 | 64 | Iron Ore Corporation Madagascar sarl | 100% |
| 27211 | Bekisopa PR | 16/10/07 | 31/12/22 | 128 | Iron Ore Corporation Madagascar sarl | 100% |
| 35827 | Bekisopa PR | 23/1/07 | 31/12/22 | 32 | Iron Ore Corporation Madagascar sarl | 100% |
| 3757 | Bekisopa PRE | 26/3/01 | 31/12/22 | 16 | Randriamananjara (Acquired under Sale & Purchase Agreement) | 100% |
| 6595 | Samelahy PR | 20/5/03 | 31/12/22 | 190 | Mineral Resources Madagascar sarl | 100% |
| 13011 | Samelahy PR | 15/10/04 | 31/12/22 | 207 | Mineral Resources Madagascar sarl | 100% |
| 21910 | Samelahy PR | 23/9/05 | 31/12/22 | 60 | Mineral Resources Madagascar sarl | 100% |
| 16635 | Tratramarina East PR | 23/9/05 | 31/12/22 | 144 | Universal Exploration Madagascar sarl | 100% |
| 16637 | Tratramarina East PR | 23/9/05 | 31/12/22 | 48 | Universal Exploration Madagascar sarl | 100% |
| 17245 | Tratramarina East PR | 10/11/05 | 31/12/22 | 160 | Universal Exploration Madagascar sarl | 100% |
| 18379 | Tratramarina West PRE | 11/1/06 | 31/12/22 | 16 | Rakotoarisoa (Acquired under Sale & Purchase Agreement) | 100% |
| 18891 | Tratramarina West PRE | 18/11/05 | 31/12/22 | 48 | Rakotoarisoa (Acquired under Sale & Purchase Agreement) | 100% |

Notes

1. PR means Permis du Recherche
2. PRE means Permis Reserve aux Petits Exploitants
3. The Company has paid the Bureau du Cadastre de Minier Madagascar all fraise d'administration annuel (annual administration fees) up to and include 2022 from the date of original grant Malagasy administrative law provides that where a private party has complied with its obligations in good faith and the State (BCMM and Ministere du Miner) has not completed their administrative responsibilities, the private party may rely on its existing rights and there is an assumption that these will continue to subsist in the absence of justified refusal.

Corporate Directory

DIRECTORS

MH Stirzaker Non-Executive Chairman

PG Bibby Managing Director and Chief Executive Officer

JM Madden Executive Director and Company Secretary

COMPANY SECRETARY

JM Madden

REGISTERED OFFICE

211 Mcllwraith Street
Princes Hill Victoria 3054

Telephone: 61-3-381 0859

Website: www.akoravy.com

Postal address

PO Box 337, Carlton North Victoria 3054

SHARE REGISTRY

Link Market Services

Tower 4, 727 Collins Street
Melbourne Victoria Australia

Telephone: 1300 554 474

CORPORATE ADVISOR

Harbury Advisors Pty Ltd

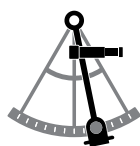
Level 5, 157 Collins Street
Melbourne Victoria Australia

AUDITOR

Hall Chadwick

283 Rokeby Road
Subiaco WA 6008 Australia

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AKORA
Resources Limited

AKORA Resources Limited
(ACN 139 847 555)

www.akoravy.com