



Hamelin Gold Limited

ABN 15 650 439 580

Consolidated Financial Statements

For the Year Ended 30 June 2023

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Corporate Directory

Directors

Will Robinson	Non-Executive Chairman
Peter Bewick	Managing Director
Justin Osborne	Non-Executive Director
Philip Crutchfield	Non-Executive Director

Company Secretary

Dan Travers

Principal and Registered Office

Suite 2, 1 Alvan Street
Subiaco, Western Australia 6008
Telephone (08) 9486 9455
Web www.hamelingold.com.au

Auditor

Crowe Perth
Level 5, 45 St Georges Terrace
Perth, Western Australia 6000

Share Registry

Automic Group
Level 5, 191 St Georges Terrace
Perth, Western Australia 6000
Telephone 1300 288 664

Security Exchange Listing

The Company's shares are quoted on the Australian Securities Exchange. The home exchange is Perth, Western Australia.

ASX Code

HMG – Ordinary shares

Company Information

The Company was incorporated and registered under the Corporations Act 2001 in Western Australia as a public company on 24 May 2021.

The Company is domiciled in Australia.

Hamelin Gold Limited
ABN 15 650 439 580

Directors' Report

The Directors present their consolidated report of Hamelin Gold Limited and its controlled entities for the year ended 30 June 2023.

Directors

The following persons were directors of Hamelin Gold Limited during the whole of the year and up to the date of this report, unless otherwise stated:

Will Robinson – B.Comm, MAusIMM

Chairman (Non-Executive)

Mr Robinson has worked in the resources industry in Australia and Canada for over twenty-five years. Mr Robinson's experience includes senior management roles at a large international resources company and executive roles in the junior mining and exploration sector. Mr Robinson is former president of the resources industry advocacy body, the Association of Mining and Exploration Companies (AMEC) a member of the Strategic Advisory Board at the Centre for Exploration Targeting University of Western Australia and was a member of the Australian Government's Resources 2030 Taskforce.

Mr Robinson is a non-executive director of Hampton Hill Mining NL (delisted by the ASX on 21 March 2022) and Managing Director of Encounter Resources Limited (ASX:ENR).

Peter Bewick – B.Eng (Hons), MAusIMM

Managing Director

Mr Bewick is an experienced geologist and has held a number of senior mine and exploration geological roles during a fourteen year career with WMC. These roles include Exploration Manager and Geology Manager of the Kambalda Nickel Operations, Exploration Manager for St Ives Gold Operation, Exploration Manager for WMC's Nickel Business Unit and Exploration Manager for North America based in Denver, Colorado. Whilst at WMC, Mr Bewick gained extensive experience in project generation for a range of commodities including nickel, gold and bauxite. Mr Bewick has been associated with a number of brownfields exploration successes at Kambalda and with the greenfield Collurabbie Ni-Cu-PGE discovery.

Mr Bewick is currently a non-executive director of Mincor Resources Limited and Encounter Resources Limited (ASX:ENR).

Justin Osborne – BSC (Hons), MAICD, FAusIMM, FSEG

Non-Executive Director appointed 31 August 2021

Mr Osborne has over 30 years' experience as an exploration geologist and is a fellow of the Australasian Institute of Mining and Metallurgy and holds a Bachelor of Science, Honours (First Class) from La Trobe University of Victoria. Up until June 2021 Mr Osborne was an Executive Director at Gold Road Resources (ASX: GOR) and played a pivotal role in the rapid and effective resource development of the world class Gruyere Gold Deposit (6.6Moz Au) which currently produces approximately 350,000oz Au per annum. Mr Osborne has also previously held senior positions on the exploration executive team of Gold Fields Ltd, including Vice President Development Strategy – Growth and International Projects, and General Manager Near Mine Exploration globally.

Mr Osborne is a Non-Executive Chair at Matador Mining Limited (ASX: MZZ) and Non-Executive Director at IGO Limited (ASX:IGO) and Astral Resources NL (ASX:AAR).

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Directors' Report

Philip Crutchfield – B. Comm, LL.B (Hons), LL.M LSE

Non-executive director appointed 31 August 2021

Mr Crutchfield is a prominent and highly respected barrister specialising in commercial law. Philip was Non-Executive Chairman of Zip Co Limited (ASX:Z1P) (resigned 2nd March 2021) and is a non-executive director of Applyflow Limited (ASX:AFW), Encounter Resources Limited (ASX:ENR), Black Cat Syndicate Limited (ASX:BC8) and Dreadnought Resources Limited (ASX:DRE). Mr Crutchfield is a board member of the Bell Shakespeare Theatre Company and the Victorian Bar Foundation Limited. Philip is also a former partner of Mallesons Stephen Jaques (now King & Wood Mallesons).

Company Secretary

Dan Travers – BSc (Hons), FCCA

Mr Travers is a Fellow of the Association of Chartered Certified Accountants. Mr Travers is an employee of Automic Group (formerly Endeavour Corporate), which specialises in the provision of company secretarial and accounting services to ASX listed entities in the mining and exploration industry.

Directors' Interests

As at the date of this report the Directors' interests in shares and unlisted options of the Company are as follows:

<i>Director</i>	<i>Directors' Interests in Ordinary Shares</i>	<i>Directors' Interests in Unlisted Options</i>
W Robinson	6,302,357	500,000
P Bewick	3,900,000	2,308,258
J Osborne	1,275,000	500,000
P Crutchfield	2,591,695	1,000,000

Included in the Directors' Interests in Unlisted Options are 4,308,258 options that are vested and exercisable as at the date of signing this report.

Directors' Meetings

The number of meetings of the Company's Directors held during the year ended 30 June 2023, and the number of meetings attended by each Director are as follows:

<i>Director</i>	<i>Board of Directors' Meetings</i>		<i>Audit and Risk Committee Meetings</i>	
	<i>Held</i>	<i>Attended</i>	<i>Held</i>	<i>Attended</i>
W Robinson	10	10	2	2
P Bewick	10	10	-	-
J Osborne ¹	10	9	2	2
P Crutchfield	10	10	2	2

¹Mr Osborne is Chair of the Hamelin Gold Limited Audit and Risk Committee.

Principal Activities

The principal activity of the Company during the financial period was mineral exploration in the Western Tanami region of Western Australia.

There were no significant changes in these activities during the year.

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Directors' Report

Review of Operations and Financial Position

The consolidated net loss after income tax for the year was \$994,346 (2022: \$1,295,794).

At the end of the year the Group had \$7,696,614 (30 June 2022: \$7,113,664) in cash and at call deposits. Capitalised mineral exploration and evaluation expenditure is \$16,668,745 (30 June 2022: \$14,223,928).

During the year the Company raised \$3.75 million, before costs, from the issue of 37.5 million shares pursuant to a share placement and a further \$1 million, before costs, from the issue of 10 million shares pursuant to a share purchase plan.

Operations during the reporting period were focused on gold exploration at the Group's West Tanami Gold Project in Western Australia.

Significant Changes in the State of Affairs of the Group

Other than as stated in this report there has not arisen during or since the end of the financial period any material changes in the state of affairs of the Group.

Matters Subsequent to the End of the Financial Period

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Group to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

Options over Unissued Capital

Unlisted Options

As at the date of this report 11,608,258 (30 June 2022: 9,250,000) unissued ordinary shares of the Company are under option as follows:

<i>Number of Options Granted</i>	<i>Exercise Price</i>	<i>Expiry Date</i>
2,000,000 ¹	\$0.300	31 October 2023
6,250,000 ²	\$0.300	31 October 2025
1,000,000	\$0.160	28 June 2026
500,000	\$0.264	30 November 2026
100,000	\$0.188	14 May 2027
1,758,258	\$0.153	26 June 2027

All options on issue at the date of this report are vested and exercisable. No options on issue are listed.

¹ 2,000,000 options subject to ASX escrow until 5 November 2023.

² 3,500,000 options subject to ASX escrow until 5 November 2023.

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Directors' Report

Options over Unissued Capital (continued)

During the financial year:

- 2,358,258 options (2022: 9,250,000) were granted over unissued shares of the Company;
- nil options (2022: nil) were cancelled on the cessation of employment;
- nil options (2022: nil) were cancelled on expiry of the exercise period; and
- nil options (2022: nil) were exercised.

Since the end of the financial year:

- no options have been issued by the Company to employees pursuant to the Company's Employee Option Plan;
- no options have been exercised; and
- no options have been cancelled due to the lapse of the exercise period.

Options do not entitle the holder to participate in any share issue of the Company or any other body corporate. The holders of unlisted options are not entitled to any voting rights until the options are exercised into ordinary shares.

Issued Capital

<i>Number of Shares on Issue</i>		
	<i>2022</i>	<i>2023</i>
Ordinary fully paid shares	110,000,000	157,500,000

Likely Developments and Expected Results of Operations

The Group expects to maintain exploration programs at its 100% owned West Tanami Gold Project located Western Australia.

Disclosure of any further information has not been included in this report because, in the reasonable opinion of the Directors to do so would be likely to prejudice the business activities of the Group and is dependent upon the results of the future exploration and evaluation.

Dividends

No dividend has been paid since the end of the previous financial year and no dividend is recommended for the current year.

Environmental Regulation and Performance

The Group holds various exploration licences to regulate its exploration activities in Australia. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of its exploration activities. So far as the Directors are aware, all exploration activities have been undertaken in compliance with all relevant environmental regulations.

Directors' Report

Remuneration Report (Audited)

Remuneration paid to Directors and Officers of the Company is set by reference to such payments made by other ASX listed companies of a similar size and operating in the mineral exploration industry. In addition, reference is made to the financial position of the Company and the specific skills and experience of the Directors and Officers.

Details of the nature and amount of remuneration of each Director, and other Key Management Personnel if applicable, are disclosed annually in the Company's Annual Report.

Remuneration Committee

The Board has adopted a formal Remuneration Committee Charter which provides a framework for the consideration of remuneration matters.

The Company does not have a separate remuneration committee and as such all remuneration matters are considered by the Board as a whole, with no Member deliberating or considering such matter in respect of their own remuneration.

In the absence of a separate Remuneration Committee, the Board is responsible for:

1. Setting remuneration packages for Executive Directors, Non-Executive Directors and other Key Management Personnel; and
2. Implementing employee incentive and equity-based plans and making awards pursuant to those plans.

Non-Executive Remuneration

The Company's policy is to remunerate Non-Executive Directors, at rates comparable to other ASX listed companies in the same industry, for their time, commitment and responsibilities.

Non-Executive Remuneration is not linked to the performance of the Company, however to align Directors' interests with shareholders' interests, remuneration may be provided to Non-Executive Directors in the form of equity based long term incentives.

1. Fees payable to Non-Executive Directors are set within the aggregate amount approved by shareholders at the Company's Annual General Meeting;
2. Non-Executive Directors' fees are payable in the form of cash and superannuation benefits;
3. Non-Executive superannuation benefits are limited to statutory superannuation entitlements; and
4. Non-executive directors are offered an annual election to receive cash remuneration or an equivalent amount in unlisted options. The annual election relates to the remuneration period from 1 December to 30 November of the relevant year and is subject to approval by the Company's shareholders.
5. Participation in equity-based remuneration schemes by Non-Executive Directors is subject to consideration and approval by the Company's shareholders.

The maximum Non-Executive Directors fees, payable in aggregate are currently set at \$350,000 per annum.

Executive Director and Other Key Management Personnel Remuneration

Executive remuneration consists of base salary, plus other performance incentives to ensure that:

1. Remuneration packages incorporate a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the Company's circumstances and objectives; and
2. A proportion of remuneration is structured in a manner to link reward to corporate and individual performances.

Directors' Report

Remuneration Report (Continued)

Executives are offered a competitive level of base salary at market rates (based on comparable ASX listed companies) and are reviewed regularly to ensure market competitiveness. To date, the Company has not engaged external remuneration consultants to advise the Board on remuneration matters.

Incentive Plans

The Company provides long term incentives to Directors and Employees pursuant to the Hamelin Gold Employee Share Option Plan, which was last approved by shareholders at the Annual General Meeting held on 10 September 2021 and disclosed in the IPO prospectus dated 17 September 2021.

The Board, acting in remuneration matters:

1. Ensures that incentive plans are designed around appropriate and realistic performance targets and provide rewards when those targets are achieved;
2. Reviews and approves existing incentive plans established for employees; and
3. Approves the administration of the incentive plans, including receiving recommendations for, and the consideration and approval of grants pursuant to such incentive plans.

Engagement of Non-Executive Directors

Non-Executive Directors conduct their duties under the following terms:

1. A Non-Executive Director may resign from their position and thus terminate their contract on written notice to the Company; and
2. A Non-Executive Director may, following resolution of the Company's shareholders, be removed before the expiration of their period of office (if applicable). Payment is made in lieu of any notice period if termination is initiated by the Company, except where termination is initiated for serious misconduct.

In consideration of the services provided by Mr Will Robinson as Non-Executive Chairman and Mr Justin Osborne and Mr Philip Crutchfield as Non-Executive Directors, the Company pay them \$50,000 plus statutory superannuation per annum.

Non-Executive Directors are also entitled to fees for other amounts as the Board determines where they perform special duties or otherwise perform extra services or make special exertions on behalf of the Company. During the year the Group incurred no such additional costs.

Engagement of Executive Director

The Company has entered into executive service agreement with Mr Peter Bewick on the following material terms and conditions:

Mr Bewick's current service agreement with the Company, in respect of his engagement as Managing Director, is effective from 1 November 2021. From 1 January 2023 Mr Bewick will receive a base salary of \$290,000 per annum plus statutory superannuation.

Executive directors may also receive an annual short-term performance-based bonus which may be calculated as a percentage of their current base salary, the performance criteria, assessment and timing of which is negotiated annually with the Non-Executive Directors.

Either party may give the other six months notice in writing to terminate the Services Agreement or with payment or forfeiture in lieu. The Company may terminate the respective services agreements without notice for serious misconduct by an executive director.

Executive Directors may, subject to shareholder approval, participate in the Hamelin Gold Employee Share Option Plan and other long term incentive plans adopted by the Board.

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Directors' Report

Remuneration Report (Continued)

Short Term Incentive Payments

Each year, the Non-Executive Directors may set the Key Performance Indicators (KPI's) for the Executive Director. The KPI's are chosen to align the reward of the individual Executive to the strategy and performance of the Company.

Performance objectives, which may be financial or non-financial, or a combination of both, are weighted when calculating the maximum short-term incentives payable to Executives. At the end of the year, the Non-Executive Directors will assess the actual performance of the Executives against the set Performance Objectives. The maximum amount of the short-term incentive, or a lesser amount depending on actual performance achieved is paid to the Executives as a cash payment.

Shareholding Qualifications

The Directors are not required to hold any shares in Hamelin Gold under the terms of the Company's constitution. However, Directors have made their own investment decisions to hold shares in Hamelin Gold which are shown in this report.

Group Performance

In considering the Company's performance, the Board provides the following indices in respect of the current financial year and previous financial years:

	2023	2022	2021
Loss for the year attributable to shareholders	\$(994,346)	\$(1,295,794)	N/a
Closing share price at 30 June	\$0.093	\$0.10	N/a

As an exploration company, the Board does not consider the profit/(loss) attributable to shareholders as one of the performance indicators when implementing Short Term Incentive Payments. In addition to economic and technical exploration success, the Board considers more appropriate indicators of management performance for the 2023 financial period to include:

- corporate management and business development (including the identification and acquisition of high quality projects);
- project and operational performance (including safety and environmental management);
- cash flow and funding management.

Remuneration Disclosures

The Key Management Personnel of the Company have been identified as:

Mr Will Robinson	Non-Executive Chairman
Mr Peter Bewick	Managing Director
Mr Justin Osborne	Non-Executive Director
Mr Philip Crutchfield	Non-Executive Director

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Directors' Report

Remuneration Report (Continued)

The details of the remuneration of each Director and member of Key Management Personnel of the Company is as follows:

30 June 2023	Short Term		Post Employment	Other Long Term		
	Base Salary \$	Short Term Incentive \$	Superannuation Contributions \$	Value of Options \$	Total \$	Value of Options as Proportion of Remuneration
Will Robinson	50,000	-	5,250	-	55,250	-
Peter Bewick	280,000	23,650 ¹	29,400	- ¹	333,050	7.1%
Justin Osborne	54,800 ³	-	5,754	-	60,554	-
Philip Crutchfield	25,000	-	2,625	54,476 ²	82,101	66.4%
Total	409,800	23,650	43,029	54,476	530,955	

¹ The STI bonus for the Managing Director in respect of the measurement period 1 January 2022 to 31 December 2022, was awarded during the reporting period in the form of unlisted options at the discretion of the Board. Refer to the following disclosures relating to performance-based remuneration. On 27 June 2023 the Company's shareholders approved the issue of 308,258 options exercisable at 150% of the 5-day volume weighted average share price to the date of issue and expire 4 years from the date of issue. The options were issued on 27 June 2023 with a value for accounting purposes of \$23,650.

² Mr Crutchfield did not receive any cash remuneration for the period 1 January 2023 to 30 June 2023. On 29 November 2022 the Company's shareholders approved the issue of 500,000 options exercisable at 150% of the 5-day volume weighted average share price to the date of issue and expire 4 years from the date of issue. The options were issued on 1 December 2022 with a value for accounting purposes of \$54,476.

³ Includes \$4,800 consulting fee for exploration supervision services provided by Mr Osborne.

Short Term Incentive Awards for the Period – Performance Related Remuneration

During the year ended 30 June 2023 a short-term incentive bonus (STI), measured for the period 1 January 2022 to 31 December 2023, was awarded to the Company's Managing Director. The Board determined that the STI would be paid in the form of unlisted options (STI Options), for the purposes of conserving the Company's cash resources and further align the Managing Director's interests with the Company's performance.

The STI performance objectives for the abovementioned STI for the year ended 31 December 2022 were as follows:

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Directors' Report

Remuneration Report (Continued)

Performance Objective 1 (weighting up to 50%) (PO1)

PO1's criteria is based upon the successful execution of the Company's strategies and budget plans leading to first-rate outcomes for safety, environmental, operational performance and corporate culture. Performance against PO1 has been determined by the Board as follows:

<i>Criteria</i>	<i>Weighting</i>	<i>Result</i>
Identification of potentially economic mineralisation leading to a substantial rerating of the Company	10%	5%
Effective and efficient management of exploration programs focused on in ground investment	10%	10%
Build and develop a high calibre, highly motivated exploration team	10%	10%
Identification and recommendation of Board approved acquisition of new high-quality exploration or development projects	10%	2%
Management of the equity structure and cash position to maximise shareholder exposure to success and while minimising dilution	10%	5%
Total	50%	32%

Performance Objective 2 (weighting up to 50%) (PO2)

PO2's criteria is based upon shareholder returns, determined by the Company's 2022 VWAP exceeding the Company's initial public offering (IPO) Share price of \$0.20 per Share. Assuming a year on year increase in the Company's VWAP, the potential executive bonus is weighted as follows:

<i>Year on year Company Share price VWAP change</i>	<i>Weighting</i>
≤10%	0%
>10%>20%	10%
>20%>40%	20%
>40%>60%	30%
>60%>80%	40%
>80%	50%

In 2022, the Company's VWAP was \$0.155, being an amount lower than the Company's IPO Share price of \$0.20. This resulted in a 0% weighting for PO2, and no STI awarded for this performance objective.

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Directors' Report

Remuneration Report (Continued)

Short Term Incentive Awards for the Period – Performance Related Remuneration (Continued)

The total STI awarded to Mr Peter Bewick for the year ended 31 December 2022 was determined as being 32% of the 'potential executive bonus', calculated as follows:

- Potential executive bonus = 25% of base salary, being \$270,000 x 25% = \$67,500
- Actual executive bonus = 32% of potential executive bonus, being \$67,500 x 32% = \$21,600

The number of STI Options issued to the Managing Director, following approval by shareholders, was determined by Black-Scholes valuation as at 1 May 2023 to an indicative amount of \$21,600 (refer notice of meeting lodged with ASX on 26 May 2023 for further details). The STI Options are exercisable at a price of 150% of the 5-day volume weighted average price of the Company's shares to the date of issue and expire 4 years from the date of issue.

The STI Options were issued on 27 June 2023 ("the grant date") following shareholder approval, and valued using the following inputs to the Black-Scholes valuation model:

Number of STI Options	Expiry Date	5 Day VWAP to Date of Issue (\$)	Exercise price (\$)	Volatility (%)	Interest Rate (%)	Value of STI Options (\$)
308,258	26 Jun 2027	\$0.102	\$0.153	122.6%	3.94%	\$23,650

During the comparative period there was no performance-based remuneration paid to key management personnel.

Equity instrument disclosures relating to key management personnel

Options Granted as Remuneration

During the financial year ended 30 June 2023 808,258 (2022: 3,500,000) were granted to Directors or Key Management Personnel of the Company, as follows:

Incentive options issued in relation to the STI award for the year ended 31 December 2023:

- Peter Bewick 308,258 options

The fair value of options issued as remuneration is allocated to the relevant vesting period of the options. The fair value of the options issued to Peter Bewick during the reporting period is stated above in the performance-based remuneration disclosures.

Incentive options issued to Mr Philip Crutchfield:

- Philip Crutchfield 500,000 options

The fair value of options issued as remuneration is allocated to the relevant vesting period of the options. The fair value of the options issued to Philip Crutchfield on 1 December 2022 were valued using the following inputs to the Black-Scholes valuation model:

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Directors' Report

Remuneration Report (Continued)

Equity instrument disclosures relating to key management personnel (continued)

Number of Options	Expiry Date	5 Day VWAP to Date of Issue (\$)	Exercise price (\$)	Volatility (%)	Interest Rate (%)	Value of Options (\$)
500,000	30 Nov 2026	\$0.176	\$0.264	96.8%	3.28%	\$54,476

Options are provided to the recipients for nil cash consideration.

Exercise of Options Granted as Remuneration

During the year, no ordinary shares (2022: nil) were issued in respect of the exercise of options previously granted as remuneration to Directors or Key Management Personnel of the Company.

Option holdings

Key Management Personnel have the following interests in unlisted options over unissued shares of the Company:

2023 Name	Balance at start of the year	Received during the year as remuneration	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
W. Robinson	500,000 ¹		-	500,000	500,000
P. Bewick	2,000,000 ¹	308,258	-	2,308,258	2,308,258
J. Osborne	500,000 ¹		-	500,000	500,000
P. Crutchfield	500,000 ¹	500,000	-	1,000,000	1,000,000

¹Subject to ASX escrow restriction until 5 November 2023.

Share holdings

The number of shares in the Company held during the financial year by key management personnel of the Company, including their related parties are set out below. There were no shares granted during the reporting period as compensation.

2023 Name	Balance at start of the year	Received during the year on exercise of options	Other changes during the year	Balance at the end of the year
W. Robinson	5,902,357	-	400,000	6,302,357
P. Bewick	2,763,593	-	1,136,407	3,900,000
J. Osborne	975,000	-	300,000	1,275,000
P. Crutchfield	2,191,695	-	400,000	2,591,695

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Directors' Report

Remuneration Report (Continued)

Loans made to key management personnel

No loans were made to key personnel, including personally related entities during the reporting period.

Other transactions with key management personnel

During the reporting period the Company paid remuneration to Lachlan Bewick, a related party of the Managing Director, in respect of his employment with the Company. Cash based remuneration, inclusive of superannuation contributions, amounted to \$57,380 for the reporting period.

Lachlan Bewick was issued with 450,000 unlisted options in the Company on 27 June 2023, following shareholder approval. The fair value of options issued as remuneration is allocated to the relevant vesting period of the options, and were valued using the following inputs to the Black-Scholes valuation model:

Number of Incentive Options	Expiry Date	5 Day VWAP to Date of Issue (\$)	Exercise price (\$)	Volatility (%)	Interest Rate (%)	Value of STI Options (\$)
450,000	26 Jun 2027	\$0.102	\$0.153	122.6%	3.94%	\$34,524

Other than as stated, there were no other transactions with key management personnel.

End of Remuneration Report

Proceedings on behalf of the Company

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

Officers' Indemnities and Insurance

During the year the Company paid an insurance premium to insure certain officers of the Company. The officers of the Company covered by the insurance policy include the Directors named in this report.

The Directors and Officers Liability insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the officers in their capacity as officers of the Company. The insurance policy does not contain details of the premium paid in respect of individual officers of the Company. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has not provided any insurance for an auditor of the Company.

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Directors' Report

Non-audit Services

During the year, Crowe Perth and its related entity Crowe Australasia performed audit and non-audit services.

Total remuneration of the auditors and its related entity during the financial year:	2023 \$	2022 \$
Crowe Perth - Audit and review of the Company's financial statements	27,250	25,500
Crowe Australasia - Investigating Accountant's Report	-	12,000

The board considers any non-audit services provided during the year by the auditor and satisfies itself that the provision of any non-audit services during the year by the auditor is compatible with, and does not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services are reviewed by the board to ensure they do not impact the impartiality and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they do not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is set out on the following page.

This report is made in accordance with a resolution of the Directors.

DATED at Perth this 18th day of September 2023.



Peter Bewick
Managing Director

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Hamelin Gold Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Perth



Cyrus Patell
Partner

Signed at Perth dated this 18th September 2023

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Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2023

		Consolidated	
		30 June 2023	30 June 2022
	Note	\$	\$
Interest income		96,929	7,561
Other income		5,080	-
Total Income		102,009	7,561
Employee expenses		(1,190,241)	(495,106)
Employee expenses recharged to exploration		827,191	354,317
Equity based remuneration expense		(197,701)	(771,964)
Depreciation expense	10	(93,297)	(14,996)
Corporate expenses	5	(67,071)	(143,069)
Administration and other expenses	5	(332,165)	(133,938)
Exploration costs written off and expensed	11	(43,071)	(98,599)
Loss before income tax		(994,346)	(1,295,794)
Income tax benefit/(expense)	6	-	-
Loss for the year		(994,346)	(1,295,794)
Other comprehensive income		-	-
Total comprehensive loss for the year	16	(994,346)	(1,295,794)
Earnings per share			
Basic earnings/(loss) per share (cents)	27	(0.87)	(1.58)
Diluted earnings/(loss) per share (cents)	27	(0.87)	(1.58)

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

Hamelin Gold Limited
ABN 15 650 439 580

Consolidated Statement of Financial Position
As At 30 June 2023

		Consolidated	
		30 June 2023	30 June 2022
	Note	\$	\$
Current assets			
Cash and cash equivalents	7	7,696,614	7,113,664
Security bonds and deposits	19	50,000	50,000
Trade and other receivables	8	43,710	60,251
Total current assets		7,790,324	7,223,915
Non-current assets			
Property, plant and equipment	10	475,573	133,345
Capitalised mineral exploration and evaluation expenditure	11	16,668,745	14,223,928
Total non-current assets		17,144,318	14,357,273
Total assets		24,934,642	21,581,188
Current liabilities			
Trade and other payables	12	272,180	771,325
Employee leave liabilities	13	170,122	132,518
Total current liabilities		442,302	903,843
Total liabilities		442,302	903,843
Net assets		24,492,340	20,677,345
Equity			
Issued capital	14	25,641,285	21,029,645
Retained earnings	16	(2,290,140)	(1,295,794)
Equity remuneration reserve	16	1,141,195	943,494
Total equity		24,492,340	20,677,345

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

Hamelin Gold Limited
ABN 15 650 439 580

Consolidated Statement of Changes in Equity
For the year ended 30 June 2023

	Consolidated			
	Issued capital \$	Retained Earnings \$	Equity remuneration reserve \$	Total \$
<u>Year ended 30 June 2022</u>				
Balance at the start of the financial period	1	-	-	1
Comprehensive loss for the financial period	-	(1,295,794)	-	(1,295,794)
Shares issued (net of costs)	21,029,644	-	-	21,029,644
Movement in reserves in respect of options vested	-	-	943,494	943,494
Balance at the end of the financial period	21,029,645	(1,295,794)	943,494	20,677,345
<u>Year ended 30 June 2023</u>				
Balance at the start of the financial period	21,029,645	(1,295,794)	943,494	20,677,345
Comprehensive loss for the financial period	-	(994,346)	-	(994,346)
Shares issued (net of costs)	4,611,640	-	-	4,611,640
Movement in reserves in respect of options vested	-	-	197,701	197,701
Balance at the end of the financial period	25,641,285	(2,290,140)	1,141,195	24,492,340

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

Hamelin Gold Limited
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Consolidated Statement of Cash Flows
For the year ended 30 June 2023

		Consolidated	
		30 June 2023	30 June 2022
	Note	\$	\$
Cash flows from operating activities			
Receipts from other income		4,195	-
Interest received		96,929	7,561
Payments to suppliers and employees		(730,184)	(411,652)
Net cash used in operating activities	26	(629,060)	(404,091)
Cash flows from investing activities			
Payments for property, plant and equipment		(435,525)	(148,341)
Payments for bonds and deposits		-	(50,000)
Payments for exploration and evaluation		(3,563,108)	(1,599,195)
Proceeds from R&D tax credits		187,572	-
Proceeds from government exploration grants		400,001	120,000
Net cash used in investing activities		(3,411,060)	(1,677,536)
Cash flows from financing activities			
Payments for the repayment of loans		-	(335,174)
Proceeds from the issue of shares		4,750,000	10,000,000
Payments for costs associated with issue of shares		(126,930)	(469,536)
Net cash from financing activities		4,623,070	9,195,290
Net increase/(decrease) in cash held		582,950	7,113,663
Cash at the beginning of the period	7	7,113,664	1
Cash at the end of the period	7	7,696,614	7,113,664

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

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Notes to the Financial Statements
For the year ended 30 June 2023

Note 1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes financial statements for the consolidated entity consisting of Hamelin Gold Limited and its subsidiaries ("Group").

Basis of preparation

This general-purpose financial report has been prepared in accordance with Australian Equivalents to International Financial Reporting Standards ("AIFRS"), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

The separate financial statements of the parent entity have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial report of the Group was authorised for issue in accordance with a resolution of Directors on 15 September 2023.

Statement of Compliance

The consolidated financial report of Hamelin Gold Limited complies with Australian Accounting Standards, which include AIFRS, in their entirety. Compliance with AIFRS ensures that the financial report also complies with International Financial Reporting Standards ("IFRS") in their entirety.

Adoption of new and revised Accounting Standards

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year.

New standards and interpretations not yet adopted

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application date for future reporting periods and which the Group has decided not to early adopt.

Reporting basis and conventions

These financial statements have been prepared under the historical cost convention, and on an accrual basis.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its 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 statements, are disclosed in note 3.

Principles of consolidation

The financial statements of subsidiary companies are included in the consolidated financial statements from the date control commences until the date control ceases. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of subsidiary companies are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation. Investments in subsidiary companies are accounted for at cost in the individual financial statements of the Company.

Notes to the Financial Statements
For the year ended 30 June 2023

Note 1 Summary of significant accounting policies (continued)

(a) Segment reporting

Operating segments are identified and segment information disclosed, where appropriate, on the basis of internal reports reviewed by the Company's board of directors, being the Group's Chief Operating Decision Maker, as defined by AASB 8.

(b) Other income

Interest income

Interest income is recognised on a time proportion basis and is recognised as it accrues.

(c) 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 national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

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

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

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

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 taxation authority. Current tax assets and 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 balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(d) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets, other than goodwill, that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Notes to the Financial Statements
For the year ended 30 June 2023

Note 1 Summary of significant accounting policies (continued)

(e) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are deducted from the carrying value of the relevant asset.

Amounts receivable from the Australian Tax Office in respect of research and development tax concession claims are recognised in the year in which the claim is lodged with the Australian Tax Office. Amounts receivable are allocated in the financial statements against the corresponding expense or asset in respect of which the research and development concession claim has arisen.

(g) Fair value estimation

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Fair value measurement

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

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

(h) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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Notes to the Financial Statements
For the year ended 30 June 2023

Note 1 Summary of significant accounting policies (continued)

Depreciation of property, plant and equipment is calculated using the straight line and diminishing value methods to allocate their cost, net of residual values, over their estimated useful lives, as follows:

Asset Class	Depreciation Rate
Field equipment and vehicles	25-33%
Office equipment	33%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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 (note 1(d)). Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

(i) Mineral exploration and evaluation expenditure

Mineral exploration and evaluation expenditure is written off as incurred or accumulated in respect of each identifiable area of interest and capitalised. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

- such costs are expected to be recouped through the successful development and exploitation of the area of interest, or alternatively by its sale; or
- exploration and/or evaluation activities in the area have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations in, or in relation to, the area of interest are continuing.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the year in which that assessment is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Immediate restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure. Exploration activities resulting in future obligations in respect of restoration costs result in a provision to be made by capitalising the estimated costs, on a discounted cash basis, of restoration and depreciating over the useful life of the asset. The unwinding of the effect of the discounting on the provision is recorded as a finance cost in the income statement.

(j) Trade and other payables

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

(k) Employee benefits

Wages, salaries and annual leave

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

Notes to the Financial Statements
For the year ended 30 June 2023

Note 1 Summary of significant accounting policies (continued)

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future salaries, experience of employee departures and periods of service. Expected future payments are discounted at the corporate bond rate with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share based payments

Share based compensation payments are made available to Directors and employees.

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share based payments reserve relating to those options is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, are credited to share capital.

Upon the cancellation of options on expiry of the exercise period, or lapsing of vesting conditions, the balance of the share based payments reserve relating to those options is transferred to retained earnings.

(l) Issued capital

Ordinary shares are classified as equity.

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

(m) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

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

Notes to the Financial Statements
For the year ended 30 June 2023

Note 1 Summary of significant accounting policies (continued)

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

(o) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(p) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on a current or non-current classification.

An asset is current when it is:

- Expected to be realized, or intended to be sold or consumed in the Group's normal operating cycle;
- Expected to be realized within twelve months after the reporting period; or
- Cash or a cash equivalents (unless restricted for at least twelve months after the reporting period).

A liability is current when it is:

- Expected to be settled in the Group's normal operating cycle;
- It is due to be settled within twelve months after the reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classed as non-current.

(q) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

Notes to the Financial Statements
For the year ended 30 June 2023

Note 1 Summary of significant accounting policies (continued)

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Optional Concentration Test

Pursuant to AASB 3 an acquirer may choose to apply, or not to apply the simplified Optional Concentration Test assessment process for each acquisition. If the Concentration Test is met, the acquired set of activities and assets is determined not to be a business. If the test is not met, or if the acquirer elects not to apply the test, then a full assessment needs to be determined to assess whether a business has been acquired or not.

Note 2 Financial risk management

The Group has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Company's exposure to the specific risks, and the policies and processes for measuring and managing those risks. The Board of Directors has the overall responsibility for the risk management framework and has adopted a Risk Management Policy.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from transactions with customers and investments.

Trade and other receivables

The nature of the business activity of the Group does not result in trading receivables. The receivables that the Group does experience through its normal course of business are short term and the most significant recurring by quantity is receivable from the Australian Taxation Office, the risk of non-recovery of receivables from this source is considered to be negligible.

Notes to the Financial Statements
For the year ended 30 June 2023

Note 2 Financial risk management (continued)

Cash deposits

The Directors believe any risk associated with the use of predominantly only one bank is addressed through the use of at least an A-rated bank as a primary banker and by the holding of a portion of funds on deposit with alternative A-rated institutions. Except for this matter the Group currently has no significant concentrations of credit risk.

(b) Liquidity risk

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

The Group manages its liquidity risk by monitoring its cash reserves and forecast spending. Management is cognisant of the future demands for liquid finance resources to finance the Company's current and future operations, and consideration is given to the liquid assets available to the Company before commitment is made to future expenditure or investment.

(c) Market risk

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

Interest rate risk

The Group has significant cash assets which may be susceptible to fluctuations in changes in interest rates. Whilst the Group requires the cash assets to be sufficiently liquid to cover any planned or unforeseen future expenditure, which prevents the cash assets being committed to long term fixed interest arrangements; the Group does mitigate potential interest rate risk by entering into short to medium term fixed interest investments.

Equity risk

The Group has no material exposure to equity risk.

Foreign exchange risk

The Group does not have any direct contact with foreign exchange fluctuations other than their effect on the general economy.

Note 3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. The judgements estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Accounting for capitalised exploration and evaluation expenditure

The Group's accounting policy is stated at 1(i). There is some subjectivity involved in the carrying forward as capitalised or writing off to the income statement exploration and evaluation expenditure. Key judgements applied include determining which expenditures relate directly to exploration and evaluation activities and allocating overheads between those that are expensed and capitalised.

Management give due consideration to areas of interest on a regular basis and are confident that decisions to either write off or carry forward such expenditure reflect fairly the prevailing situation.

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Notes to the Financial Statements
For the year ended 30 June 2023

Note 3 Critical accounting estimates and judgements (continued)

Accounting for share based payments

The values of amounts recognised in respect of share based payments have been estimated based on the fair value of the equity instruments granted. Fair values of options issued are estimated by using an appropriate option pricing model. There are many variables and assumptions used as inputs into the models. If any of these assumptions or estimates were to change this could have a significant effect on the amounts recognised. See note 15 for details of inputs into option pricing models in respect of options issued during the reporting period.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 4 Segment information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. The Group's sole activity is mineral exploration and resource development wholly within Australia, therefore it has aggregated all operating segments into the one reportable segment being mineral exploration.

The reportable segment is represented by the primary statements forming these financial statements.

Note 5 Result for the period

Loss before income tax includes the following specific income/(expenses):

	30 June 2023 \$	30 June 2022 \$
Corporate expenses:		
Demerger costs	-	104,240
Administration and other expenses:		
Marketing and promotion	29,128	17,959

Note 6 Income tax

a) Income tax expense

Current income tax:

Current income tax charge (benefit)	(904,513)	(646,772)
Current income tax not recognised	904,513	646,772

Deferred income tax:

Relating to origination and reversal of timing differences	(298,645)	(362,481)
Deferred income tax benefit/(liability) not recognised	298,645	362,481

Income tax expense/(benefit) reported in the income statement	-	-
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Notes to the Financial Statements
For the year ended 30 June 2023

	30 June 2023 \$	30 June 2022 \$
Note 6 Income tax (continued)		
<i><u>b) Reconciliation of income tax expense to prima facie tax payable</u></i>		
Loss from continuing operations before income tax expense	(994,346)	(1,295,794)
Tax at the Australian rate of 25% (2022 – 25%)	(248,587)	(323,949)
<i>Tax effect of permanent differences:</i>		
Non-deductible share-based payment	49,425	192,991
Capital raising costs claimed	(46,859)	39,941
Net deferred tax asset benefit not brought to account	246,021	91,017
	-	-
Tax (benefit)/expense		
<i><u>c) Deferred tax – Balance Sheet</u></i>		
<i>Liabilities</i>		
Capitalised acquisition costs	(3,391)	(2,261)
Capitalised exploration expenditure	(1,133,277)	(522,073)
	(1,136,668)	(524,334)
<i>Assets</i>		
Revenue losses available to offset against future taxable income	1,601,517	646,772
Employee provisions	42,531	33,130
Accrued expenses	6,250	47,148
Deductible equity raising costs	147,496	159,765
	1,797,794	886,815
	661,126	362,481
Net deferred tax asset not recognised		
<i><u>d) Deferred tax – Income Statement</u></i>		
<i>Liabilities</i>		
Capitalised acquisition costs	(1,130)	(2,261)
Capitalised exploration expenditure	(611,204)	(522,073)
<i>Assets</i>		
Deductible equity raising costs	(12,269)	159,765
Accrued expenses	(40,898)	47,148
Increase/(decrease) in tax losses carried forward	954,745	646,772
Employee provisions	9,401	33,130
Deferred tax benefit/(expense) movement for the period not recognised	298,645	362,481

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Notes to the Financial Statements
For the year ended 30 June 2023

Note 6 Income tax (continued)

The deferred tax benefit of tax losses not brought to account will only be obtained if:

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

All unused tax losses were incurred by Australian entities.

	30 June 2023	30 June 2022
	\$	\$

Note 7 Current assets - Cash and cash equivalents

Cash at bank and on hand	3,196,614	2,113,664
Term Deposits	4,500,000	5,000,000
	7,696,614	7,113,664

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Cash and cash equivalents per statement of cash flows	7,696,614	7,113,664
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(b) Term Deposits

Amounts classified as term deposits are short term deposits capable of being converted into cash in three months or less, and earn interest at the respective short term interest rates.

An amount of \$50,000 held on deposit in relation to the Group's corporate credit card facility is included in current assets (note 19).

Note 8 Current assets – Receivables

a) Trade and other receivables

Trade and other receivables	-	1,792
GST recoverable	43,710	58,459
	43,710	60,251

Details of fair value and exposure to interest risk are included at note 17.

Hamelin Gold Limited
ABN 15 650 439 580

Notes to the Financial Statements
For the year ended 30 June 2023

Note 9 Controlled Entities

a) Investment in controlled entities

The following amounts represent the respective investments in the share capital of Hamelin Gold Limited's wholly owned subsidiary companies at 30 June 2022:

	30 June 2023 \$	30 June 2022 \$
Hamelin Resources Pty Ltd ²	2	2
Hamelin Tanami Pty Ltd ¹	1	1

¹ Hamelin Tanami Pty Ltd is a wholly owned subsidiary of Hamelin Gold Limited.

² Hamelin Resources Pty Ltd was acquired from Encounter Resources Limited on 14 September 2021.

Subsidiary Company	Country of Incorporation	Ownership Interest	
		2023 %	2022 %
Hamelin Resources Pty Ltd	Australia	100%	100%
Hamelin Tanami Pty Ltd	Australia	100%	100%

- Hamelin Resources Pty Ltd was incorporated in Western Australia on 24 November 2009.
- Hamelin Tanami Pty Ltd was incorporated in Western Australia on 26 May 2021.

The ultimate controlling party of the group is Hamelin Gold Limited.

During the financial year the Group completed the demerger from the Encounter Resources Limited group (note 23).

b) Loans to controlled entities

The following amounts are payable to the parent company, Hamelin Gold Limited at the reporting date:

	30 June 2023 \$	30 June 2022 \$
Hamelin Resources Pty Ltd	4,727,492	2,342,838
Hamelin Tanami Pty Ltd	-	-

The loans to Hamelin Resources Pty and Hamelin Tanami Pty Ltd are non-interest bearing and repayable at call. The Directors of Hamelin Gold Limited do not intend to call for repayment within 12 months.

Hamelin Gold Limited
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Notes to the Financial Statements
For the year ended 30 June 2023

	30 June 2023 \$	30 June 2022 \$
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Note 10 Non-current assets – Property, plant and equipment

Field equipment

At cost	322,936	49,940
Accumulated depreciation	(47,180)	(6,547)
	<u>275,756</u>	<u>43,393</u>

Motor vehicles

At cost	249,365	90,406
Accumulated depreciation	(57,315)	(7,533)
	<u>192,050</u>	<u>82,873</u>

Office equipment

At cost	11,565	7,995
Accumulated depreciation	(3,798)	(916)
	<u>7,767</u>	<u>7,079</u>
	<u>475,573</u>	<u>133,345</u>

Reconciliation

Field equipment

Net book value at start of the year	43,393	-
Cost of additions	272,996	49,940
Depreciation charged	(40,633)	(6,547)
Net book value at end of the year	<u>275,756</u>	<u>43,393</u>

Motor vehicles

Net book value at start of the year	82,873	-
Cost of additions	158,959	90,406
Depreciation charged	(49,782)	(7,533)
Net book value at end of the year	<u>192,050</u>	<u>82,873</u>

Office equipment

Net book value at start of the year	7,079	-
Cost of additions	3,570	7,995
Depreciation charged	(2,882)	(916)
Net book value at end of the year	<u>7,767</u>	<u>7,079</u>

No items of property, plant and equipment have been pledged as security by the Group.

Note 11 Non-current assets – Capitalised mineral exploration and evaluation expenditure

In the exploration and evaluation phase

Capitalised exploration costs at the start of the period	14,223,928	-
Total acquisition costs for the period ¹	-	12,135,636
R&D tax credits allocated to capitalised exploration costs	(187,572)	-
Exploration costs funded by government grants	(400,001)	(120,000)
Exploration costs incurred	3,075,461	2,306,891
Total exploration costs written off and expensed for the period	(43,071)	(98,599)
Capitalised exploration costs at the end of the period	<u>16,668,745</u>	<u>14,223,928</u>

Hamelin Gold Limited
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Notes to the Financial Statements
For the year ended 30 June 2023

Note 11 Non-current assets – Capitalised mineral exploration and evaluation expenditure (continued)

¹ On 14 September 2021, the parent entity, Hamelin Gold Limited, acquired 100% of the issued capital of Hamelin Resources Pty Ltd from Encounter Resources Ltd. For the purposes of Accounting Standard AASB 3 – Business Combinations, the transaction is considered to be an asset acquisition, as the assets acquired are concentrated into a group of similar identifiable assets, being mineral exploration assets. Accordingly, AASB 3 does not apply to this transaction. The consideration for the acquisition was satisfied through the issue of 60,000,000 fully paid ordinary shares. The transaction was conducted at arm's length at the time at a value of \$0.20 per share, which was consistent with the price achieved in the Group's IPO. Refer to Note 14 and 23

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

The capitalised exploration expenditure written off includes expenditure written off on surrender of or intended surrender of tenements for the group entities.

	30 June 2023 \$	30 June 2022 \$
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Note 12 Current liabilities – Trade and other payables

Trade payables and accruals	216,006	718,552
Other payables	56,174	52,773
	272,180	771,325

Liabilities are not secured over the assets of the Group. Details of fair value and exposure to interest risk are included at note 17.

Note 13 Current liabilities - Employee benefits

Liability for annual leave	63,364	48,665
Liability for long service leave	106,758	83,853
	170,122	132,518

Total annual and long service leave liabilities of \$129,751 were recognised on the transfer to the Company of the executive services contract of the Managing Director's executive service agreement following demerger of the Company from the Encounter Resources Limited group (refer note 23).

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Notes to the Financial Statements
For the year ended 30 June 2023

Note 14 Issued capital

During the comparative year the Company undertook a subdivision of its issued capital on the basis of one share subdivided into 60 million ordinary fully paid shares and issued 50 million ordinary fully paid shares at \$0.20 per share pursuant to an Initial Public Offer leading to quotation of the Company's securities on the Australian Securities Exchange.

	Issue price	2023 \$	2022 No	2023 \$	2022 No
<i>Share movements during the period</i>					
Balance at 1 July		110,000,000	1	21,029,645	1
Acquisition of Hamelin Resources Pty Ltd (note 11) ¹	\$0.20	-	59,999,999	-	12,000,000
Initial Public Offer	\$0.20	-	50,000,000	-	10,000,000
Share placement	\$0.10	37,500,000	-	3,750,000	-
Share purchase plan	\$0.10	10,000,000	-	1,000,000	-
Less share issue costs ²		-	-	(138,360)	(970,356)
Balance at 30 June		157,500,000	110,000,000	25,641,285	21,029,645

¹ Note, the issued capital of one share was subdivided into 60 million ordinary fully paid shares effective 7 September 2021. The 60 million shares were subsequently issued to eligible shareholders of Encounter Resources Limited on 29 October 2021 as a component of the demerger of the Company from the Encounter Resources Limited group.

² Included in share issue costs of \$970,356 is an amount of \$171,530 being the fair value of 2,000,000 options issued to the initial public offer lead managers (note 15).

	30 June 2023 No	30 June 2022 No
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Note 15 Options

During the current period the following movements in options over unissued shares occurred:

Options on issue at the start of the financial period	9,250,000	-
Options issued to officers and contractors – Initial Public Offer	-	4,500,000
Options issued to Initial Public Offer advisers (note 14)	-	2,000,000
Incentive options issued in period	2,358,258	2,750,000
Options on issue at the end of the financial period	11,608,258	9,250,000

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Notes to the Financial Statements
For the year ended 30 June 2023

Note 15 Options (continued)

Details of the above options issued and Black-Scholes valuation inputs are as follows:

No of Options	Exercise price	Grant and vesting date	Expiry date	Volatility	Risk free rate	Value of Options
500,000	\$0.264	1 Dec 2022	30 Nov 2026	96.8%	3.28%	\$54,476
100,000	\$0.188	15 May 2023	14 May 2027	106.1%	3.06%	\$8,358
1,758,258	\$0.153	27 Jun 2023	26 Jun 2027	122.6%	3.94%	\$134,897

Weighted average contractual life

The weighted average contractual life for un-exercised options is 28.3 months (2022: 35.7 months).

Reconciliation of movement of options over unissued shares during the period including weighted average exercise price (WAEP)

	2023		2022	
	No.	WAEP (cents)	No.	WAEP (cents)
Options outstanding at the start of the year	9,250,000	28.5	-	-
Options granted during the year	2,358,258	17.8	9,250,000	28.5
Options exercised during the year	-	-	-	-
Options cancelled and expired unexercised during the year	-	-	-	-
Options outstanding at the end of the year	11,608,258	26.3	9,250,000	28.5

	2023		2022	
	Accum losses \$	Equity rem reserve ¹ \$	Accum losses \$	Equity rem reserve (i) \$
Note 16 Reserves and accumulated losses				
Balance at the beginning of the year	(1,295,794)	943,494	-	-
Loss for the period	(994,346)	-	(1,295,794)	-
Movement in equity remuneration reserve in respect of options issued	-	197,701	-	943,494
Balance at the end of the year	(2,290,140)	1,141,195	(1,295,794)	943,494

¹The equity remuneration reserve is used to recognise the fair value of options issued and vested but not exercised.

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Notes to the Financial Statements
For the year ended 30 June 2023

Note 17 Financial instruments

Credit risk

The Directors do not consider that the Group's financial assets are subject to anything more than a negligible level of credit risk, and as such no disclosures are made, note 2(a).

Impairment losses

The Directors do not consider that any of the Group's financial assets are subject to impairment at the reporting date. No impairment expense or reversal of impairment charge has occurred during the reporting period, other than the write off of deferred exploration assets at note 11.

Interest rate risk

At the reporting date the interest profile of the Group's interest-bearing financial instruments was:

	30 June 2023 \$	30 June 2022 \$
Fixed rate instruments		
Financial assets	-	-
Variable rate instruments		
Financial assets	7,696,614	7,113,664

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss 1% increase	1% decrease	Equity 1% increase	1% decrease
2023				
Variable rate instruments	76,966	(76,966)	76,966	(76,966)
2022				
Variable rate instruments	71,137	(71,137)	71,137	(71,137)

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements, note 2(b):

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Notes to the Financial Statements
For the year ended 30 June 2023

Note 17 Financial instruments (continued)

Consolidated	Carrying amount \$	Contractual cash flows \$	< 6 months \$	6-12 months \$	1-2 years \$	2-5 years \$	> 5 years \$
<u>2023</u>							
Trade and other payables	272,180	272,180	272,180	-	-	-	-
	272,180	272,180	272,180	-	-	-	-
<u>2022</u>							
Trade and other payables	771,325	771,325	771,325	-	-	-	-
	771,325	771,325	771,325	-	-	-	-

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:

	2023		2022	
	Carrying amount \$	Fair value \$	Carrying amount \$	Fair Value \$
Cash and cash equivalents	7,696,614	7,696,614	7,113,664	7,113,664
Trade and other receivables	-	-	1,792	1,792
Trade and other payables	(272,180)	(272,180)	(771,325)	(771,325)
	7,424,434	7,424,434	6,344,131	6,344,131

The Group's policy for recognition of fair values is disclosed at note 1(g).

Note 18 Dividends

No dividends were paid or proposed during the period.

The Group has no franking credits available as at 30 June 2023 or 30 June 2022.

Note 19 Contingencies

(i) Contingent liabilities

There are no contingent liabilities at 30 June 2023 (30 June 2022: Nil)

Bank guarantees

A bank guarantee exists, and a corresponding amount of \$50,000 held on deposit, in relation to the Group's corporate credit card facility.

Notes to the Financial Statements
For the year ended 30 June 2023

Note 19 Contingencies (continued)

These amounts are not reported as a cash asset in these financial statements, and are classified within bonds in current assets (note 7).

(ii) Contingent assets

There are no contingent assets at 30 June 2023 (30 June 2022: Nil).

Note 20 Commitments

(a) Exploration

The Group has certain obligations to perform minimum exploration work on mineral leases held. These obligations may be varied as a result of renegotiations of the terms of the exploration licences or their relinquishment. The minimum exploration obligations are less than the normal level of exploration expected to be undertaken by the Group.

As at balance date, total exploration expenditure commitments on tenements held by the Group have not been provided for in the financial statements and which cover the following twelve month period amount to \$1,034,500 (2022: \$1,019,000).

(b) Contractual Commitment

There are no material contractual commitments as at 30 June 2023 or 30 June 2022 not otherwise disclosed in the Financial Statements.

Note 21 Events occurring after the reporting date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Group to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Note 22 Key management personnel disclosures

(a) Directors and key management personnel

The following persons were directors of Hamelin Gold Limited during the financial year:

- (i) Chairman – non-executive*
Will Robinson
- (ii) Executive directors*
Peter Bewick, Managing Director
- (iii) Non-executive directors*
Justin Osborne, Director
Philip Crutchfield, Director

There were no other persons employed by or contracted to the Company during the financial year, having responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly.

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Notes to the Financial Statements
For the year ended 30 June 2023

Note 22 Key management personnel disclosures (continued)

	30 June 2023 \$	30 June 2022 \$
<i>(b) Key management personnel compensation</i>		
A summary of total compensation paid to key management personnel during the year is as follows:		
Total short-term employment benefits – cash based	409,800	278,961
Total short-term employment benefits – equity based	23,650	-
Total share-based payments	54,476	437,011
Total post-employment benefits	43,029	27,895
	530,955	743,867

Note 23 Acquisition of Hamelin Resources Pty Ltd

On 14 September 2021 the Company acquired a 100% interest in the issued capital of Hamelin Resources Pty Ltd from Encounter Resources Limited. At the time of the transaction, pursuant to the terms and conditions of a Share Sale Agreement, the Company was a wholly owned subsidiary of Encounter Resources Limited.

For the purposes of the 31 December 2021 reporting period the Group applied provisional accounting under AASB 3 to the net assets acquired as outlined in the Prospectus issued on 17 September 2021. For the period ending 30 June 2022, the Company subsequently reviewed the application of AASB 3 and has applied the Optional Concentration Test (Test), which was implemented pursuant to *AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business*, to the assets and activities deemed to have been acquired pursuant to the demerger.

For the Test to apply, substantially all of the fair value of the gross assets acquired must be concentrated in a single identifiable asset or group of similar identifiable assets. The assets deemed to be acquired are all greenfields exploration assets in a discrete project area and as such the Test is considered to be met. As such the assets and activities acquired are not considered to constitute a business. Refer to Notes 11 and 14.

Note 24 Remuneration of auditors

Total remuneration of the auditors and its related entity during the financial year:

Crowe Perth - Audit and review of the Company's financial statements	27,250	25,500
Crowe Australasia – Investigating Accountant's Report	-	12,000

Hamelin Gold Limited
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Notes to the Financial Statements
For the year ended 30 June 2023

Note 25 Related party transactions

Pre-demerger related party disclosures

During the comparative period from 1 July 2021 to 29 October 2021, whilst part of the Encounter Resources Limited (ENR) group the following transaction occurred:

- ENR incurred total costs of \$416,274 on behalf of the Hamelin Gold group in respect of exploration, initial public offer and demerger costs;
- ENR forgave intercompany loans amounting to \$294,171 due to it from the Hamelin Gold group;
- ENR acquired exploration assets at book value of \$5,498,795 from the Hamelin Gold group, with the consideration offset against amounts due to the ENR group through intercompany loans; and
- ENR received a cash refund on behalf of the Hamelin Gold group amounting to \$10,556.

Other transactions with related parties

During the reporting period the Company paid remuneration to Lachlan Bewick, a related party of the Managing Director, in respect of his employment with the Company. Cash based remuneration, inclusive of superannuation contributions, amounted to \$57,380 for the reporting period.

Lachlan Bewick was issued with 450,000 unlisted options in the Company on 27 June 2023, following shareholder approval. The fair value of options issued as remuneration amounting to \$34,524 is allocated to the relevant vesting period of the options, and were valued using the inputs to the Black-Scholes valuation model stated at Note 15.

Loans to controlled entities

Refer to Note 9(b) for details of intercompany loans within the Hamelin Gold Limited Group.

Other than as stated, there are no other related party transactions other than as stated in the financial statements.

	30 June 2023 \$	30 June 2022 \$

Note 26 Cash flow information

a) Reconciliation of loss after tax to net cash inflow from operating activities

Loss from ordinary activities after income tax	(994,346)	(1,295,794)
Depreciation and amortisation	93,297	14,996
Exploration cost written off and expensed	43,071	98,599
Share based payments expense	197,701	771,964
<u>Movement in assets and liabilities:</u>		
(Increase)/decrease in receivables	2,066	(11,691)
Increase/(decrease) in payables	29,151	17,835
Net cash outflow from operating activities	(629,060)	(404,091)

b) Non-Cash investing and financing activities

During the current year, the Group entered into the following non-cash investing and financing activities which are not reflected in the statement of cash flows

Issue of shares for the acquisition of Hamelin Resources Pty Ltd	-	12,000,000
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Notes to the Financial Statements
For the year ended 30 June 2023

Note 27 Earnings per share

	30 June 2023	30 June 2022
<u>a) Basic earnings/(loss) per share</u>	Cents	Cents
Loss attributable to ordinary equity holders of the Company	(0.87)	(1.58)
<u>b) Diluted earnings per share</u>		
Loss attributable to ordinary equity holders of the Company	(0.87)	(1.58)
<u>c) Loss used in calculation of basic and diluted loss per share</u>	\$	\$
Consolidated loss after tax from continuing operations	(994,346)	(1,295,794)
<u>d) Weighted average number of shares used as the denominator</u>	No.	No.
Weighted average number of shares used as the denominator in calculating basic earnings per share	114,253,425	81,972,603
Weighted average number of shares used as the denominator in calculating diluted earnings per share	114,253,425	81,972,603

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Notes to the Financial Statements
For the year ended 30 June 2023

	30 June 2023 \$	30 June 2022 \$
Note 28 Parent entity information		
<u>Financial position</u>		
Assets		
Current assets	7,746,611	7,165,452
Non-current assets	17,188,031	14,442,275
Total Assets	24,934,642	21,607,727
Liabilities		
Current liabilities	442,302	930,382
Non-current liabilities	-	-
Total Liabilities	442,302	930,382
NET ASSETS	24,492,340	20,677,345
Equity		
Issued capital	25,641,285	21,029,645
Equity remuneration reserve	1,141,195	943,494
Accumulated losses	(2,290,140)	(1,295,794)
TOTAL EQUITY	24,492,340	20,677,345
<u>Financial performance</u>		
Profit/(Loss) for the year	(994,346)	(1,295,794)
Other comprehensive income	-	-
Total comprehensive income	(994,346)	(1,295,794)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

No guarantees have been entered into by the parent entity in relation to the debts of its subsidiary companies.

Contingent liabilities

For full details of contingencies see Note 19.

Commitments

For full details of commitments see Note 20.

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Directors' Declaration

In the opinion of the Directors of Hamelin Gold Limited ("the Company")

- (a) the financial statements and notes set out on pages 18 to 44 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Group.
- (b) the remuneration disclosures that are contained in the Remuneration Report in the Directors Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures, The Corporations Act 2001 and the Corporations Regulations 2001.
- (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.
- (d) the financial statements comply with International Financial Reporting Standards as set out in Note 1.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2023.

This declaration is made in accordance with a resolution of the Directors.

Signed at Perth this 18th day of September 2023.



Peter Bewick
Managing Director

**INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF HAMELIN GOLD LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Hamelin Gold Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, 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 material accounting policy information, and the directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. 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 we addressed the Key Audit Matter
Valuation of capitalised mineral exploration and evaluation expenditure	
<p>The consideration of impairment of the carrying value of the Group's Capitalised Mineral Exploration and Evaluation Expenditure assets was material to our audit and represented an area of significant estimate and judgement within the financial report.</p> <p>This matter is considered a key audit matter due to:</p> <ul style="list-style-type: none"> the high degree of judgement required by the directors to assess whether impairment indicators are present; the significance of additions to capitalised expenditure during the year of \$2.5m; and the materiality of the closing balance at year end of \$16.7m. <p>The related accounting policies, critical accounting estimates and judgements and disclosures are contained in Notes 1 and 11 of the financial report.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> assessing the nature of the capitalised costs through testing on a sample basis and assessing whether the nature of the expenditure met the capitalisation criteria. conducting discussions with management regarding the criteria used in their impairment assessment and ensuring that this was in line with the requirements of <i>AASB 6 Exploration for and Evaluation of Mineral Resources</i>. reviewing evidence of activities carried out and management intentions for areas of interest the Group holds and to corroborate the representations made by management during our discussions; assessing the Group's right of tenure by obtaining and assessing third party information supporting the Group's rights to tenure; and considered the appropriateness of the disclosures in Notes 1 and 11 to the financial statements in accordance with the relevant requirements of Australian Accounting Standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023 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 Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. 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 Group'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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an 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 statements represent 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 Group to express an opinion on the group financial report. The auditor is responsible for the direction, supervision and performance of the group audit. The auditor remains solely responsible for the 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 are also required to 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year 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 be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Hamelin Gold Limited for the year ended 30 June 2023, complies with section 300A of the Corporations Act 2001.

Responsibilities

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

Crowe Perth



Cyrus Patell
Partner

Dated at Perth this 18th September 2023