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**AURA ENERGY LIMITED**

**Audited Financial Report  
for the year ended 30 June 2023**

**ABN 62 115 927 681**

# AURA ENERGY LIMITED

## Audited Financial Report - 30 June 2023

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## DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Aura Energy Limited and the entities it controlled at the end of, or during, the year ended 30 June 2023. Throughout the report, the consolidated entity is referred to as the Group.

### DIRECTORS AND COMPANY SECRETARY

The following persons held office as directors of Aura Energy Limited during the financial year:

**Mr Philip Mitchell**  
**Dr Warren Mundine**  
**Mr Bryan Dixon**  
**Mr Patrick Mutz**  
**Mr David Woodall** (appointed 17 October 2022)

The following persons held office as company secretary of Aura Energy Limited during the financial year:

**Mr Phillip Hains**

### PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were exploration and evaluation of uranium, vanadium and gold and base metals in Mauritania and Sweden. There was no significant change in the nature of these activities during the year.

### DIVIDENDS - AURA ENERGY LIMITED

No dividends were declared or paid to members for the year ended 30 June 2023. The directors do not recommend that a dividend be paid in respect of the financial year.

### REVIEW OF OPERATIONS

The Group's consolidated net loss for the year ended 30 June 2023 after providing for income tax amounted to \$6,795,514 (2022: \$3,403,791).

The loss for the period is primarily driven by:

- General and administration expenses of \$2,808,555 (2022: \$1,470,842);
- Employee benefits expenses of \$913,929 (2022: \$505,389);
- Share-based payments of \$2,472,578 (2022: \$1,187,254), offset by
- Interest income of \$62,892 (2022: \$1,676)

Included in the result for the financial year is a loss from disposal group of \$674,420 (2022: \$275,696).

Cash and cash equivalents at 30 June 2023 was \$11,238,716 (2022: \$9,950,777). Capitalised exploration and evaluation assets was \$27,248,300 (2022: \$22,323,176).

### MATERIAL BUSINESS RISKS

Management of the business and the execution of the Board's strategy are subject to a number of key risks and uncertainties, our approach to managing these is detailed below:

#### *Health and safety*

Exploration and mining include safety risks from both internal and external factors and require necessary precautions to be put in place to minimise adverse outcomes. The most prominent risk, due to the geological spread of exploration activities, is associated with the transportation of personnel to and from project sites, particularly the risk of road injuries and fatalities. The Company has in place an OH&S policy that is required to be adhered to at all times by its employees and contractors and will implement additional policies and protocols as activity ramps up, including transportation standards policies, vehicle safety checks and establishing emergency response protocols.

#### *Exploration and Development Risks*

Mineral exploration and development activities are inherently risky. There is a risk that the feasibility study and associated technical work may not achieve the expected results and that a failure to develop and operate projects in accordance with expectations could negatively impact results of operations and the company's financial position. Risks to the Company's development projects include the ability to acquire and/or obtain appropriate access to property, regulatory approvals, supply chain risks, construction and commissioning risks.

## DIRECTORS' REPORT (CONTINUED)

### MATERIAL BUSINESS RISKS (CONTINUED)

Aura is continuing the FEED (Front End Engineering Design) studies for the Tiris Development Project, including optimisation strategies and incorporating outcomes from the Enhanced Feasibility Study released in the March 2023 Quarter. These studies aim to enhance the recovery of U3O8 within the leaching, ion exchange, and precipitation circuits to optimize the production profile. The FEED work remains on schedule for completion in Q4 2023, with long-lead items already identified to ensure timely delivery for the Tiris Project's construction.

#### *Community/Social Risk*

The Group's operations take place amidst varying cultural practices. The evolving expectations of these communities are managed through active community engagement, development and implementation of community relations strategies based on stakeholder concerns and maintaining strong relationships with communities and delivering on its commitments.

#### *Regulatory and Compliance Risk*

The company faces challenges related to new or evolving regulations and standards that are beyond its control. These regulations are often complex and challenging to predict. Opportunities for growth and development may be at risk due to changes to fiscal or regulatory frameworks, adverse changes in tax or other law, differences in sustainability standards and practices, or shifts in existing political, judicial, or administrative policies, as well as evolving community expectations.

#### *Anti-Bribery and Corruption Risk*

Aura has a clear policy alongside internal controls and procedures aimed at mitigating risks associated with Anti-Bribery and Corruption, includes providing training and compliance programs to both employees and contractors. These programs address various risks and associated scenarios, including unauthorised payments or offers of payments involving employees, agents, or distributors, which could potentially violate relevant anti-corruption laws.

#### *Operations in Foreign Jurisdictions*

The Company operates in foreign jurisdictions, specifically in Mauritania and Sweden, where its projects are located. These projects are exposed to various risks, including the potential for unfavourable political and economic changes, fluctuations and controls related to foreign currency, civil unrest, political upheavals, or conflicts. Furthermore, unforeseen events can curtail or interrupt operations on these properties, restrict capital movement, or lead to increased taxation. The Company remains proactive and closely monitors the political and economic landscapes of the jurisdictions in which it operates.

#### *Market Risk*

The Company is developing mineral projects with the intention to produce commodities for sale across a variety of markets. Forecast of supply and demand dynamics and the pricing that may be received for those products is inherently complex and subject to factors outside of the Company's control. There is a risk that factors outside of the Company's control may negatively affect markets. These factors could include geopolitical events, over supply or reduced demand. The Company mitigates this risk through efforts to engage offtake contracts to ensure consistency in pricing and through diversification of products.

#### *Funding Risk*

The Company will require additional funding to bring the Tiris Uranium Project into production and advance the Häggån Polymetallic Project. There is a risk that funding may not be available on acceptable terms for these projects. The Company seeks to mitigate this risk by diversifying potential funding sources between debt, equity and other options. Additional work to derisk technical, social, environmental and permitting will increase the availability of funding options.

## DIRECTORS' REPORT (CONTINUED)

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the directors there were no significant changes in the state of affairs of the Group that occurred during the year.

### EVENTS SINCE THE END OF THE FINANCIAL YEAR

Subsequent to the end of the financial year, the Company released the Scoping Study for its Häggån Project in Sweden which confirmed the scale and optionality of the Company's Critical Minerals Project in Sweden. Please refer to the announcement dated 5 September 2023 for more details.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

### ENVIRONMENTAL REGULATION

The Group is commencing exploration and evaluation activities in Mauritania and Sweden. Both countries have environmental regulation for the conduct of exploration activities. The Company has complied with these environmental regulations in the conduct of all field activities.

The directors have considered the enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduced a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act has no effect on the Company for the current, nor subsequent, financial year. The directors will reassess this position as and when the need arises.

## DIRECTORS' REPORT (CONTINUED)

### INFORMATION ON DIRECTORS

The following information is current as at the date of this report.

#### MR PHILIP MITCHELL *NON-EXECUTIVE CHAIRMAN*

Experience and expertise	<p>Mr Mitchell has significant experience in mining M&amp;A having held former roles as Head of Business Development and Strategy at Rio Tinto, CFO of Rio Tinto Iron Ore, member of the Executive Committee at Anglo American and also headed acquisitions for billionaire Robert Friedland's company, High Power Exploration.</p> <p>As Head of Business Development and Strategy at Rio Tinto, Mr Mitchell was responsible for managing all aspects of the company's asset and commodity portfolio, including the Ranger uranium mine in addition to the strategic positioning of the company. Mr Mitchell was also accountable for portfolio M&amp;A acquisitions and divestments, in addition to the daily management of the BHP takeover proposal.</p> <p>As the Chief Financial Officer of Rio Tinto's iron ore business, one the largest Australian business units, he oversaw all commercial aspects of the business including relationships with all JV partners and with government. Mr Mitchell was also responsible for developing the strategic plan that saw Rio Tinto Iron Ore dominate profitable expansion to support China's growth. In 2021, Mr Mitchell lead the acquisition of the Nimba Iron Ore project for Robert Friedland's HPX including the purchase arrangements with BHP, Newmont and Orano and the negotiation of the agreements with the Governments of Guinea and Liberia.</p> <p>Mr Mitchell holds a Bachelor of Economics Degree at the Australian National University</p>	
Date of appointment	21 December 2021	
Other current public directorships	None	
Former public directorships in last 3 years	None	
Interests in shares and options	Shares	10,199,566
	Options	-

## DIRECTORS' REPORT (CONTINUED)

### INFORMATION ON DIRECTORS (CONTINUED)

#### MR WARREN MUNDINE *NON-EXECUTIVE DIRECTOR*

Experience and expertise	<p>Mr Nyunggai Warren Mundine AO is a member of the Bundjalung Indigenous Nation of Australia and a descendant of the Gumbaynggirr and Yuin Indigenous Nations of Australia. He is from Grafton, NSW.</p> <p>Mr Mundine is a highly respected and influential businessman, political strategist and advocate for empowering the Indigenous people of Australia to build businesses and sustainable economies. He has more than 40 years' experience working in the public, private and community sectors. He has advised successive Australian governments since 2004 and his appointment as Chairman of the Prime Minister's Indigenous Advisory Council from 2013 to 2017 follows a long career in the public, business, policy, arts and community sectors.</p> <p>He is currently Chairman and Managing Director of Nyungga Black Group, Chairman of the Australian Indigenous Education Foundation and a Governor for the Committee for the Economic Development of Australia, Chairman of Fuse Minerals and Aura Energy, Director - Indigenous Forum at the Centre for Independent Studies and was previously Chairman of Real Futures, RISE Ventures, NAISDA College, NAISDA Foundation and the Australian Indigenous Chamber of Commerce, among others.</p>	
Date of appointment	21 December 2021	
Other current public directorships	None	
Former public directorships in last 3 years	None	
Interests in shares and options	Shares	3,000,000
	Options	-

#### MR BRYAN DIXON *NON-EXECUTIVE DIRECTOR*

Experience and expertise	<p>Mr Dixon has extensive experience in the mining sector and the management of publicly listed companies. Mr Dixon has held a numerous executive and director roles with emerging resource companies. He was a joint winner of the Mines and Money Asia-Pacific Mining Executive of the Year in 2017.</p> <p>Mr Dixon has held numerous director and management roles with emerging resource companies, and was the founding Managing Director of Blackham Resources (ASX:BLK), now Wiluna Mining Corporation (ASX: WMC).</p> <p>Previously, Mr Dixon was employed by an international accounting firm, Resolute Limited and Archipelago Resources, and specialises in project acquisition, exploration, feasibility, financing, development and operations of mining projects to production.</p> <p>Mr Dixon holds Bachelor of Commerce Degree at the University of Western Australia. He is an Associate Member of Chartered Accountants Australia and New Zealand, and an Associate Member of Governance Institute of Australia.</p>	
Date of appointment	21 December 2021	
Other current public directorships	Burley Minerals Ltd (ASX: BUR)	
Former public directorships in last 3 years	Lithium Australia NL (ASX: LIT), until 27 January 2021	
Interests in shares and options	Shares	3,108,108
	Options	-

## DIRECTORS' REPORT (CONTINUED)

### INFORMATION ON DIRECTORS (CONTINUED)

#### MR PATRICK MUTZ *NON-EXECUTIVE DIRECTOR*

Experience and expertise	<p>Specialising in uranium projects in the USA, Australia and Africa, Mr Mutz holds over 40 years, of international mining experience across technical, managerial, consulting, executive and director roles, across all aspects of the mining industry from exploration through to project development, mining and mine rehabilitation. He also has uranium operational experience in open cut, underground, and in-situ mining and related processing.</p> <p>He formerly held the roles of Managing Director &amp; CEO of African focussed uranium company, Deep Yellow (ASX: DYL), and Alliance Resources (ASX: AGS). Mr Mutz also held the roles of General Manager and Managing Director of General Atomics Technology Co in California, USA, a company specialising in research and technology development, including physics research in support of nuclear fission and nuclear fusion technology.</p> <p>Mr Mutz also previously served as Managing Director and CEO of a number of private mining companies based in Australia, primarily involved with project development and transitioning companies from exploration to production.</p> <p>Mr Mutz is currently Managing Director &amp; CEO of Image Resources (ASX: IMA) ("Image"), a Western Australian mineral sands mining company, where he led Image through the successful transition from advanced explorer to profitable mining company, including feasibility study, capital raising, construction, rapid commissioning and full production that led to early repayment of all debt and payment of annual dividends after only the second and third years of operation. Mr Mutz holds a Bachelor of Science with Honours and an MBA, both from the University of Phoenix, and is a Fellow of AusIMM.</p>	
Date of appointment	18 May 2022	
Other current public directorships	Image Resources NL (ASX: IMA)	
Former public directorships in last 3 years	None	
Interests in shares and options	Shares	2,000,000
	Options	-

## DIRECTORS' REPORT (CONTINUED)

### INFORMATION ON DIRECTORS (CONTINUED)

#### MR DAVID WOODALL *MANAGING DIRECTOR & CEO*

<b>Experience and expertise</b>	<p>Mr Woodall is a senior, corporate executive with a mining engineering qualification and 30 years' experience across exploration, operations, project development, community alignment and engagement in the mineral resources industry including rare earths, critical minerals, gold, copper, iron ore and nickel.</p> <p>He has broad international experience across the value chain (operations, asset management, technical, exploration, financial, marketing, project development, business development, strategy and investor engagement) at operational, corporate and board levels to maximise shareholder value.</p> <p>Mr Woodall has overseen transformation and change management in complex and difficult operating environments, driving and linking strategic, operational and transformational change strategies in organisations. His experience in managing large, geographically distant teams across multiple locations and different cultures.</p> <p>He is a member of the Australian Institute of Mining and Metallurgy (AusIMM) and a member of the Australian Institute of Company Directors (AICD).</p>	
<b>Date of appointment</b>	17 October 2022	
<b>Other current public directorships</b>	None	
<b>Former public directorships in last 3 years</b>	<p>Australian Strategic Minerals Ltd (ASX: ASM), until 15 July 2022</p> <p>Grange Resources Limited (ASX: GRR), until 30 April 2021</p>	
<b>Interests in shares and options</b>	Shares	16,162,162
	Options	-

#### COMPANY SECRETARY

The Company secretary is Mr Ross Kennedy (appointed 12 September 2023).

Ross is a Fellow, Australian Institute of Company Directors, Fellow, Governance Institute of Australia and a Chartered Accountant. He has over 30 year's experience in providing businesses with company secretarial, compliance and general management services.

#### MEETINGS OF DIRECTORS

The numbers of meetings of the Company's board of directors and of each board committee held during the year ended 30 June 2023, and the numbers of meetings attended by each director were:

	Full meetings of directors		Meetings of committees			
			Audit		Remuneration	
	A	B	A	B	A	B
<b>Mr Philip Mitchell</b>	8	8	-	-	-	-
<b>Dr Warren Mundine</b>	6	8	1	2	1	1
<b>Mr Bryan Dixon</b>	8	8	2	2	1	1
<b>Mr Patrick Mutz</b>	8	8	2	2	1	1
<b>Mr David Woodall</b>	6	6	-	-	-	-

**A** = Number of meetings attended

**B** = Number of meetings held during the time the director held office or was a member of the Audit & Risk Committee or the Remuneration & Nomination Committee during the year.

## DIRECTORS' REPORT (CONTINUED)

### REMUNERATION REPORT

The directors present the Aura Energy Limited 2023 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

The report is structured as follows:

- (a) Key management personnel (KMP) covered in this report
- (b) Remuneration policy and link to performance
- (c) Remuneration expenses
- (d) Link between remuneration and performance
- (e) Share-based compensation
- (f) Other transactions with KMP

#### (A) KEY MANAGEMENT PERSONNEL COVERED IN THIS REPORT

**Non-executive and executive directors (see pages 4 to 7 for details about each director)**

**Mr Philip Mitchell**, *Non-Executive Chairman*

**Dr Warren Mundine**, *Non-Executive Director*

**Mr Bryan Dixon**, *Non-Executive Director*

**Mr Patrick Mutz**, *Non-Executive Director*

**Mr David Woodall**, *Managing Director & CEO (appointed 17 October 2022)*

#### **Other key management personnel**

**Dr Will Goodall**, *Chief Development Officer*

(Acting Chief Executive Officer from 13 January 2022 to 16 October 2022)

#### (B) REMUNERATION POLICY AND LINK TO PERFORMANCE

Our remuneration committee is made up of independent non-executive directors. The committee reviews and determines our remuneration policy and structure annually to ensure it remains aligned to business needs, and meets our remuneration principles. In particular, the board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent
- aligned to the Company's strategic and business objectives and the creation of shareholder value
- transparent and easily understood, and
- acceptable to shareholders.

## DIRECTORS' REPORT (CONTINUED)

### REMUNERATION REPORT (CONTINUED)

#### (C) REMUNERATION EXPENSES

The following table shows details of the remuneration expense recognised for the Group's executive key management personnel for the current and previous financial year measured in accordance with the requirements of the accounting standards.

The following table shows details of remuneration expenses of each director or other key management personnel recognised for the year ended 30 June 2023.

2023	Short-term benefits				Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees \$	Cash bonus \$	Annual leave \$	Other \$	Super-annuation \$	Long service leave \$	Loan funded shares \$	Total \$
<b>Non-executive directors</b>								
Mr Philip Mitchell	60,000	-	-	-	-	-	776,394	836,394
Dr Warren Mundine	36,199	-	-	-	3,801	-	209,734	249,734
Mr Bryan Dixon	40,000	-	-	30,500	-	-	209,734	280,234
Mr Patrick Mutz	36,199	-	-	-	3,801	-	62,540	102,540
<b>Non-executive directors</b>								
Mr David Woodall	310,764	-	27,007	-	25,208	175	500,323	863,477
<b>Other KMP</b>								
Dr Will Goodall	364,800	50,000	19,997	-	-	351	178,463	613,611
<b>Total KMP compensation</b>	<b>847,962</b>	<b>50,000</b>	<b>47,004</b>	<b>30,500</b>	<b>32,810</b>	<b>526</b>	<b>1,937,188</b>	<b>2,945,990</b>

#### Notes

- During the year ended 30 June 2023, the Group engaged Mr Bryan Dixon for consulting services. These services amounted to \$30,500.
- Cash bonus includes the amount paid or accrued in the year ended 30 June 2023 in relation to FY 2023 performance.

## DIRECTORS' REPORT (CONTINUED)

### REMUNERATION REPORT (CONTINUED)

#### (C) REMUNERATION EXPENSES (CONTINUED)

The following table shows details of remuneration expenses of each director or other key management personnel recognised for the year ended 30 June 2022.

2023	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees \$	Annual leave \$	Other \$	Super-annuation \$	Long service leave \$	Loan funded shares \$	Total \$
<b>Non-executive directors</b>							
Mr Philip Mitchell	31,774	-	-	-	-	474,902	506,676
Dr Warren Mundine	19,257	-	-	1,926	-	118,725	139,908
Mr Bryan Dixon	21,183	-	17,000	-	-	118,725	156,908
Mr Patrick Mutz	4,301	-	-	430	-	-	4,731
Mr Martin Rogers	75,000	-	-	-	-	-	75,000
Mr Peter Ward	40,000	-	-	-	-	-	40,000
<b>Executive directors</b>							
Mr Peter Reeve	94,203	-	-	9,420	-	-	103,623
<b>Other KMP</b>							
Dr Will Goodall	137,500	11,437	-	-	-	104,429	253,366
<b>Total KMP compensation</b>	<b>423,218</b>	<b>11,437</b>	<b>17,000</b>	<b>11,776</b>	<b>-</b>	<b>816,781</b>	<b>1,280,212</b>

#### Notes

- During the year ended 30 June 2022, the Group also engaged Mr Bryan Dixon, Mr Patrick Mutz and Dr Will Goodall for consulting services prior to their appointments as KMP. These services amounted to \$2,151, \$12,563 and \$47,700, respectively.
- On 21 December 2021, the Group issued loan funded shares to Dr Will Goodall as an eligible consultant prior to his appointment as KMP. During the year ended 30 June 2022, \$14,297 has been recognised as a share-based payment to Dr Goodall as a consultant.
- Similarly, on 21 December 2021, the Group issued loan funded shares to Mr Peter Reeve as an eligible employee after his resignation as KMP. During the year ended 30 June 2022, \$118,725 has been recognised as a share-based payment to Mr Reeve.

## DIRECTORS' REPORT (CONTINUED)

### REMUNERATION REPORT (CONTINUED)

#### (D) LINK BETWEEN REMUNERATION AND PERFORMANCE

(i) Relative proportions of fixed vs variable remuneration expense

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense on page 10 above:

Name	Fixed remuneration		STI		LTI	
	2023 %	2022 %	2023 %	2022 %	2023 %	2022 %
<b>Non-executive directors</b>						
Mr Philip Mitchell	7	6	-	-	93	94
Dr Warren Mundine	16	15	-	-	84	85
Mr Bryan Dixon	25	24	-	-	75	76
Mr Patrick Mutz	39	100	-	-	61	-
Mr Martin Rogers	-	100	-	-	-	-
Mr Peter Ward*	-	100	-	-	-	-
<b>Executive directors</b>						
Mr David Woodall	42	-	-	-	58	-
Mr Peter Reeve*	-	100	-	-	-	-
<b>Other KMP</b>						
Dr Will Goodall	63	59	8	-	29	41

#### Notes

\*Mr Peter Ward and Peter Reeve resigned on 21 December 2021

#### (E) SHARE-BASED COMPENSATION

(i) Terms and conditions of the share-based payment arrangements

##### Options

Aura Energy Limited operates an ownership-based scheme for directors and executives of the Group. In accordance with the provisions of the plan, as approved by shareholders at a previous annual general meeting, directors and executives may be granted options to purchase parcels of ordinary shares at an exercise price as determined at the time options are granted.

Each option converts into one ordinary share of the Group on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted is approved by shareholders at a previous annual general meeting. The scheme rewards directors and executives against the extent of the Group's and individual's achievement against criteria from the following measures:

- improvement in share price
- improvement in return to shareholders

## DIRECTORS' REPORT (CONTINUED)

### REMUNERATION REPORT (CONTINUED)

#### (E) SHARE-BASED COMPENSATION (CONTINUED)

(i) Terms and conditions of the share-based payment arrangements (continued)

##### *Loan funded securities*

Aura Energy Limited operates a loan funded equity scheme for directors, executives and senior consultants of the Group. In accordance with the provisions of the plan, as approved by shareholders at a previous annual general meeting, directors, executives and senior consultants may be granted loan funded securities.

Each loan funded share converts into one ordinary share of the Group on issue. The loan funded shares rank equally with all other fully paid ordinary shares on issue in the capital of the Group.

The number of loan funded shares granted is approved by shareholders at the annual general meeting of the Group. For detailed disclosures please refer to Note 8(b).

(ii) Reconciliation of options, performance rights and ordinary shares held by KMP

##### Option holdings

2023	Balance at start of the year <sup>1</sup>	Granted as remuneration	Exercised	Other changes <sup>2</sup>	Balance at end of the year <sup>3</sup>	Vested and exercisable
<b>Options</b>						
Mr Philip Mitchell	-	-	-	-	-	-
Dr Warren Mundine	-	-	-	-	-	-
Mr Bryan Dixon	-	-	-	-	-	-
Mr Patrick Mutz	-	-	-	-	-	-
Mr David Woodall	-	-	-	-	-	-
Dr Will Goodall	1,317,678	-	-	-	1,317,678	1,317,678
	<b>1,317,678</b>	-	-	-	<b>1,317,678</b>	<b>1,317,678</b>

##### Notes

<sup>1</sup> Balance may include shares held prior to individuals becoming KMP. For individuals who became KMP during the period, the balance is as at the date they became KMP.

<sup>2</sup> Other changes incorporates changes resulting from the issue of options pursuant to rights issue.

<sup>3</sup> For former KMP, the balance is as at the date they ceased being KMP.

## DIRECTORS' REPORT (CONTINUED)

### REMUNERATION REPORT (CONTINUED)

#### (E) SHARE-BASED COMPENSATION (CONTINUED)

(ii) Reconciliation of options, performance rights and ordinary shares held by KMP (continued)

##### Share holdings

2023	Balance at start of the year <sup>1</sup>	Granted as remuneration	Other changes <sup>2</sup>	Balance at end of the year <sup>3</sup>
<b>Ordinary shares</b>				
Mr Philip Mitchell	8,000,000	2,000,000	199,566	10,199,566
Dr Warren Mundine	2,000,000	1,000,000	-	3,000,000
Mr Bryan Dixon	2,000,000	1,000,000	108,108	3,108,108
Mr Patrick Mutz	-	2,000,000	-	2,000,000
Mr David Woodall	-	16,000,000	162,162	16,162,162
Dr Will Goodall	2,953,034	-	-	2,953,034
	<b>14,953,034</b>	<b>22,000,000</b>	<b>469,836</b>	<b>37,422,870</b>

##### Notes

- Balance may include shares held prior to individuals becoming KMP and exclude shares held by individuals who resigned as KMP in prior year. For individuals who became KMP during the year, the balance is as at the date they became KMP.
- Other changes incorporates changes resulting from the acquisition or disposal of shares.
- For former KMP, the balance is as at the date they cease being KMP.

#### (F) OTHER TRANSACTIONS WITH KMP

There are no other transactions with key management personnel of Aura Energy Limited

#### (G) VOTING OF SHAREHOLDERS AT LAST YEAR'S ANNUAL GENERAL MEETING

Aura Energy Limited received more than 75% of favourable votes on its remuneration report for the 2022 financial year. The Group did not receive any specific feedback at the 2022 annual general meeting or throughout the year on its remuneration practices.

**[This concludes the remuneration report, which has been audited]**

## DIRECTORS' REPORT (CONTINUED)

### 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 to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

### NON-AUDIT SERVICES

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2022 \$	2021 \$
<b>Taxation services</b>		
Hall Chadwick WA Audit Pty Ltd: Tax compliance services	14,101	2,971
<b>Total remuneration for taxation services</b>	<b>14,101</b>	<b>2,971</b>

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 16.

### SHARES UNDER OPTION

#### (a) Unissued ordinary shares

Unissued ordinary shares of Aura Energy Limited under option at the date of this report are as follows:

Date options issued	Expiry date	Issue price of Shares	Number under option
2021-05-28 (AEEAAB)	2024-06-30	\$0.052	384,616
2021-11-15 (AEE0)	2024-06-30	\$0.052	89,221,366
			89,605,982

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

#### (b) Shares issued on the exercise of options

The following ordinary shares of Aura Energy Limited were issued during and after the year ended 30 June 2023 on the exercise of options. No amounts are unpaid on any of the shares.

Date options issued	Date options expire	Issue price of Shares	Number under option
2021-11-15	2024-06-30	\$0.052	21,548,313
2021-03-17	2024-06-30	\$0.052	2,384,615
2021-03-17	2024-06-30	\$0.052	5,653,846
2021-03-17	2023-04-31	\$0.104	1,923,076
			31,509,850

This report is made in accordance with a resolution of directors.

A handwritten signature in blue ink, appearing to read "David Woodall".

Mr David Woodall  
Managing Director & CEO

26 September 2023

For personal use only

To the Board of Directors

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

As lead audit director for the audit of the financial statements of Aura Energy Limited for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully,

  
**HALL CHADWICK WA AUDIT PTY LTD**

  
**D M BELL CA**  
**Director**

Dated this 26<sup>th</sup> day of September 2023  
Perth, Western Australia

# **AURA ENERGY LIMITED**

## **Audited Financial Report - 30 June 2023**

**ABN 62 115 927 681**

### **FINANCIAL STATEMENTS**

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## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 \$	2022 \$
<b>Continuing operations</b>			
Other income	2(a)	-	92,496
Other gains/(losses)	2(b)	11,076	(58,782)
Employee benefits		(913,929)	(505,389)
General and administration expenses	2(c)	(2,808,555)	(1,470,842)
Share-based payments	8	(2,472,578)	(1,187,254)
<b>Operating loss</b>		<b>(6,183,986)</b>	<b>(3,129,771)</b>
Finance income	2(d)	62,892	1,676
<b>Loss before income tax</b>		<b>(6,121,094)</b>	<b>(3,128,095)</b>
Income tax benefit	3	-	-
<b>Profit from continuing operations</b>		<b>(6,121,094)</b>	<b>(3,128,095)</b>
Loss from disposal group	11(b)	(674,420)	(275,696)
<b>Loss for the year</b>		<b>(6,795,514)</b>	<b>(3,403,791)</b>
Attributable to:			
Owners of Aura Energy Limited		(6,492,350)	(3,573,298)
Non-controlling interests		(303,164)	169,507
		<b>(6,795,514)</b>	<b>(3,403,791)</b>
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations		(1,371,500)	333,919
<b>Other comprehensive income for the year</b>		<b>(1,371,500)</b>	<b>333,919</b>
<b>Total comprehensive loss for the year</b>		<b>(8,167,014)</b>	<b>(3,069,872)</b>
Attributable to:			
Owners of Aura Energy Limited		(7,855,170)	(3,245,917)
Non-controlling interests		(311,844)	176,045
		<b>(8,167,014)</b>	<b>(3,069,872)</b>

	Notes	Cents	Cents
<b>Basic and diluted loss per share for loss attributable to the ordinary equity holders of the Company:</b>			
From continuing operations attributable to the ordinary equity holders of the company	18	(1.07)	(0.73)
From continuing operations and disposal group attributable to the ordinary equity holders of the company		(1.19)	(0.79)

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

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Notes	2023 \$	2022 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash at banks	4(a)	11,238,716	9,950,777
Trade receivables	4(b)	63,203	21,501
Other current assets		80,112	155,246
Assets classified as disposal group	11	2,735,650	2,453,620
<b>Total current assets</b>		<b>14,117,681</b>	<b>12,581,144</b>
Plant and equipment		5,158	4,557
Exploration and evaluation	5(a)	27,248,300	22,323,176
<b>Total non-current assets</b>		<b>27,253,458</b>	<b>22,327,733</b>
<b>Total assets</b>		<b>41,371,139</b>	<b>34,908,877</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	4(c)	1,310,087	1,201,706
Employee benefit obligations	5(b)	87,110	14,947
Other current liabilities		667	1,067
Liabilities directly associated with assets classified as disposal group	11	170,980	76,707
<b>Total current liabilities</b>		<b>1,568,844</b>	<b>1,294,427</b>
<b>Net assets</b>		<b>1,568,844</b>	<b>1,294,427</b>
<b>EQUITY</b>		<b>39,802,295</b>	<b>33,614,450</b>
Share capital	6(a)	81,832,301	69,357,543
Other equity		314,346	314,346
Other reserves	6(b)	4,464,106	3,946,825
Accumulated losses		(46,733,187)	(40,240,837)
Capital and reserves attributable to owners of Aura Energy Limited		<b>39,877,566</b>	<b>33,377,877</b>
Non-controlling interests		(75,271)	236,573
<b>Total equity</b>		<b>39,802,295</b>	<b>33,614,450</b>

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

**Attributable to owners of Aura Energy Limited**

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

Attributable to owners of Aura Energy Limited					
	Share capital \$	Other equity \$	Other reserves \$	Accumulated losses \$	Total \$
Non-controlling interests					\$
Total equity					\$

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

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees (inclusive of GST)		(3,583,705)	(2,692,262)
Interest received		62,892	1,676
<b>Net cash (outflow) from operating activities</b>	9(a)	<b>(3,520,813)</b>	<b>(2,690,586)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(2,457)	(5,753)
Payments for exploration and evaluation		(7,259,757)	(2,723,064)
<b>Net cash (outflow) from investing activities</b>		<b>(7,262,214)</b>	<b>(2,728,817)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issues of shares and other listed securities		10,670,490	10,805,390
Share issue transaction costs		(733,894)	(1,216,818)
Repayment of borrowings		-	(312,500)
Exercise of options		1,702,284	3,679,749
<b>Net cash inflow from financing activities</b>		<b>11,638,880</b>	<b>12,955,821</b>
<b>Net increase in cash and cash equivalents</b>		<b>855,853</b>	<b>7,536,418</b>
Cash and cash equivalents at the beginning of the financial period		10,706,700	3,206,855
Effects of exchange rate changes on cash and cash equivalents		(286,246)	(36,573)
<b>Cash and cash equivalents at end of year</b>	4(a)	<b>11,276,307</b>	<b>10,706,700</b>

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

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023

### 1 SEGMENT INFORMATION

#### (A) DESCRIPTION OF SEGMENTS AND PRINCIPAL ACTIVITIES

The Group operates predominately in the mining industry. This comprises exploration and evaluation of uranium projects. Inter-segment transactions are priced at cost to the consolidated Group.

The Group has identified its operating segments based on the internal reports that are provided to the board of directors on a monthly basis. Management has identified the operating segments based on the three principal project - uranium, vanadium and gold and base metals. The Group also maintains a corporate function primarily responsible for overall management of the operating segments, raising capital and distributing funds to operating segments.

Corporate expenses include administration and regulatory expenses arising from operating an ASX listed entity.

Segment assets include the costs to acquire tenements and the capitalised exploration costs of those tenements. Financial assets including cash and cash equivalents, and investments in financial assets, are reported in the Treasury segment.

#### (B) FINANCIAL BREAKDOWN

The segment information for the reportable segments for the year ended 30 June 2023 is as follows:

2023	Uranium \$	Vanadium \$	Gold and base metals \$	Corporate \$	Total \$
Other gains	-	-	-	11,076	11,076
<b>Total income</b>	-	-	-	<b>11,076</b>	<b>11,076</b>
Employee benefits	-	-	-	(913,929)	(913,929)
General & administration expenses	(687)	(88,411)	-	(2,719,457)	(2,808,555)
Share-based payments	-	-	-	(2,472,578)	(2,472,578)
Finance costs - net	(763,833)	(544,760)	-	1,371,485	62,892
Loss from disposal group	-	-	(368,840)	(305,580)	(674,420)
<b>Loss for the year</b>	<b>(764,520)</b>	<b>(633,171)</b>	<b>(368,840)</b>	<b>(5,028,983)</b>	<b>(6,795,514)</b>
Assets					
Segment assets	20,155,913	7,092,387	2,698,059	11,424,780	41,371,139
<b>Total assets</b>	<b>20,155,913</b>	<b>7,092,387</b>	<b>2,698,059</b>	<b>11,424,780</b>	<b>41,371,139</b>
Liabilities					
Trade and other payables	-	-	-	1,310,087	1,310,087
Provisions	-	-	-	258,090	258,090
Financial liabilities	-	-	-	667	667
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,568,844</b>	<b>1,568,844</b>

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 1 SEGMENT INFORMATION (CONTINUED)

#### (B) FINANCIAL BREAKDOWN (CONTINUED)

The segment information for the reportable segments for the year ended 30 June 2022 is as follows:

2022	Uranium \$	Vanadium \$	Gold and base metals \$	Corporate \$	Total \$
Segment income	-	-	-	92,496	92,496
Other gains/(losses)	920,600	(957,403)	-	(21,979)	(58,782)
<b>Total income</b>	<b>920,600</b>	<b>(957,403)</b>	<b>-</b>	<b>70,517</b>	<b>33,714</b>
Employee benefits	-	-	-	(505,389)	(505,389)
General & administration expenses	(299)	(26,512)	-	(1,444,031)	(1,470,842)
Share-based payments	-	-	-	(1,187,254)	(1,187,254)
Finance costs - net	(495,429)	(239,749)	-	736,854	1,676
Loss from disposal group	-	-	17,905	(293,601)	(275,696)
<b>Loss for the year</b>	<b>424,872</b>	<b>(1,223,664)</b>	<b>17,905</b>	<b>(2,622,904)</b>	<b>(3,403,791)</b>
<b>Assets</b>					
Segment assets	15,680,668	6,642,508	1,694,213	10,891,488	34,908,877
<b>Total assets</b>	<b>15,680,668</b>	<b>6,642,508</b>	<b>1,694,213</b>	<b>10,891,488</b>	<b>34,908,877</b>
<b>Liabilities</b>					
Trade and other payables	-	-	-	1,201,706	1,201,706
Provisions	-	-	-	91,654	91,654
Financial liabilities	-	-	-	1,067	1,067
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,294,427</b>	<b>1,294,427</b>

### 2 OTHER INCOME AND EXPENSE ITEMS

#### (A) OTHER INCOME

	2023 \$	2022 \$
Other income	-	92,496
	-	92,496

#### (B) OTHER GAINS/(LOSSES)

	2023 \$	2022 \$
Net gain/(loss) on foreign currency	11,076	(58,782)
	11,076	(58,782)

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 2 OTHER INCOME AND EXPENSE ITEMS (CONTINUED)

#### (C) BREAKDOWN OF EXPENSES BY NATURE

	2023 \$	2022 \$
General and administration expenses		
Accounting and audit	(433,602)	(419,511)
Computers and communication	(110,207)	(41,429)
Consulting	(930,247)	(345,378)
Depreciation	(1,856)	(1,196)
Insurance	(185,809)	2,610
Investor relations	(177,576)	(144,841)
Legal	(70,508)	(116,693)
Listing and share registry	(216,448)	(274,895)
Occupancy	(38,561)	(24,796)
Travel and entertainment	(484,014)	(96,176)
Other	(159,727)	(8,537)
	<b>(2,808,555)</b>	<b>(1,470,842)</b>

#### (D) FINANCE INCOME

	2023 \$	2022 \$
<b>Finance income</b>		
Interest from financial assets not at fair value through profit or loss	62,892	1,676
	<b>62,892</b>	<b>1,676</b>

### 3 INCOME TAX EXPENSE

#### (A) INCOME TAX EXPENSE

	2023 \$	2022 \$
Income tax expense	-	-

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 3 INCOME TAX EXPENSE (CONTINUED)

#### (B) NUMERICAL RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE

	2023 \$	2022 \$
Loss from continuing operations before income tax expense	(6,121,094)	(3,128,095)
(Loss)/profit from disposal group before income tax expense	(674,420)	(275,696)
	(6,795,514)	(3,403,791)
Tax at the Australian tax rate of 25% (2022: 25%)	(1,698,879)	(850,948)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share-based payments	618,145	296,814
Other	76,383	140,703
Unrealised currency (gains)/losses	330,730	(42,562)
Superannuation liability	284	(12,999)
Employee leave obligations	24,295	(42,745)
Subtotal	(649,042)	(511,737)
Difference in overseas tax rates	7,410	11,091
Tax losses and other timing differences for which no deferred tax asset is recognised	641,632	500,646
Income tax expense/(benefit)	-	-

#### (C) TAX LOSSES

	2023 \$	2022 \$
Unused tax losses for which no deferred tax asset has been recognised	24,929,202	22,362,674
Potential tax benefit @ 25% (2022: 25%)	6,232,301	5,590,669

The unused tax losses were incurred by a dormant subsidiary that is not likely to generate taxable income in the foreseeable future. They can be carried forward indefinitely.

### 4 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

#### (A) CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at 30 June:

	2023 \$	2022 \$
Current assets		
Cash at banks	11,238,716	9,950,777
Cash at banks attributable to disposal group	37,591	755,923
Cash and cash equivalents	11,276,307	10,706,700

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 4 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

#### (A) CASH AND CASH EQUIVALENTS (CONTINUED)

(i) Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest. See Note 20(f) for the Group's other accounting policies on cash and cash equivalents.

#### (B) TRADE AND OTHER RECEIVABLES

	2023			2022		
	Current \$	Non- current \$	Total \$	Current \$	Non- current \$	Total \$
Other receivables	63,203	-	63,203	21,501	-	21,501

(i) Fair value of trade and other receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

#### (C) TRADE AND OTHER PAYABLES

	2023			2022		
	Current \$	Non- current \$	Total \$	Current \$	Non- current \$	Total \$
Trade payables	125,694	-	125,694	251,814	-	251,814
Accrued expenses	1,158,818	-	1,158,818	938,297	-	938,297
Payroll tax and other statutory liabilities	24,101	-	24,101	7,926	-	7,926
	1,474	-	1,474	3,669	-	3,669
Other payables	1,310,087	-	1,310,087	1,201,706	-	1,201,706

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 5 NON-FINANCIAL ASSETS AND LIABILITIES

#### (A) EXPLORATION AND EVALUATION

	2023 \$	2022 \$
Opening net book amount	22,323,176	20,396,634
Expenditure capitalised during the financial period	7,116,545	3,237,264
Exchange differences	(1,187,576)	383,491
Assets transferred to disposal group	(1,003,846)	(1,694,213)
<b>Closing net book value</b>	<b>27,248,300</b>	<b>22,323,176</b>

The value of the Group's interest in exploration expenditure is dependent upon:

- The continuance of the Group's right to tenure of the areas of interest;
- The result of future exploration; and
- The recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The Group's exploration properties may be subjected to claim(s) under Native Title (or jurisdictional equivalent), or contain sacred sites, or sites of significance to the indigenous people of Sweden and Mauritania.

As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

As of 30 June 2023, the Company was awaiting the granting of the exploitation permit for the Oum Ferkik tenement for the Tiris Project and exploration renewal permits for Hadeibet Bellaa and Touerig Taet tenements, held by TIMCO. The Company has received confirmation from the Ministry of Petroleum, Mines, and Energy (MPME) that the tenements have been registered for renewal and that all fees have been paid in accordance with the regulatory provisions. The renewal permits are expected to follow normal route and will be issued following the reopening of the Mining Cadastre in Q4 2023.

The consolidated entity has fulfilled its exploration obligation relating to the Nderk tenement, thereby earning a 70% equity interest in Nomads Mining sarl. It is currently in the process of completing the necessary documentation to formalise this arrangement. Similar to the tenement status for the Hadeibet Bellaa and Touerig Taet permits, a renewal application for the exploration permit for the Nderk tenement is pending as at 30 June 2023. The Company has received confirmation from the MPME that the Nderk tenement has been registered for renewal and that all fees have been paid in accordance with the regulatory provisions and that the renewal permit will follow normal route and will be issued following the reopening of the Mining Cadastre in Q4 2023.

As of 30 June 2023, the carrying value of the exploration and evaluation assets for the Oum Ferkik tenement was \$120,721, and the Tasiast South Gold Project (Hadeibet Bellaa, Touerig Taet and Nderk tenements) was \$2,698,059. The Group's Tasiast South Gold Project has been classified as part of the Group's held for sale assets. Please refer to note 11 for more details.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 5 NON-FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

#### (B) EMPLOYEE BENEFIT OBLIGATIONS

	2023			2022		
	Current \$	Non- current \$	Total \$	Current \$	Non- current \$	Total \$
Leave obligations (i)	<b>87,110</b>	-	<b>87,110</b>	14,947	-	14,947

#### (i) Leave obligations

The leave obligations cover the Group's liabilities for long service leave and annual leave which are classified as either other long-term benefits or short-term benefits, as explained in Note 20(i).

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required year of service and also for those employees that are entitled to pro-rata payments in certain circumstances. The entire amount of the provision of \$87,110 (2022: \$14,947) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

### 6 EQUITY

#### (A) SHARE CAPITAL

	2023 shares	2022 shares	2023 \$	2022 \$
Ordinary shares				
Fully paid	<b>616,484,204</b>	503,825,028	<b>81,832,301</b>	69,357,543
Total share capital	<b>616,484,204</b>	503,825,028	<b>81,832,301</b>	69,357,543

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 6 EQUITY (CONTINUED)

#### (A) SHARE CAPITAL (CONTINUED)

(i) Movements in ordinary shares:

Details	Number of shares	Total \$
<b>Balance at 1 July 2021</b>	<b>395,962,187</b>	<b>56,227,736</b>
Shares issued on conversion of performance rights, valued at \$0.273 (3 Aug 2021)	641,025	175,000
Shares issued at \$0.104 on exercise of options (23 Sep 2021)	2,553,420	265,556
Shares issued at \$0.052 on exercise of options (15 Oct 2021)	5,384,614	280,000
Shares issued at \$0.098 on exercise of options (18 Oct 2021)	1,538,461	150,769
Shares issued at \$0.104 on exercise of options (19 Nov 2021)	384,615	40,000
Shares issued at \$0.052 on exercise of options (7 Dec 2021)	10,083,251	524,329
Shares issued at \$0.052 on exercise of options (21 Dec 2021)	4,178,812	217,298
Shares issued at \$0.052 on exercise of options (5 Jan 2022)	149,353	7,766
Shares issued at \$0.052 on exercise of options (18 Jan 2022)	1,754,252	91,221
Shares issued at \$0.052 on exercise of options (1 Feb 2022)	416,238	21,644
Shares issued at \$0.052 on exercise of options (17 Feb 2022)	929,407	48,329
Shares issued at \$0.052 on exercise of options (3 Mar 2022)	465,294	24,195
Shares issued at \$0.250 pursuant to placement (17 Mar 2022)	35,200,000	8,800,000
Shares issued at \$0.052 on exercise of options (23 Mar 2022)	2,237,476	116,349
Shares issued at \$0.208 on exercise of options (23 Mar 2022)	2,000,000	416,000
Directors and consultants loan funded shares issued (1 Apr 2022)	20,000,000	-
Shares issued at \$0.052 on exercise of options (6 Apr 2022)	7,056,673	366,947
Shares issued at \$0.052 on exercise of options (21 Apr 2022)	8,027,502	417,430
Shares issued at \$0.208 on exercise of options (3 May 2022)	2,807,692	584,000
Shares issued at \$0.052 on exercise of options (20 May 2022)	2,054,756	106,847
Transfer from reserves on exercise of options during the period	-	1,489,045
Less: Transaction costs arising on share issues	-	(1,012,918)
<b>Balance at 30 June 2022</b>	<b>503,825,028</b>	<b>69,357,543</b>

	Number of shares	Total \$
Shares issued at \$0.052 on exercise of options (19 Jul 2022)	7,692	400
Shares issued at \$0.052 in lieu payment of services (19 Jul 2022)	1,500,000	78,000
Shares issued at \$0.052 in lieu payment of services (19 Jul 2022)	660,000	165,000
Shares issued at \$0.052 on exercise of options (12 Sep 2022)	385,865	20,065
Shares issued at \$0.052 on exercise of options (30 Sep 2022)	5,600,583	291,230
Shares issued at \$0.052 on exercise of options (4 Oct 2022)	6,999,930	363,996
Shares issued at \$0.052 on exercise of options (14 Oct 2022)	11,569,585	601,618
Shares issued at \$0.052 on exercise of options (4 Nov 2022)	869,563	45,217
Shares issued at \$0.052 on exercise of options (18 Nov 2022)	505,000	26,260
Directors loan funded shares issued (21 Dec 2022)	22,000,000	-
Shares issued at \$0.052 on exercise of options (7 Dec 2022)	707,641	36,797
Shares issued at \$0.052 on exercise of options (13 Jan 2023)	247,594	12,875
Shares issued at \$0.104 on exercise of options (13 Jan 2023)	1,923,076	200,000
Shares issued at \$0.052 on exercise of options (3 Feb 2023)	466,823	24,275
Shares issued at \$0.052 on exercise of options (20 Feb 2023)	1,183,128	61,523
Shares issued at \$0.052 on exercise of options (6 Mar 2023)	13,332	693
Shares issued at \$0.052 on exercise of options (20 Mar 2023)	332,692	17,300
Shares issued pursuant to Private Placement (10 May 2023)	54,054,055	10,000,000

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 6 EQUITY (CONTINUED)

#### (A) SHARE CAPITAL (CONTINUED)

	Number of shares	Total \$
Shares issued at \$0.052 on exercise of options (25 May 2023)	847	44
Shares issued at \$0.052 on exercise of options (2 Jun 2023)	7,499	390
Shares issued pursuant to Share Purchase Plan (SPP) (20 Jun 2023)	3,624,271	670,490
Transfer from reserves on exercise of options during the period	-	592,478
Less: Transaction costs arising on share issues	-	(733,894)
<b>Balance at 30 June 2023</b>	<b>616,484,204</b>	<b>81,832,301</b>

#### (B) OTHER RESERVES

The following table shows a breakdown of the consolidated statement of financial position line item 'other reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	Share-based payments \$	Foreign currency translation \$	Total other reserves \$
<b>At 1 July 2021</b>	<b>1,593,238</b>	<b>472,605</b>	<b>2,065,843</b>
Currency translation differences	-	327,381	327,381
<b>Other comprehensive income</b>	-	327,381	327,381
Transactions with owners in their capacity as owners			
Issue of options	2,030,390	-	2,030,390
Options exercised	(1,489,043)	-	(1,489,043)
Conversion of performance shares	(175,000)	-	(175,000)
Loan funded securities	1,187,254	-	1,187,254
<b>At 30 June 2022</b>	<b>3,146,839</b>	<b>799,986</b>	<b>3,946,825</b>
<b>At 1 July 2022</b>	<b>3,146,839</b>	<b>799,986</b>	<b>3,946,825</b>
Currency translation differences	-	(1,362,820)	(1,362,820)
<b>Other comprehensive income</b>	-	(1,362,820)	(1,362,820)
Transactions with owners in their capacity as owners			
Transfer from reserves on exercise of options	(592,477)	-	(592,477)
Loan funded securities	2,472,578	-	2,472,578
<b>At 30 June 2023</b>	<b>5,026,940</b>	<b>(562,834)</b>	<b>4,464,106</b>

(i) Nature and purpose of other reserves

Foreign currency translation

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in Note 20(d) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 7 OPTIONS

Set out below are summaries of all listed and unlisted options:

	2023		2022	
	Average exercise price per option	Number of options	Average exercise price per option	Number of options
As at 1 July	\$0.05	122,584,284	\$0.08	40,249,998
Granted during the year	-	-	\$0.05	135,359,309
Expired during the year	\$0.10	(1,116,452)	\$0.29	(1,003,206)
Exercised during the year	\$0.06	(30,820,850)	\$0.07	(52,021,817)
As at 30 June	\$0.05	90,646,982	\$0.05	122,584,284

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant and vesting date	Expiry date	Exercise price \$	No. of options 30 June 2023	No. of options 30 June 2022
17 March 2021	31 March 2023	0.104	-	3,039,528
17 March 2021	30 June 2024	0.052	-	384,616
28 May 2021	30 June 2024	0.052	384,616	8,038,461
15 November 2021	30 June 2024	0.052	90,262,366	111,121,679
			90,646,982	122,584,284
Weighted average remaining contractual life of options outstanding at 30 June			1.00	1.97

### 8 SHARE-BASED PAYMENTS

#### (A) PERFORMANCE RIGHTS

On 17 June 2018 the Group approved the award of 15,000,000 performance rights (pre consolidation) to Messrs Neil Clifford, John Madden and Dr Will Goodall with the board of directors ratifying the award on 4 September 2018. The performance rights were awarded under the Employee Share Plan.

The following tranches set out the vesting periods for the award of performance rights to the above-mentioned management of the Company. Each tranche consists of 5,000,000 (pre consolidation) or 384,615 (post consolidation), vested as follows:

- Tranche 1 on 17 June 2019
- Tranche 2 on 17 June 2020
- Tranche 3 on 17 June 2021

John Madden resigned on 22 December 2020 and is not entitled to his share of Tranche 3 performance rights.

On 3 August 2021, the Group converted the remaining Tranche 2 and Tranche 3 performance right into 641,025 ordinary shares of the Group.

#### (B) LOAN FUNDED SHARES

During the financial year ended 30 June 2023, \$2,472,578 (30 June 2022: \$1,187,254) has been recognised as a share-based payment expense incurred from 20 million and 22 million loan funded shares which were granted in December 2021 and November 2022, respectively.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 8 SHARE-BASED PAYMENTS (CONTINUED)

#### (B) LOAN FUNDED SHARES (CONTINUED)

At the AGM on 21 December 2021, the shareholders approved the issue of loan funded shares to directors, executives and senior consultants (2021 Loan Funded Shares). The 2021 Loan Funded Shares were issued at \$0.25 and have the following vesting conditions:

- Tranches 1, 2 and 3:
- Continuous employment/engagement with the Group; and
- Tranche 1:
- when the daily volume weighted average price (VWAP) of the Group's Shares meets the share price performance hurdle of \$0.50 on 10 days on any 20 sequential trading days; and
- eligible to vest 12 months after grant date;
- Tranche 2:
- when the daily VWAP of the Group's shares meets the share price performance hurdle of \$0.75 on 10 days on any 20 sequential trading days; and
- eligible to vest 24 months after grant date;
- Tranche 3:
- when the daily VWAP of the Group's shares meets the share price performance hurdle of \$1.00 on 10 days on any 20 sequential trading days; and
- eligible to vest 36 months after grant date.

The loan funded shares granted have been valued using a Monte Carlo Simulation, taking into account the terms and conditions upon which the loan funded shares were granted. The valuation of 2021 Loan Funded Shares for Key Management Personnel and consultants is summarised as follows:

#### 2021 Loan Funded Shares

Key Management Personnel	Tranche 1	Tranche 2	Tranche 3
Share price hurdle	\$0.50	\$0.75	\$1.00
Share price at grant date	\$0.245	\$0.245	\$0.245
Grant date	21 December 2021	21 December 2021	21 December 2021
Expected volatility	145.6%	145.6%	145.6%
Expiry date	21 December 2026	21 December 2026	21 December 2026
Expected dividends	-	-	-
Risk Free interest rate	1.35%	1.35%	1.35%
Value per loan share	\$0.2313	\$0.2273	\$0.1987
Number of loan shares	2,800,000	4,200,000	7,000,000

Consultants	Tranche 1	Tranche 2	Tranche 3
Share price hurdle	\$0.50	\$0.75	\$1.00
Share price at grant date	\$0.245	\$0.245	\$0.245
Grant date	21 December 2021	21 December 2021	21 December 2021
Expected volatility	145.6%	145.6%	145.6%
Expiry date	21 December 2026	21 December 2026	21 December 2026
Expected dividends	-	-	-
Risk Free interest rate	1.35%	1.35%	1.35%
Value per loan share	\$0.2313	\$0.2273	\$0.1987
Number of loan shares	1,200,000	1,800,000	3,000,000

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 8 SHARE-BASED PAYMENTS (CONTINUED)

#### (B) LOAN FUNDED SHARES (CONTINUED)

At the AGM on 29 November 2022 the shareholders approved the issue of loan funded shares to directors (2022 Loan Funded Shares). The 2022 Loan Funded Shares were issued at \$0.30 and have the following vesting conditions:

- Tranches 1, 2 and 3:
- Continuous employment/engagement with the Group; and
- Tranche 1:
- when the daily VWAP of the Group's shares meets the share price performance hurdle of \$0.50 on 10 days on any 20 sequential trading days; and
- eligible to vest 12 months after grant date;
- Tranche 2:
- when the daily VWAP of the Group's shares meets the share price performance hurdle of \$0.75 on 10 days on any 20 sequential trading days; and
- eligible to vest 24 months after grant date;
- Tranche 3:
- when the daily VWAP of the Group's shares meets the share price performance hurdle of \$1.00 on 10 days on any 20 sequential trading days; and
- eligible to vest 36 months after grant date.

The loan funded shares granted have been valued using a Monte Carlo Simulation, taking into account the terms and conditions upon which the loan funded shares were granted. The valuation of 2022 Loan Funded Shares is summarised as follows:

#### 2022 Loan Funded Shares

Key Management Personnel	Tranche 1	Tranche 2	Tranche 3
Share price hurdle	\$0.50	\$0.75	\$1.00
Share price at grant date	\$0.25	\$0.25	\$0.25
Grant date	29 November 2022	29 November 2022	29 November 2022
Expected volatility	82%	82%	82%
Expiry date	29 November 2027	29 November 2027	29 November 2027
Expected dividends	-	-	-
Risk Free interest rate	3.18%	3.18%	3.24%
Value per loan share	\$0.0765	\$0.0874	\$0.0991
Number of loan shares	8,800,000	6,600,000	6,600,000

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 9 CASH FLOW INFORMATION

#### (A) RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Notes	2023 \$	2022 \$
<b>Loss for the year</b>		<b>(6,795,514)</b>	<b>(3,403,791)</b>
Adjustments for			
Depreciation and amortisation	2(c)	<b>1,856</b>	1,196
Exchange fluctuation		<b>(15,470)</b>	25,720
Share-based payments		<b>2,472,578</b>	1,187,254
Change in operating assets and liabilities, net of effects from purchase of controlled entity and sale of engineering division:			
(Increase) in trade receivables		<b>(41,702)</b>	(20,703)
(Increase)/decrease in other operating assets		<b>(45,483)</b>	23,072
Increase/(decrease) in trade creditors		<b>134,263</b>	(319,860)
Increase/(decrease) in other operating liabilities		<b>768,659</b>	(183,474)
<b>Net cash inflow (outflow) from operating activities</b>		<b>(3,520,813)</b>	<b>(2,690,586)</b>

#### (B) NON-CASH INVESTING AND FINANCING ACTIVITIES

Non-cash investing and financing activities disclosed in other notes are:

- Loan funded shares issued for no cash consideration - Note 8.

### 10 FINANCIAL RISK MANAGEMENT

#### (A) 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 the return.

The board meets on a regular basis and considers the Group's exposure currency and interest rate risk.

##### (i) Foreign exchange risk

The Group has exposure to foreign currency risk in relation to US dollars for assets the Group holds in Mauritania. The following table illustrates sensitivities to the Group's exposures to changes in the AUD/USD exchange rate. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

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

##### Exposure

The Group's exposure to foreign currency risk at the end of the reporting year, expressed in Australian dollar, was as follows:

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 10 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (A) MARKET RISK (CONTINUED)

	2023					2022				
	USD \$	MRU \$	GBP \$	SEK \$	EUR \$	USD \$	MRU \$	GBP \$	SEK \$	EUR \$
Cash and cash equivalents	50,135	49,785	8,552	79,905	60,554	310,448	19,430	285,449	854	10,785
Trade payables	6,021	-	-	11,130	-	42,467	-	-	10,540	-

#### Sensitivity

The Group has conducted a sensitivity analysis of its exposure to foreign currency risk. The Group is currently materially exposed to the United States dollar (USD) and the Pound Sterling (GBP). The sensitivity analysis is conducted on a currency-by-currency basis using the sensitivity analysis variable, which has been set as 10% change in the respective exchange rates for the year ended 30 June 2023, keeping all the other variables constant.

	Impact on post-tax profit	
	2023 \$	2022 \$
USD/AUD exchange rate - increase 10%*	5,616	35,292
MRU/AUD exchange rate - increase 10%*	4,979	1,943
GBP/AUD exchange rate - increase 10%*	855	28,545
SEK/AUD exchange rate - increase 10%*	9,103	1,139
EUR/AUD exchange rate - increase 10%*	6,055	1,079
* Holding all other variables constant		

#### (ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from cash and cash equivalents held, which expose the Group to cash flow interest rate risk. During 2023 and 2022, the Group's cash and cash equivalents at variable rates were denominated in Australian dollars.

The Group's exposure to interest rate risk at the end of the reporting year, expressed in Australian dollars, was as follows:

	2023 \$	2022 \$
<b>Financial instruments with cash flow risk</b>		
Cash at banks	11,238,716	9,950,777

#### (B) CREDIT RISK

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

There has been an increase in the Group's exposure to credit risk in 2023 due to increased cash and cash equivalents. The Group's exposure to other classes of financial assets with credit risk is not material.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 10 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (B) CREDIT RISK (CONTINUED)

##### (i) Risk management

Risk is minimised through investing surplus funds in financial institutions that maintain a high credit rating.

##### (ii) Impairment of financial assets

While cash and cash equivalents and deposits at call are subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

#### (C) LIQUIDITY RISK

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analyses in relation to its operating, investing and financing activities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing cash and cash equivalents and deposits at call with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

##### (i) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities	Less than 6 months \$	6 - 12 months \$	Between 1 and 5 years \$	Over 5 years \$	Total contractual cash flows \$	Carrying amount liabilities \$
<b>At 30 June 2023</b>						
Trade and other payables	1,310,087	-	-	-	1,310,087	1,310,087
<b>Total</b>	<b>1,310,087</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,310,087</b>	<b>1,310,087</b>
<b>At 30 June 2022</b>						
Trade and other payables	1,201,706	-	-	-	1,201,706	1,201,706
<b>Total</b>	<b>1,201,706</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,201,706</b>	<b>1,201,706</b>

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 11 DISPOSAL GROUP

#### (A) DESCRIPTION

The Group plans to spin out Archaeian Greenstone Gold Limited ("Archaeian"), Tiris International Mining Company SARL ("TIMCO") and the Nomads Joint Venture ("disposal group") by means of an Initial Public Offering of Archaeian. The disposal group contains all of the Group's interest in the Tasiast South Gold project.

#### (B) FINANCIAL PERFORMANCE AND CASH FLOW INFORMATION

The results of the disposal group, which have been included in the loss for the year, were as follows:

	2023 \$	2022 \$
Other gains	30,257	33,927
Expenses on disposal group	(704,677)	(309,623)
Loss before income tax	(674,420)	(275,696)
Income tax expense	-	-
<b>Loss of the disposal group</b>	<b>(674,420)</b>	<b>(275,696)</b>

During the financial year, the disposal group accounted for \$675,673 (2022: \$240,179) to the Group's net operating cash flows, paid \$940,120 (2022: \$515,744) in respect of investing activities and paid no cash (2022: nil) in respect of financing activities.

A loss of \$674,420 (2022: \$275,696) was incurred from the disposal group.

#### (C) ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS DISPOSAL GROUP

On 22 November 2021, the Group announced the spin out of the Tasiast South Gold project. The spin out is consistent with the Group's long-term policy to focus its activities on the Group's other businesses. These operations, which are expected to be sold within 12 months, have been classified as a disposal group and presented separately in the consolidated statement of financial position. The proceeds of disposal, if any, are expected to substantially exceed the carrying amount of the related net assets and accordingly no impairment losses have been recognised on the classification of these operations as the disposal group.

The following assets and liabilities were classified as the disposal group as at 30 June 2023:

	2023 \$	2022 \$
<b>Assets</b>		
Cash at banks attributable to disposal group	37,591	755,923
Tasiast South Gold project exploration and evaluation	2,698,059	1,697,697
Assets classified as disposal group	2,735,650	2,453,620
<b>Liabilities</b>		
Trade and other payables	170,980	76,707
Liabilities directly associated with assets classified as disposal group	170,980	76,707
<b>Net assets directly associated with disposal group</b>	<b>2,564,670</b>	<b>2,376,913</b>

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 12 INTEREST IN OTHER ENTITIES

#### (A) SUBSIDIARIES

The Group's subsidiaries at 30 June 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group 2023 %	2022 %
Vanadis Battery Metals AB	Sweden	100	100
Aura Energy Mauritania Pty Ltd	Australia	100	100
Tiris Ressources SA	Mauritania	85	85
Tiris International Mining Company sarl	Mauritania	100	100
Archaean Greenstone Gold Limited	Australia	100	100
Tiris Zemmour Resources Pty Ltd *	Australia	100	-
North-East Resources Pty Ltd *	Australia	100	-

\* On 26 October 2022, the Group incorporated Tiris Zemmour Resources Pty Ltd and North-East Resources Pty Ltd.

### 13 CONTINGENCIES

#### (A) CONTINGENT LIABILITIES

##### (i) Tiris International Mining Company sarl

On 25 June 2016, the Group, Tiris International Mining Company sarl ("TIMCO") and Sid Ahmed Mohamed Lemine Sidi Reyoug executed the Tasiast South sale and purchase agreement. On 2 April 2019, TIMCO was granted tenements 2457 (Hadeibet Bellaa) and 2458 (Touerig Taet) by the Ministry of Petroleum, Energy and Mines.

Under the terms and conditions of the agreement, if the Group proves up an 'Indicated Resource' greater than one million ounces of gold, it will be required to pay Sid Ahmend Mohamed US\$250,000 and, on commencement of production, US\$5/ounce of gold and a 0.4% net sales revenue royalty on other commodities with total royalty payments capped to a maximum of US\$5 million.

TIMCO forms part of the disposal group (see Note 11) that the Group plans to spin out.

### 14 COMMITMENTS

As at 30 June 2023, the Group had commitments of \$73,146 (\$73,146 <1 year). These represent renewal of exploration licenses and committed exploration expenditure.

### 15 EVENTS OCCURRING AFTER THE REPORTING PERIOD

Subsequent to the end of the financial year, the Company released the Scoping Study for its Häggån Project in Sweden which confirmed the scale and optionality of the Company's Critical Minerals Project in Sweden. Please refer to the announcement dated 5 September 2023 for more details.

No other matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial years.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 16 RELATED PARTY TRANSACTIONS

#### (A) SUBSIDIARIES

Interests in subsidiaries are set out in Note 12(a).

#### (B) KEY MANAGEMENT PERSONNEL COMPENSATION

	2023 \$	2022 \$
Short-term employee benefits	975,466	451,655
Post-employment benefits	32,810	11,776
Long-term benefits	526	-
Share-based payments	1,937,188	816,781
	<b>2,945,990</b>	<b>1,280,212</b>

Detailed remuneration disclosures are provided in the remuneration report on pages 8 to 13.

#### (C) TRANSACTIONS WITH OTHER RELATED PARTIES

During the year ended 30 June 2023, the Group had no other transactions occurred with related parties.

### 17 REMUNERATION OF AUDITORS

During the year ended 30 June 2023, the Group had no other transactions occurred with related parties.

#### (A) HALL CHADWICK WA AUDIT PTY LTD

	2023 \$	2022 \$
<b>Audit and other assurance services</b>		
Audit and review of financial statements	54,763	46,892
<b>Taxation services</b>		
Tax compliance services	14,101	2,971
Total remuneration of Hall Chadwick WA Audit Pty Ltd	<b>68,864</b>	<b>49,863</b>

### 18 LOSS PER SHARE

#### (A) LOSS USED IN CALCULATING LOSS PER SHARE

	2023 \$	2022 \$
<b>Basic and diluted loss per share</b>		
Loss attributable to the ordinary equity holders of the Company used in calculating basic loss per share:		
From continuing operations	5,817,930	3,128,095
From continuing operations and disposal group	6,492,350	3,403,791

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 18 LOSS PER SHARE (CONTINUED)

#### (B) WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR

	2023 Number	2022 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	545,890,060	428,181,481

### 19 PARENT ENTITY FINANCIAL INFORMATION

#### (A) SUMMARY FINANCIAL INFORMATION

The individual financial statements for the parent entity show the following aggregate amounts:

	2023 \$	2022 \$
<b>Assets and liabilities</b>		
Current assets	11,178,873	9,976,907
Non-current assets	30,021,283	24,592,325
Total assets	41,200,156	34,569,232
Current liabilities	1,396,014	954,782
Non-current liabilities	1,847	-
Total liabilities	1,397,861	954,782
<b>Net assets</b>	39,802,295	33,614,450
<b>Shareholders' equity</b>		
Share capital	81,832,301	69,357,543
Other contributed equity	314,346	314,346
Reserves		
Share-based payments	1,367,107	1,959,585
Loan funded shares	3,659,833	1,187,254
Retained earnings	(47,371,292)	(39,204,278)
Total Equity	39,802,295	33,614,450
<b>Loss for the year</b>	(8,167,014)	(3,069,872)
<b>Total comprehensive loss</b>	(8,167,014)	(3,069,872)

#### (B) GUARANTEES ENTERED INTO BY THE PARENT ENTITY

The parent entity has not entered into any guarantees in relation to debts of its subsidiaries in the year ended 30 June 2023 (2022: nil).

#### (C) CONTINGENT LIABILITIES OF THE PARENT ENTITY

The parent entity had contingent liabilities at 30 June 2023 identical to those of the Group, as outlined in note 13.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 19 PARENT ENTITY FINANCIAL INFORMATION (CONTINUED)

#### (D) CONTRACTUAL COMMITMENTS FOR THE ACQUISITION OF PROPERTY, PLANT OR EQUIPMENT

The parent entity has not entered into any contractual commitments for the acquisition of property, plant or equipment in the year ended 30 June 2023 (2022: nil).

#### (E) DETERMINING THE PARENT ENTITY FINANCIAL INFORMATION

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

##### *(i) Investments in subsidiaries, associates and joint venture entities*

Investments in subsidiaries are accounted for at cost in the financial statements of Aura Energy Limited.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 20 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Aura Energy Limited and its subsidiaries.

#### (A) BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Aura Energy Limited is a for-profit entity for the purpose of preparing the financial statements.

##### (i) Compliance with IFRS

The consolidated financial statements of the Aura Energy Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

##### (ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis.

##### (iii) Going concern

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

The Group incurred a loss for the year of \$6,795,514 (2022: \$3,403,791) and a net cash outflow from operating activities of \$3,520,813 (2022: \$2,690,586).

As at 30 June 2023, the Group had surplus working capital of \$12,548,837 (2022: \$11,286,717).

Based upon cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate, including the meeting of exploration commitments. In addition, given the Group's history of raising funds to date, the directors are confident of the Group's ability to raise additional funds as and when they are required.

##### (iv) Use of estimates and judgements

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

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

Judgements made by management in the application of Australian Accounting Standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 20(p) Critical accounting estimates and judgements.

##### (v) Comparative figures

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

##### (vi) New standards and interpretations not yet adopted

There are no new standards and interpretations that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting years and on foreseeable future transactions.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 20 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (B) PRINCIPLES OF CONSOLIDATION AND EQUITY ACCOUNTING

##### (i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### (C) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. This has been identified as the chief executive officer.

#### (D) FOREIGN CURRENCY TRANSLATION

##### (i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollar (\$), which is Aura Energy Limited's functional and presentation currency.

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

#### (E) INCOME TAX

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 20 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (E) INCOME TAX (CONTINUED)

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

#### (F) CASH AND CASH EQUIVALENTS

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

#### (G) PLANT AND EQUIPMENT

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

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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred. The depreciation methods and years used by the Group are as follows:

- Computer equipment - 3 years
- Other plant & equipment - 2-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

#### (H) PROVISIONS

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

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

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

#### (I) EMPLOYEE BENEFITS

For the year ending 30 June 2023 the Group has three types of employee benefits.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 20 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (I) EMPLOYEE BENEFITS (CONTINUED)

##### (i) Defined contribution superannuation funds

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

##### (ii) Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay at the reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

##### (iii) Other long-term benefits

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

#### (J) EQUITY-SETTLED COMPENSATION

The Group operates an employee share ownership scheme. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The fair value of loan funded shares is determined using the Monte Carlo simulation.

The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

#### (K) REVENUE AND OTHER INCOME

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Management fees are recognised on portion of completion basis.

Gain on disposal of tenements, and revenue from equipment chargebacks, are recognised on receipt of compensation. All revenue is stated net of the amount of value added taxes (see Note 20(I) Value-added taxes).

#### (L) VALUE-ADDED TAXES

Value-added taxes (VAT) is the generic term for the broad-based consumption taxes that the Group is exposed to such as: Australia (GST); Sweden (MOMS); and Mauritania (VAT).

Revenues, expenses, and assets are recognised net of the amount of VAT, except where the amount of VAT incurred is not recoverable from the relevant country's taxation authority. In these circumstances the VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of VAT.

Cash flows are presented in the statement of cash flows on a gross basis, except for the VAT component of investing and financing activities, which are disclosed as operating cash flows.

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

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 20 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (M) EARNINGS PER SHARE

##### (i) Basic earnings per share

Basic earnings (or loss) per share is determined by dividing the profit or loss attributable to equity holders of the parent company, excluding any costs of service 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 (or loss) per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares which comprise share options granted as share-based payments.

The Group does not report diluted earnings per share, as dilution is not applied to annual losses generated by the Group.

#### (N) IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets, other than deferred tax assets (Note 3 Income tax expense) and exploration and evaluation assets (Note 5(a) Exploration and evaluation) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

#### (O) FAIR VALUE OF ASSETS AND LIABILITIES

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 20 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (O) FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

##### (i) Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability, the Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

##### (ii) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

##### • Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

##### • Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

##### • Level 3

Measurements based on unobservable inputs for the asset or liability.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 20 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (O) FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

#### (P) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

##### (i) Key Judgements – Exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

While there are certain areas of interest from which no reserves have been extracted, the Directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. For further details, refer to Note 5(a) Exploration and evaluation assets. The Company has lodged renewal applications for its Oum Ferkik and Tasiest Gold tenements and has received confirmation from the Ministry of Petroleum, Mines and Energy that the tenements for which exploration licences have been registered for renewal, that all fees due have been paid and in good standing.

The renewals are expected to be issued following the reopening of the Cadastre by Q4 2023. On this basis, the Company considers that the exploration and evaluation costs relating to tenements for which renewal and extension applications have been lodged with the Department of Mines are not impaired.

The carrying value of capitalised expenditure at reporting date is \$27,248,300 (2022: \$22,323,176).

##### (ii) Key Judgements – Environmental issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Group's development and its current environmental impact, the directors believe such treatment is reasonable and appropriate.

##### (iii) Key Judgements – Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2023 (CONTINUED)

### 20 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (P) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions. Refer to Note 3 Income tax expense.

##### (iv) Key Judgements – Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

##### (v) Key Judgements – Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined by an internal valuation using a Black-Scholes pricing model with the assumptions and inputs detailed in Note 8 Share-based payments. The fair value of loan funded shares is determined by a Monte Carlo simulation. The assumptions and inputs to the models are detailed in Note 7 Options.

## DIRECTORS' DECLARATION 30 JUNE 2023

### IN THE DIRECTORS' OPINION:

- (a) the financial statements and notes set out on pages 18 to 50 are in accordance with the Corporations Act 2001, including:
- (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.

A handwritten signature in blue ink, appearing to read "David Woodall", written over a faint, light blue circular stamp.

Mr David Woodall  
Managing Director & CEO

26 September 2023

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

## 30 JUNE 2023

HALL CHADWICK 

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AURA ENERGY LIMITED

#### Report on the Audit of the Financial Report

##### Opinion

We have audited the financial report of Aura Energy Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), 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 a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 20(a)(i).

##### Basis for Opinion

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

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

##### 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS 30 JUNE 2023 (CONTINUED)

HALL CHADWICK 

Key Audit Matter	How our audit addressed the Key Audit Matter
<b>Exploration and Evaluation</b> (Refer to Note 5(a))	
<p>The Consolidated Entity had an exploration and evaluation balance of \$27,248,300 as at 30 June 2023.</p> <p>Exploration and evaluation is a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• The significance of the balance to the Consolidated Entity's financial position.</li> <li>• The level of judgement required in evaluating management's application of the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. AASB 6 ('AASB 6') is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset.</li> <li>• The assessment of impairment of exploration and evaluation expenditure requiring significant judgement.</li> </ul>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Consolidated Entity holds an interest and the exploration programs planned for those tenements.</li> <li>• For each area of interest, we assessed the Consolidated Entity's rights to tenure on a sample basis by verifying to government registries, agreements or checking that exploration permits have been registered for renewal and their annual fees have been paid in accordance with regulatory provisions.</li> <li>• We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets.</li> <li>• Substantiated a sample of expenditure by agreeing to supporting documentation.</li> <li>• We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure:               <ul style="list-style-type: none"> <li>○ the licenses for the right to explore expiring in the near future or are not expected to be renewed;</li> <li>○ substantive expenditure for further exploration in the specific area is neither budgeted or planned;</li> <li>○ decision or intent by the Company to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and</li> </ul> </li> </ul>

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS 30 JUNE 2023 (CONTINUED)

HALL CHADWICK 

Key Audit Matter	How our audit addressed the Key Audit Matter
	<ul style="list-style-type: none"> <li>data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale.</li> <li>Examination of the disclosures made in the financial report.</li> </ul>
<b>Share-Based Payments</b> (Refer to Note 8)	
<p>During the year, the Consolidated Entity incurred share-based payments totalling \$2,472,578 from the issue of loan funded shares to directors, executives and senior consultants.</p> <p>Share-based payments are considered to be a key audit matter due to:</p> <ul style="list-style-type: none"> <li>The significance of the transactions to the Consolidated Entity's financial position and performance; and</li> <li>The level of judgement required in evaluating management's application of the requirements of AASB 2 Share-based Payment ("AASB 2").</li> </ul> <p>A Monte Carlo model was used to value the loan funded shares with market based vesting conditions. This process involved significant estimation and judgement required to determine the fair value of the equity instruments granted.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>Analysed arrangements to identify key terms and conditions of the share-based payments and relevant vesting conditions in accordance with AASB 2;</li> <li>Evaluated the valuation methods used and assessed the assumptions and inputs;</li> <li>Assessed the amount recognised during the period in accordance with the relevant vesting conditions; and</li> <li>Examination of the disclosures made in the financial report.</li> </ul>

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS 30 JUNE 2023 (CONTINUED)

HALL CHADWICK 

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

### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 20(a)(i), the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS 30 JUNE 2023 (CONTINUED)

HALL CHADWICK 

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

### Auditor's Opinion

In our opinion, the Remuneration Report of the Consolidated Entity, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.



HALL CHADWICK WA AUDIT PTY LTD



D M BELL CA  
Director

Dated this 26<sup>th</sup> day of September 2023  
Perth, Western Australia

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