

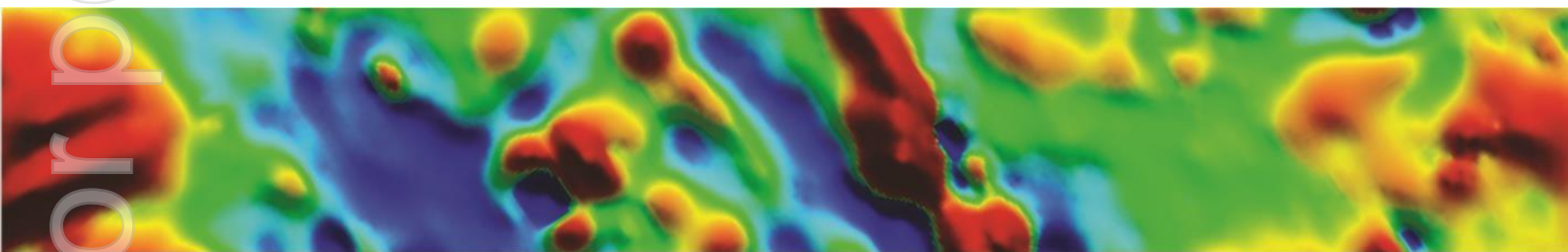


magnetic resources^{NL}

Annual Report

FINANCIAL YEAR

ENDED 30 JUNE 2023



Magnetic Resources NL

1st Floor, 44A Kings Park Road, West Perth, WA
6005 Tel (08) 9226 1777

ABN 34 121 370 232

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Corporate Directory

DIRECTORS

ERIC LIM (B.Com)

Non-Executive Chairman

GEORGE SAKALIDIS (B.SC (Hons))

Managing Director

BEN DONOVAN (B.Com (Hons), ACG(CS))

Non-Executive Director

HIAN SIANG CHAN (B.Art, MBA)

Non-Executive Director

COMPANY SECRETARY

BEN DONOVAN (B. Com (Hons),ACG(CS))

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West Perth WA 6005

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44A Kings Park Road

West Perth WA 6005

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BANKERS

Bank of Western Australia Ltd

Hay Street, West Perth WA 6005

AUDITORS

Elderton Audit Pty Ltd

Chartered Accountants

Level 32, 152 St Georges Tce, Perth WA 6000

STOCK EXCHANGE

Australian Securities Exchange (ASX)

COMPANY CODE (quoted)

MAU (Fully paid shares)

MAUCA (Partly paid shares)

ISSUED CAPITAL (as of September 2023)

236,954,035 fully paid ordinary shares.

20,418,862 partly paid shares (\$0.20 unpaid).

4,900,000 options to acquire fully paid shares
exercisable at \$1.515 on or by 31 December 20243,750,000 options to acquire fully paid shares
exercisable at \$1.20 on or before 6 December
2025.2,216,502 options to acquire fully paid shares
exercisable at \$0.68 on or before 10 May 2025.

Review of Operations

Projects Summary: Gold

Laverton Area

Magnetic Resources NL has 179km² in the Laverton region comprising E38/3127 Hawks Nest, E37/3100 Mt Jumbo, E38/3205 Hawks Nest East, E38/3209 Mt Ajax, P38/4317–24 Mt Jumbo East, E39/2125, P39/6134-44 Little Well and P38/4346, P38/4379-84, P38/4170 Lady Julie (Figure 1). In the Laverton Project an extensive drilling programmes have been completed with 1,898 RC/DD holes for 147,943m with further deeper drilling now planned.

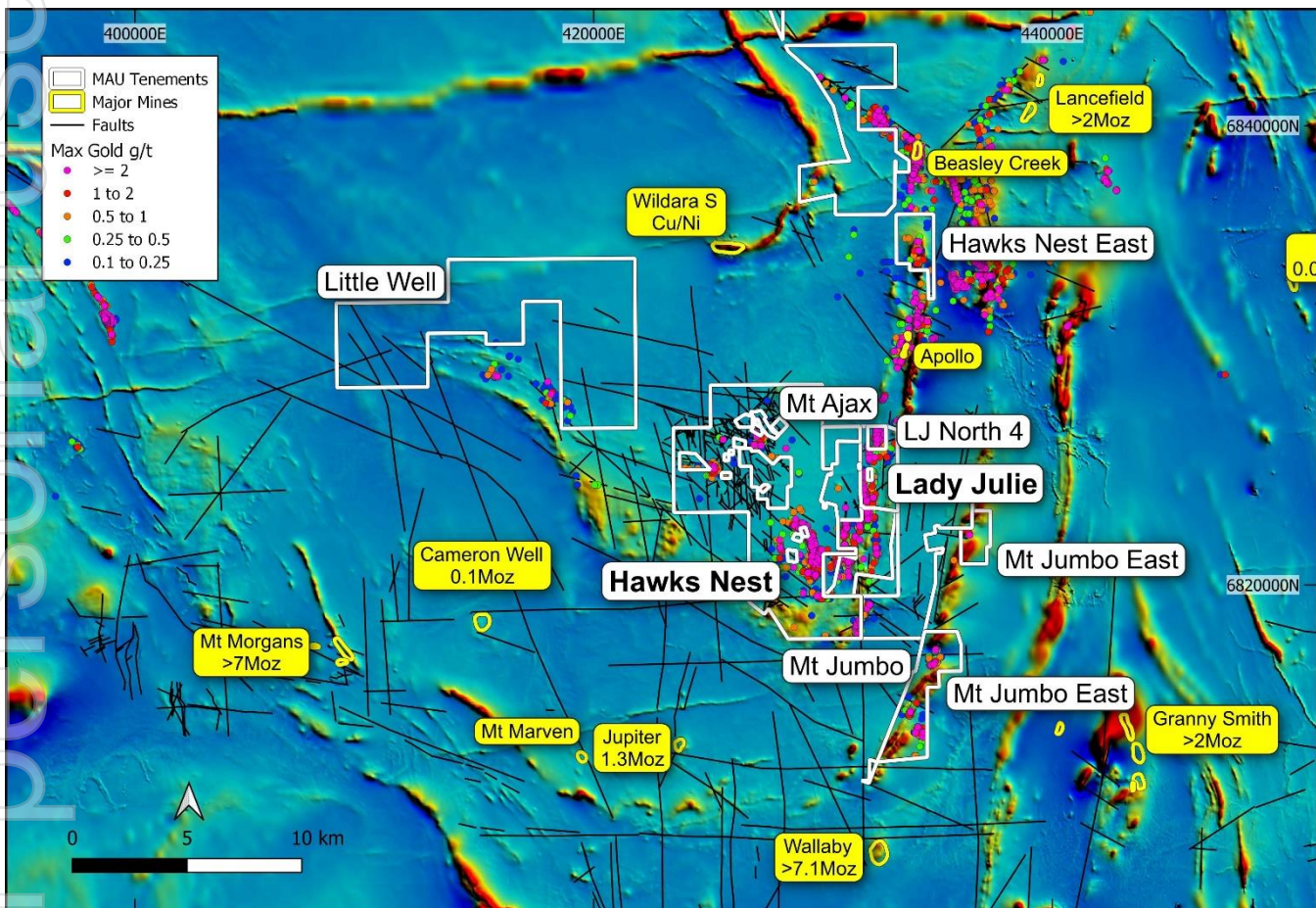


Figure 1. Hawks Nest, Hawks Nest East, Lady Julie, Little Well, Mt Ajax, Mt Jumbo and Mt Jumbo East projects, showing tenements, major shear zones, targets and gold deposits and historic workings.

Lady Julie area (P38/4346, P38/4379–4384, E38/3127, P38/4170)

Assay results from the Lady Julie North4 deposit are outstanding in terms of grade and thickness with ongoing robust intersections that show up an ever enlarging downdip extent. There are multiple very thick intersections (Table 1) which often contain silica-pyrite and breccia zones that are up to 50m thick, are mainly in the 250m long central zone, which are still open to the east and northeast (Figures 2-4). Recent drilling further north within MLJRC804 has a significant mineralised zone, which is also open to the east (Fig 4). Some of these outstanding intersections in the 250m zone include 120m at 2.68g/t from 152m in MLJRC789, 111m at 1.76g/t from 173m in MLJRC779, 96m at 1.23g/t from 145m in MLJRC670, 96m at 1.23g/t from 54m in MLJRC679, 45m at 2.65g/t from 130m in MLJDD015, 52m at 1.14g/t from 208m in MLJRC790, 56m at 1.37g/t from 192m in MLJRC801, 50.3m at 2.49g/t in MLJDD017, 30m at 5.53g/t from 145m in MLJDD016 and 68m at

1.61g/t from 196m in MLJRC802 (Figures 2-4). Many of these intersections are outside the current resource and it augers well for the next resource upgrade. Three diamond holes totaling 1390m and six RC holes for 2555m are being currently drilled mainly aiming to extend this very promising 250m zone further to the east and northeast, with hole depths ranging from 300m to 550m depth.

Table 1. Highlights of the drilling at Lady Julie North 4

Hole No.	Easting	Northing	From	To	Width	Gold	Sample
	MGAz51	MGAz51	metres	metres	metres	g/t	Type
Lady Julie North 4							
MLJDD015	432405	6826340	130	175	45	2.65	1m diamond core^
MLJDD016	432487	6826310	54.9	63.0	8.1	3.77	1m diamond core^
		and	145	175	30	5.53	1m diamond core^
MLJRC805	432570	6826760	216	236	20	3.44	4m composites^
MLJRC804	432495	6826610	208	276	68	1.43	4m composites^
MLJRC802	432580	6826380	196	264	68	1.61	4m composites^
MLJRC801	432560	6826260	192	247	55	1.46	1m splits^
MLJRC789	432500	6826380	91	229	138	2.25	1m splits^
		including	192	229	37	6.50	1m splits^
MLJRC783	432360	6826225	101	151	50	1.99	1m splits^
MLJRC779	432455	6826345	173	284	111	1.76	1m splits^
		and	67	89	22	5.39	1m splits^
MLJRC690	432315	6826409	33	76	43	1.18	1m splits
MLJRC735	432435	6826284	56	126	70	1.05	4m composites^
MLJRC738	432383	6826338	96	156	60	3.57	4m composites^
MLJRC736	432465	6826284	80	140	60	1.76	4m composites^
MLJRC741	432330	6826435	37	68	31	1.36	1m splits
MLJRC755	432397	6826635	106	115	9	3.73	1m splits^
MLJRC757	432380	6826685	70	84	14	2.85	1m splits^
MLJRC761	432409	6826733	85	96	11	3.73	1m splits
MLJRC763	432398	6826795	40	66	26	1.90	1m splits^
MLJRC769	432456	6826435	140	164	24	2.89	4m composites
MLJRC770	432463	6826532	155	173	18	2.81	1m splits
LWE03	432437	6826392	156	198	42	4.62	1m splits*
LWE04	432432	6826617	166	200	34	1.95	1m splits*
Lady Julie Central							
MLJRC693	431792	6823898	21	47	26	2.37	1m splits
MLJRC731	431862	6823840	64	88	24	3.55	4m composites
MLJRC732	431897	6823861	36	108	72	1.54	4m composites
MLJRC733	431864	6823881	32	88	52	1.49	4m composites
MLJDD02	431812	6823878	29	49	20	4.26	1m diamond core

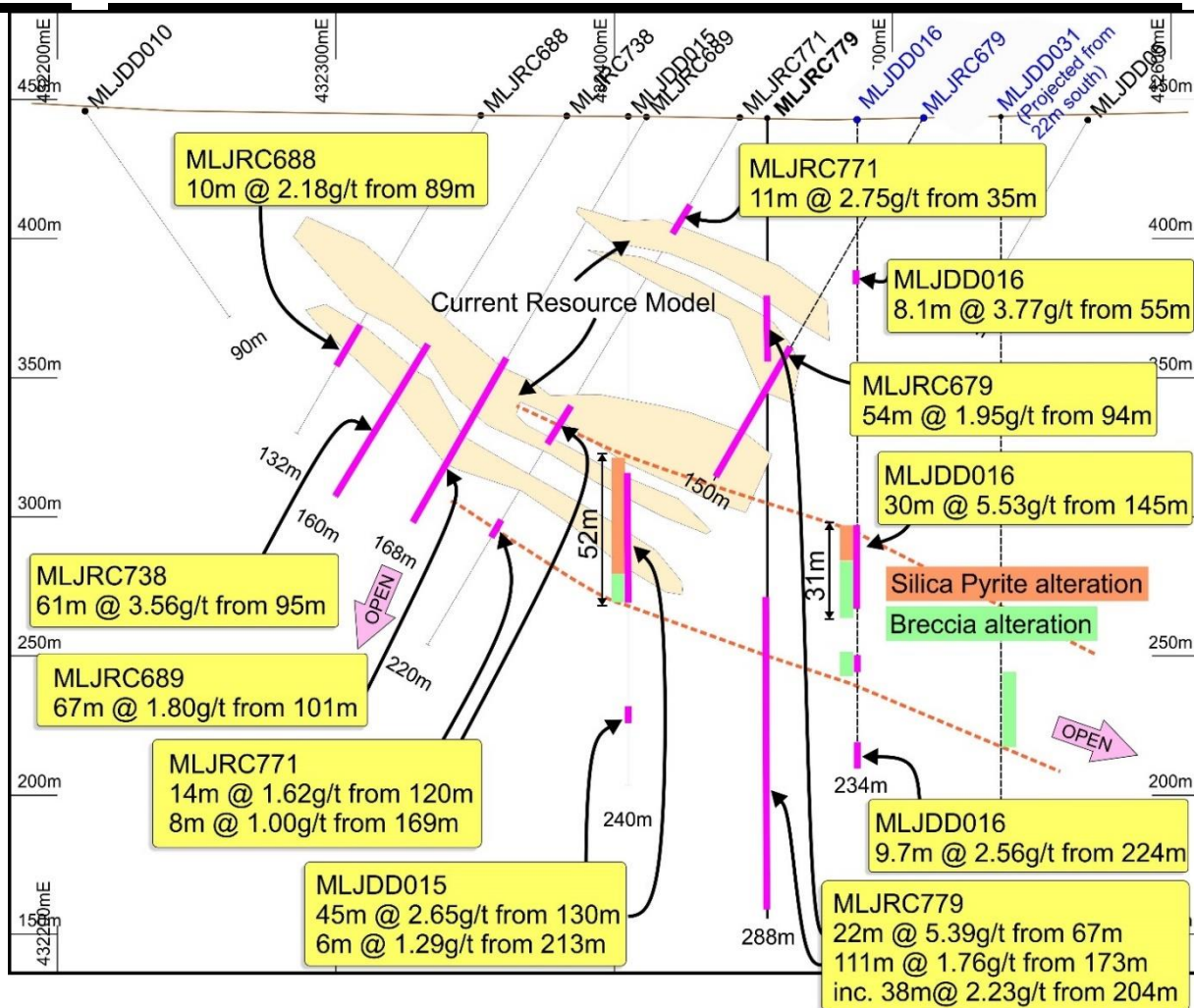


Figure 2. Composite cross section for LJN4 centre area showing thickened high-grade dipping gold zone containing breccia and silica-pyrite alteration, upper mineralised zone, older resource model outline and potential depth extensions at depth, downdip and to the east.

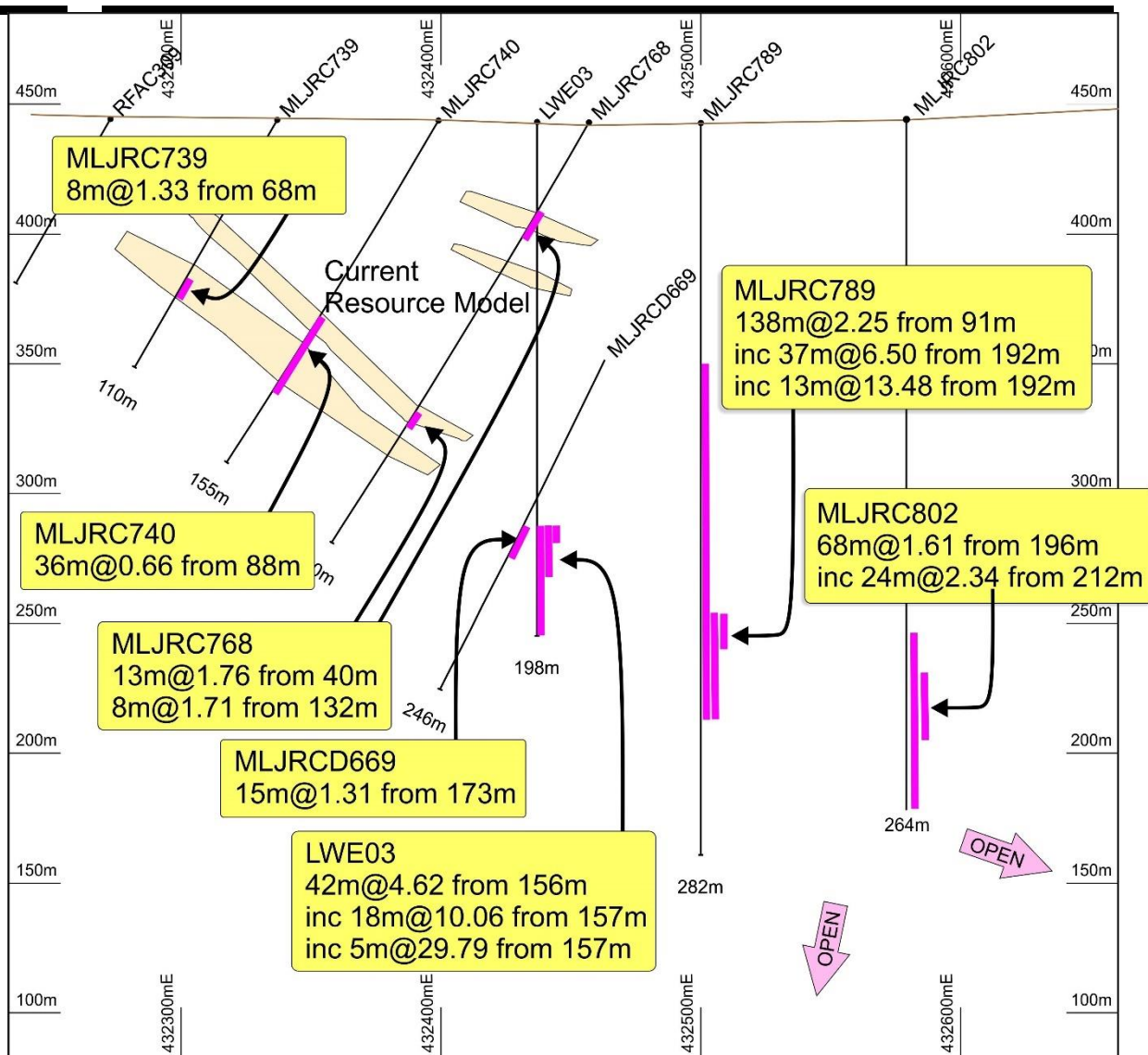


Figure 3. Cross section for LJN4 centre area showing thickened high-grade dipping gold zone older resource model outline and potential depth extensions at depth, downdip and to the east.

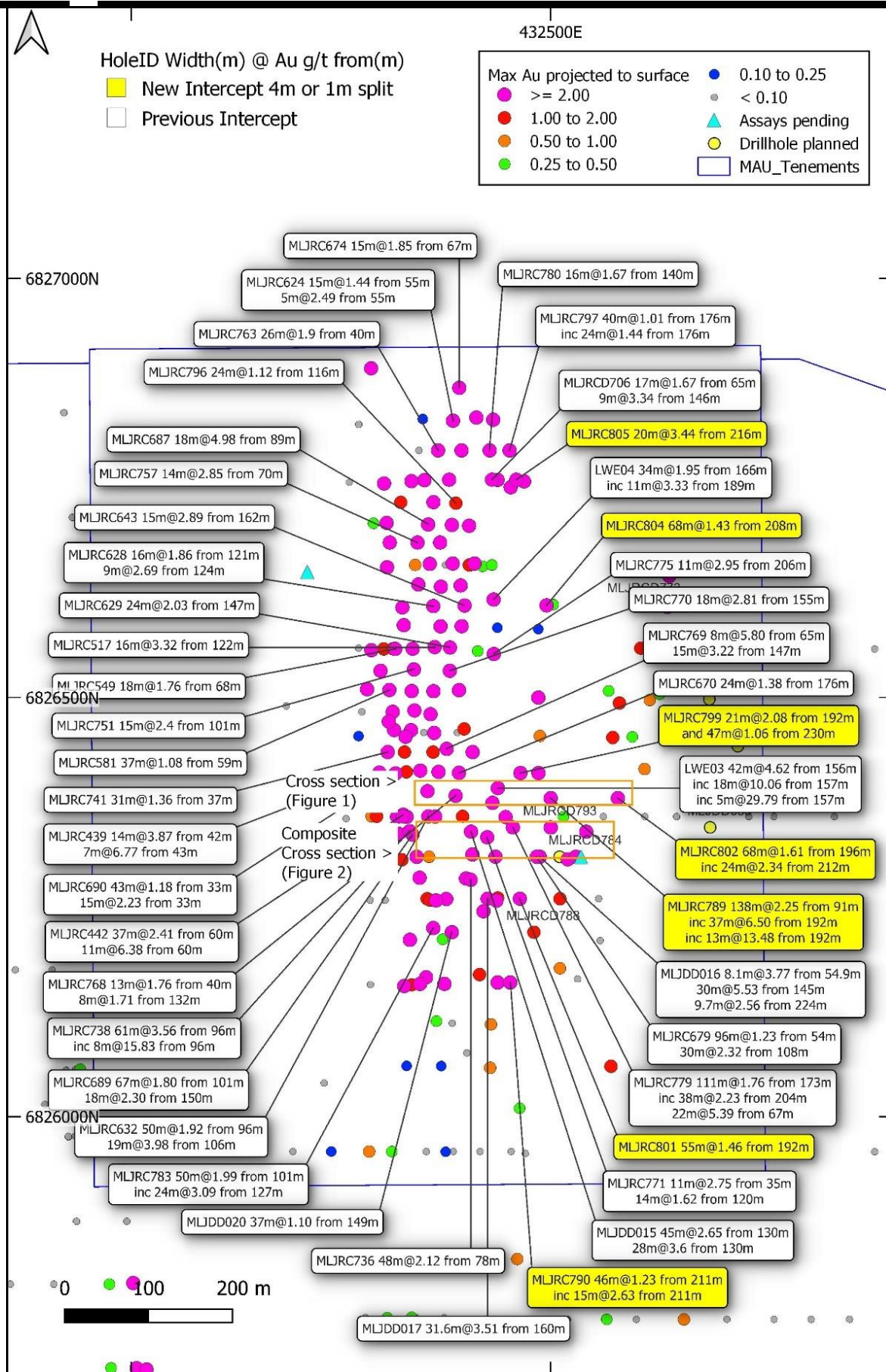


Figure 4. The Lady Julie North 4 deposit has numerous significant thick intersections from the latest drill programmes (yellow is the latest drill programme) and previous drilling (white label) with maximum gold projected to surface.

The follow up deeper RC/diamond holes tested and are looking to extend two and in some cases three stacked lodes found in the central, southern and northern parts of LJV4 and many of these are outside the resource and have potential for the enlargement of the Lady Julie North 4 Resource (Indicated and Inferred) of 3.2Mt at 1.93g/t for 204,900oz at a 0.5g/t cutoff (Figure 1). This forms part of the Lady Julie Combined Resources (Indicated and Inferred) of 5.89Mt at 1.68g/t for 317,900oz at a 0.5g/t cutoff (Table 2).

The updated combined (Indicated and Inferred) Mineral Resources estimate for the whole project area (Table 3) were announced recently on 3 February 2023, "Expands Mineral Resources Estimate" and include: 13.5Mt @ 1.40g/t Au totaling 605,000oz of gold at 0.5g/t cutoff.

This represents an increase of 18% of the total ounces over the 27 June 2022 ASX Release Maiden

Alteration Styles Lady Julie North 4

Recent diamond drilling at LJV4 has revealed three distinct types of mineralisation:

- Vuggy silica and/or silica-pyrite mineralisation: this intense alteration destroys the nature of the protolith and comprises a porous network of silica veins and masses, with or without disseminated pyrite, in a clayey, sandy matrix.
- Polymictic breccia: a mixed breccia of chert, felsic porphyry, and ironstone (possibly after pyrite), sometimes with quartz or silica clasts, in a siliceous or ferruginous matrix. Pyrite content is highly variable ranging up to semi-massive to massive in places.
- Silicified ultramafic: the footwall ultramafic sequence at LJV4 is mineralised in pale, bleached and silicified zones showing intense deformation (informally termed "visceral" texture) with or without quartz stockwork veining and with minor disseminated pyrite.

Photos of the mineralisation types are shown below and some examples of both breccia alteration and silica pyrite alteration in the MLJDD015 core trays with an overlaid gold content for each interval of core measured. The gold mineralisation strongly correlates with the intense alteration and appears to occur in a series of moderately east-dipping (40-45°) zones ranging from a few metres up to 52 metres in true width. Sometimes these zones appear to coalesce to form broader mineralised zones.

The silica-pyrite and breccia mineralisation occur in an interdigitated sequence of massive chert and carbonate intruded by felsic porphyries. This sequence also dips moderately to the east. Strong thick breccia zones are also present within the Sunrise Dam Deposit owned by Anglo Ashanti where the breccia lodes carry significant higher- grade mineralisation are associated with a number of internal deposits. In most cases they are near vertical and link the sub horizontal major shear zones and can also be subparallel to the major mineralised shear zones near surface. The silicified ultramafic mineralisation occurs in an ultramafic unit in the footwall of the chert-carbonate sequence.

MLJDD020_178.0m_Polymictic Breccia with silica-pyrite clast



MLJDD018_77.5m_Polymictic Breccia



MLJDD018_164.5m_Massive pyrite in Breccia



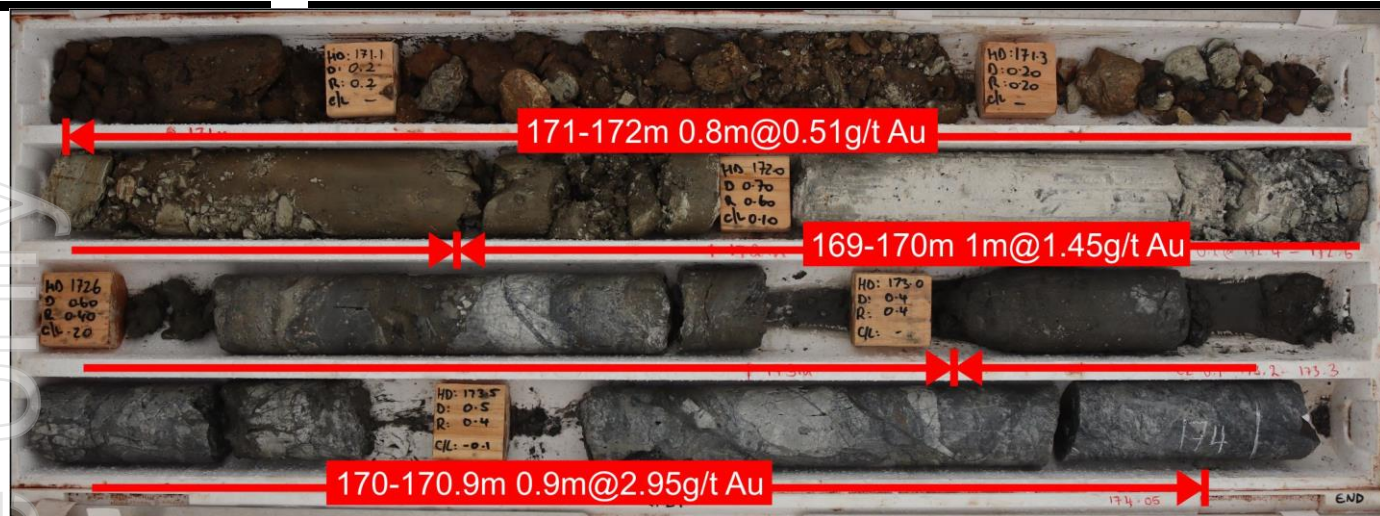
MLJDD018_198.0m Vuggy Silica Alteration



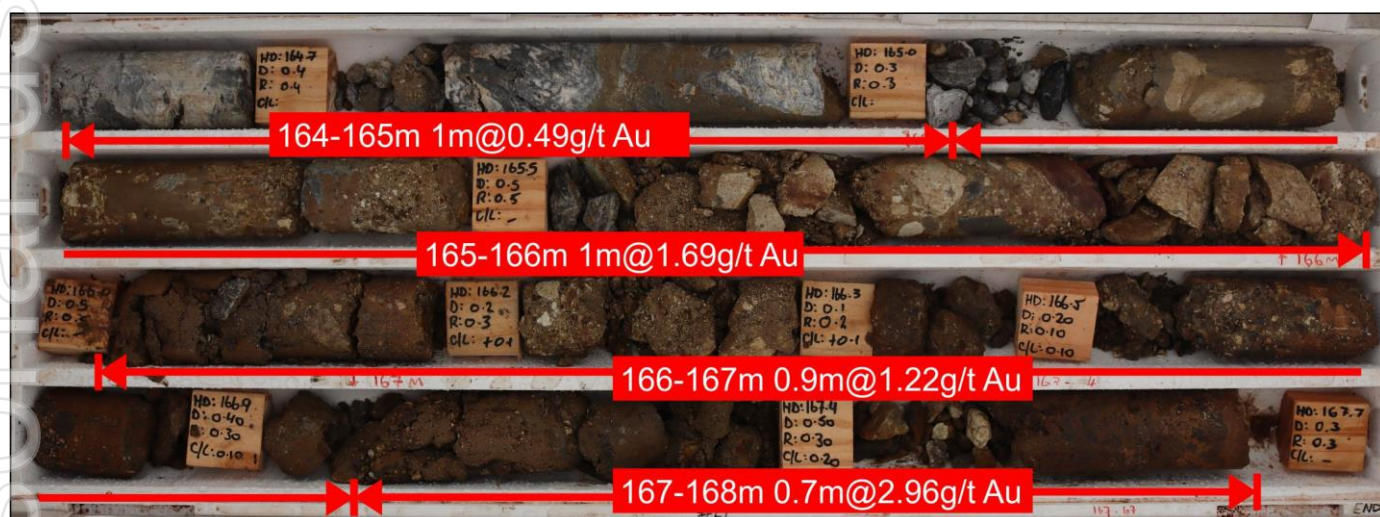
MLJDD019_148.4m_visceral texture in bleached, silicified ultramafic.



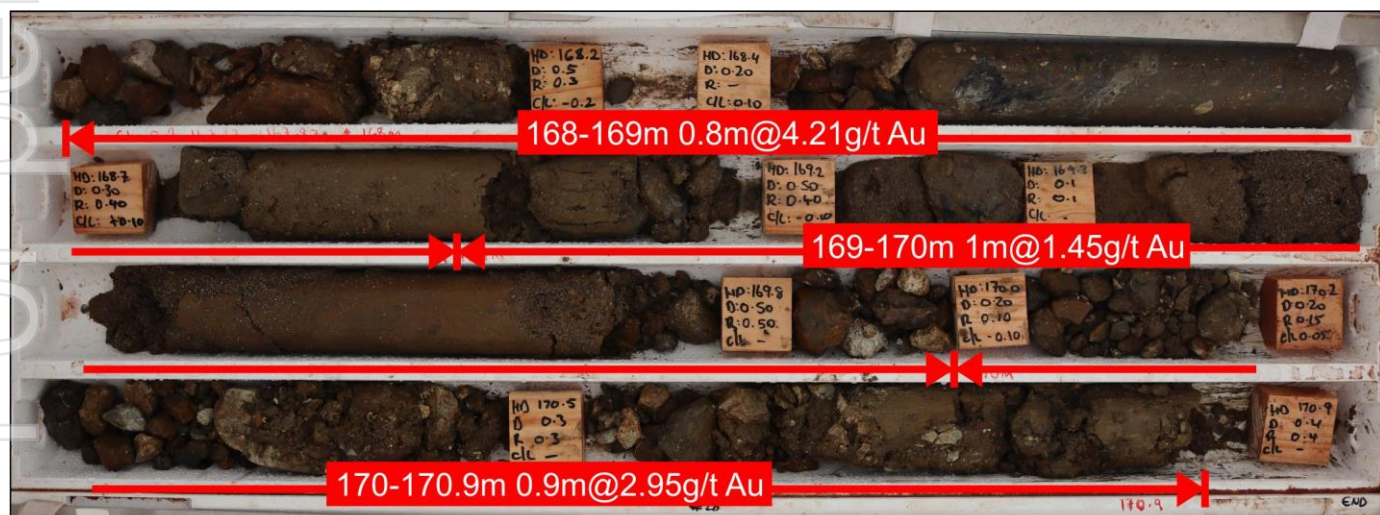
MLJDD015 Silica-Pyrite Alteration



MLJDD015 Breccia Alteration



MLJDD015 Breccia Alteration



MLJDD015 Breccia Alteration

The Lady Julie North 4 deposit is only 2.5km North of the Lady Julie Central deposit which in turn is 2.5km NE of the HN9 deposit (Figure 5). These three areas are all shallow deposits and, in some cases, starting from surface providing low strip ratios and potential for economic ore that is open-cuttable and are effectively part of one mining centre.

Gold mineralisation at LJV4 is hosted in a sequence of ultramafics, massive carbonate (marble) and chert intruded by felsic porphyries. This sequence is cut by a major N-S braided shear complex known as the Chatterbox Shear Zone (CSZ) which is known to host significant mineralisation to the north. Petrological studies are in progress to determine if the carbonate and chert units are in fact forms of intense carbonate and silica alteration associated with the CSZ.

The Chatterbox shear zone is a complex N to NNE-trending, east-dipping structural corridor which can be traced for some 22km extending from Magnetic Resources' southern boundary at Mt Jumbo and through Lady Julie North 4 and as far north as the Beasley Creek gold deposit on Magnetic's NE boundary (Figure 6). Within Magnetic's tenements the shear zone can be traced for a distance of 12km (Figure 5). The shear zone is interpreted to comprise a series of braided faults and shears within a corridor ranging from 100m to 250m wide and is interpreted to have formed as a reverse fault on the limb of the regional Margaret Anticline during the latter stages of its folding.

Importantly, this shear zone is closely associated with, gold mineralisation at several locations along its length including Magnetic's LJV4 and Mt Jumbo deposit. This shear is gold rich and gold deposits further north of Magnetic's tenements contains the Beasley Creek and Apollo deposits and is interpreted to extend south towards the world class Wallaby deposit. It is evident in aeromagnetic imagery and in gravity images (Figure 6).

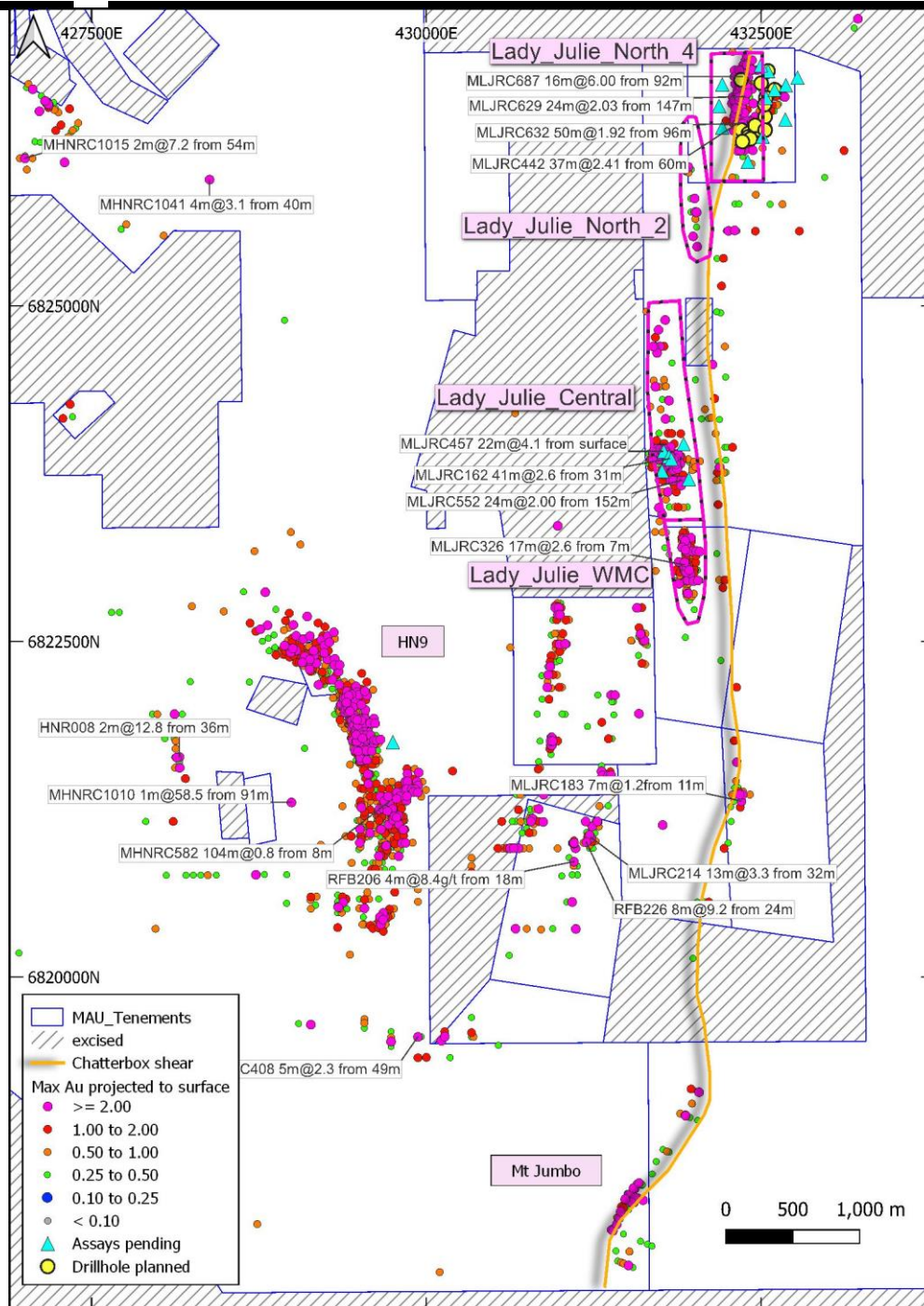


Figure 5. Gold intersection overview covering the Lady Julie North4, Lady Julie Central, Lady Julie WMC, HN9 and Mt Jumbo Projects showing some highlighted intersections (white label), significant historical and Magnetic intercepts (maximum Au projected to surface), planned holes in yellow and highlighted Chatterbox shear extending south from the Lady Julie North 4 Deposit.

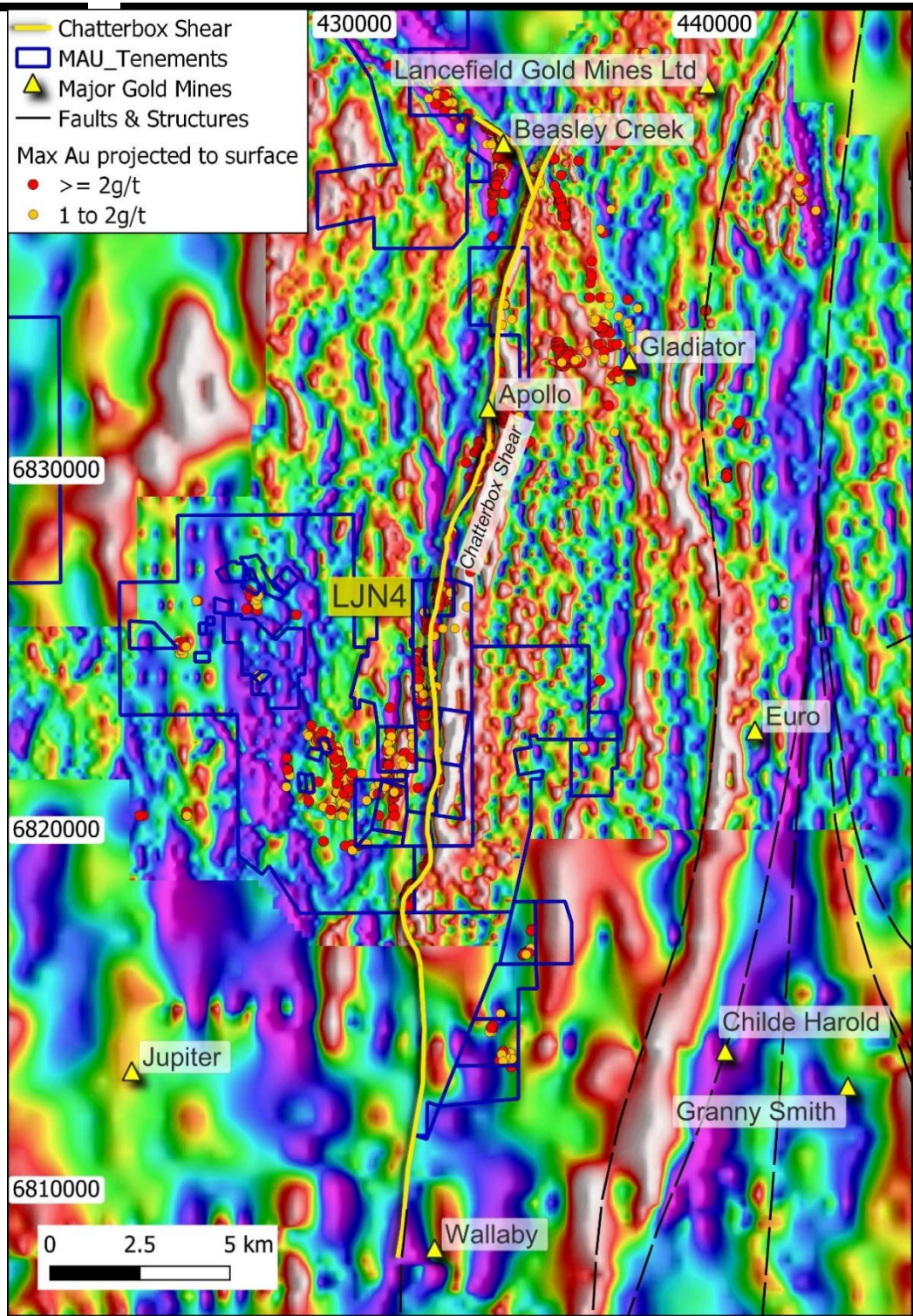


Figure 6. The Lady Julie North 4 Deposit within the Chatterbox Interpreted Shear shown on a gravity image with other major gold deposits located along it.

Table 2. Total Mineral Resource by Deposit at 0.5 g/t Au Cutoff.

Deposit	Classification	Au Cutoff	Volume	Tonnes	Density	Au	Ounces
HN9	Indicated	0.50	792,000	1,995,000	2.52	1.29	82,800
Lady Julie	Indicated	0.50	765,000	1,986,000	2.60	1.52	97,100
HN3	Indicated	0.50	139,000	357,000	2.58	0.72	8,300
HN5	Indicated	0.50	3,800	8,400	2.23	1.59	430
Mt Jumbo	Indicated	0.50	168,000	429,000	2.55	1.05	14,500
Homeward Bound South	Indicated	0.50	0	0	0.00	0.00	0
HN9	Inferred	0.50	460,000	1,182,000	2.57	1.25	47,600
Lady Julie	Inferred	0.50	1,484,000	3,894,000	2.62	1.76	220,800
HN3	Inferred	0.50	95,000	243,000	2.57	0.85	6,600
HN5	Inferred	0.50	17,900	43,700	2.44	0.76	1,060
Mt Jumbo	Inferred	0.50	736,000	1,887,000	2.57	1.16	70,500
Homeward Bound South	Inferred	0.50	563,000	1,442,000	2.56	1.20	55,600
HN9	Total	0.50	1,252,000	3,176,000	2.54	1.28	130,000
Lady Julie	Total	0.50	2,249,000	5,887,000	2.61	1.68	317,900
HN3	Total	0.50	233,000	600,000	2.57	0.77	15,000
HN5	Total	0.50	21,600	52,100	2.41	0.89	1,500
Mt Jumbo	Total	0.50	904,000	2,316,000	2.56	1.14	85,000
Homeward Bound South	Total	0.50	563,000	1,442,000	2.56	1.20	56,000

“Source table from MAU ASX release “Expands Mineral Resources Estimate 3 February 2023.”

Table 3. Total Mineral Resource at 0.5 g/t Au Cutoff

Classification	Au Cutoff	Volume	Tonnes	Density	Au	Ounces
Indicated	0.50	1,870,000	4,775,000	2.55	1.32	203,100
Inferred	0.50	3,256,000	8,692,000	2.59	1.44	402,160
Total	0.50	5,226,000	13,467,000	2.58	1.40	605,260

“Source table from MAU ASX release “Expands Mineral Resources Estimate 3 February 2023.” The Company’s current resources are stated above and the Company confirms that there is no new information or data that materially affects the mineral resource estimate as previously announced and that all assumptions underpinning the estimate continue to apply and have not materially changed.

Within the HN5, HN6, HN9 and Lady Julie areas there are many new shallow intersections (Figures 1-3 and Table 5) with a total of 2,459 intersections (ranging from 1 to 44m) greater than 0.5g/t Au, which includes 1160 greater than 1g/t Au, 444 greater than 2g/t Au, 231 greater than 3g/t Au and 142 greater than 4g/t Au.

At Hawks Nest 5, 6, 9 and Lady Julie extensive drilling programmes have been completed. (Tables 5 and Appendix), including 1,876 RC/RCD holes totaling 144,841m (average 77m depth), 36,325 1–5m composites and 24,895 1m splits, 302 AC holes totaling 12,125m, 3,049 2-6m composites and 294 1m splits and 22

Diamond holes totaling 3,102m including the Geotech programme comprising 10 RC drillholes totalling 670m and 8 diamond holes totalling 776m and Hydrology programme comprising 6 RC drillholes totalling 874m.

The nearby Sunrise Dam, Wallaby and Jupiter Gold Deposits have persistent internal shallow-dipping mineralised lodes that are often called shear zones or thrust zones, which are ubiquitous throughout these deposits and have been defined down to 1500m depth at the Wallaby deposit. At Sunrise Dam there are breccia zones which are associated with the deeper vertical deposits and also some of the shallower dipping deposits near surface. In addition, many discoveries in recent times have been made by drilling below 100m because the historical drilling was far too shallow. At HN5, 6, 9 and Lady Julie the average hole depth is only 78m providing tremendous scope for upside potential.

Managing Director George Sakalidis commented: "With the Australian gold price at record levels of \$2958 the Laverton Project Resources encompassing Lady Julie Central, Lady Julie North 4, HN9, Mt Jumbo and Homeward Bound South, are shaping up and have potential for large-scale shallow open-cuttable deposits and now after our recent drilling with strong depth potential greater than 200m depth at LJV4 (ASX releases 7/08/23, 31/07/23, 14/08/23, 22/08/23, 8/09/2023 and 26/09/2023).

We see up to three stacked zones within the centre and the southern end of LJV4 and our new drilling completed within the central part of the 800m long LJV4 deposit has been infill drilled and extended with **outstanding results of 68m at 1.61g/t from 196m in MLJRC802 below 138m at 2.25g/t from 91m in MLJRC789 and 68m at 1.43g/t below 34m at 1.95g/t from 166m in LWE04, 111m at 1.76g/t from 173m and 22m at 5.39g/t from 67m in MLJRC779 , 80m at 1.24g/t from 192m in MLJRC801 and 68m at 1.61g/t from 196m in MLJRC802 and a new thickened zone to the north with an intersection of 68m at 1.43g/t from 208m in MLJRC804.**

This central 250m long zone is very promising due to the excellent grades and thicknesses found here and the strong correlation with breccia and silica-pyrite zones, which are also prevalent in the world class Sunrise Dam deposit, which has both parallel to near surface shear zones and vertical going downwards into a number of their individual deposits. These zones containing MLJRC789, MLJRC779 and MLJRC679 are now being extended by new drilling at depth and further to the east and northeast (Figure 4). This provides strong potential to grow the LJV4 resource. A 1,390m diamond and a 2555m RC programme has started and will be scoping out extensions both to the east and northeast with holes planned between 400m to 550m depth holes.

The 4.5km southern extension of LJV4 along the Chatterbox shear remains as a high priority target due to its gold rich deposit inventory and the new discovery of deep breccia and alteration zones at LJV4, which have not been targeted previously.

This is an exciting time for the company having announced its Expanded Mineral Resource on 3 February 2023 and now looking to further increase the size the LJV4 Resource by recent drill testing the thickened high-grade breccia zone and continuation at depth and to the east.

Concurrently, the Blue Cap studies are near completion, which provides the company with the ability to fast-track work approvals and further assess the economics of the deposits. Continuing with global investment bank Jefferies, who are helping ongoing review opportunities to maximise shareholder value."

Table 4. Planned/in-progress Drilling at Lady Julie North 4

Hole_ID	Easting MGAz51	Northing MGAz51	Depth metres	Dip degrees	Azimuth degrees	Hole Type	Tenement	Project
MLJRCD679	432511	6826310	240	-60	270	DDH Tail	P38/4170	LJN4
MLJRCD773	432600	6826611	300	-60	270	DDH Tail	P38/4170	LJN4
MLJRCD784	432530	6826310	360	-90	0	DDH Tail	P38/4170	LJN4
MLJRCD788	432480	6826220	300	-90	0	DDH Tail	P38/4170	LJN4
MLJRCD793	432500	6826345	300	-90	0	DDH Tail	P38/4170	LJN4
MLJDD032	432723	6826442	400	-60	270	DDH	P38/4170	LJN4
MLJDD033	432908	6826500	550	-60	270	DDH	P38/4170	LJN4
MLJDD034	432689	6826498	400	-60	243	DDH	P38/4170	LJN4
MLJDD035	432690	6826345	400	-60	270	DDH	P38/4170	LJN4
4 DDH for 1,750m & 5 DDH tails for 756m								

Nickel-Cu-PGE and REE Projects

These projects were selected based on aeromagnetic interpretation after noting the structural setting of the Julimar complex and the Gonneville mineralised discrete magnetic mineralised Ni-Cu-PGE rich intrusion. The Julimar discovery in March 2020 has led to a massive pegging rush covering 30,000 sq. km. The Julimar Intrusive Complex flags the existence of a new and unexplored West Yilgarn Ni-Cu-PGE Province along the western margin of the Archean Yilgarn Craton.

The western tenements Benjaberring and Goddard are prospective for nickel, PGE elements, Cu and Au (Figure 7). The eastern tenements are prospective for REE after shallow, thick, strong REE intersections were made within the Trayning project (Figure 7). Access to various targets throughout the six tenements is ongoing and currently there are four access agreements over parts of the Trayning, Benjaberring and Goddard projects.

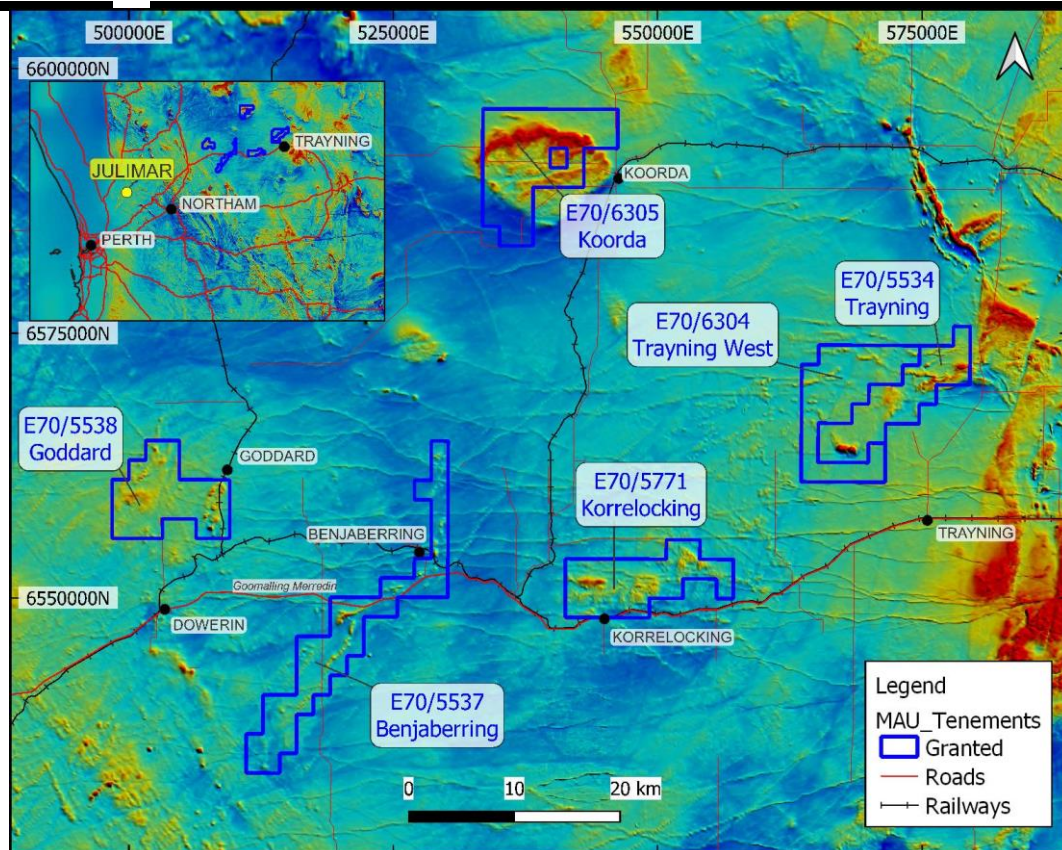


Figure 7. Coverage of Magnetics six projects NE of Julimar overlaid on the regional aeromagnetics

Other Projects

The Company actively reviews other projects and tenements for acquisition and development within the Leonora–Laverton region.

Other Commodities (Magnetic 0%):

During the year Magnetic maintained an arrangement with Tungsten Holdings and retains a small royalty over gold rights at Lake Seabrook E70/2935 held entirely by Tungsten.

Iron Ore

The Company has an agreement signed with Northam Iron Pty Ltd (now Northam Resources Pty Ltd) regarding the sale of the Company's iron ore assets, with the agreement providing for a sliding scale royalty with payments starting at \$0.25/t for a sale price of \$80.00/t or less, and thereafter, for every increase in the sale price of \$10.00/t

Directors Report

Your directors present their report on the Company for the year ended 30 June 2023

Directors

The following persons were directors of Magnetic Resources NL ("Magnetic" or "the Company") during the whole of the year and up to the date of this report unless otherwise stated:

- Eric Lim
- George Sakalidis
- Hian Siang Chan
- Benjamin Donovan

Principal Activities

The principal activity of the Company during the year was to explore mineral tenements in Western Australia.

Results From Operations

During the year the Company recorded an operating loss \$7,135,716 (2022: \$7,659,693).

Dividends

No amounts have been paid or declared by way of dividend by the Company since the end of the previous financial year and the Directors do not recommend the payment of any dividend.

Review of Operations

A review of operations is covered elsewhere in this Annual Report.

Earnings Per Share

Basic Loss per share for the financial period was 3.13 cents (2022: 3.52 cents). Diluted Loss per share in respect of both years ended 30 June 2023 and 30 June 2022 was the same as the Basic Loss per share.

Financial Position

The Company's cash position as at 30 June 2023 was \$4,102,162 an increase from the 30 June 2022 cash balance which was \$2,029,835. The Company's cash position is adequate to fund committed exploration expenditure.

Significant Changes in State of Affairs

Other than what is reported in the director's report, there were no significant changes in the state of affairs of the Company during the financial period.

Matters Subsequent to the End of the Financial Year

Subsequent to the year end, the Company announced in September 2023 that it has received binding commitments for approximately \$4.8 million (before costs) via a placement of approximately 6.66 million New Shares at an issue price of \$0.72 per share.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the Company.

Environmental Issues

The Company carries out exploration operations in Australia which are subject to environmental regulations under both Commonwealth and State legislation.

The Company's exploration manager is responsible for ensuring compliance with regulations. During or since the financial period there have been no known significant breaches of these regulations.

Information on Directors and Company Secretary

Eric JH Lim (Non-Executive Chairman)

Mr Lim is currently a senior executive officer with Standard Chartered Bank and holds the position Head of Wholesale Banking Finance, Southeast Asia.

Prior to joining Standard Chartered, he has held positions with OCBC Bank, General Electric and a number of executive positions in the US and Asia Pacific region including Finance Director of GE Money Japan and Global Financial Planning and Analyst for GE Commercial Finance (Healthcare Financial Services). He has also had extensive audit experience with GE Corporate Audit leading a variety of engagements ranging from process to financial audits.

Eric is qualified with an MBA and a Bachelor of Accounting degree.

Mr Lim has a relevant interest in 9,790,206 ordinary fully paid shares and 1,650,000 options to acquire fully paid ordinary shares.

Mr Lim has not held any directorships in other listed companies during the last 3 years.

George Sakalidis (Managing Director)

Mr Sakalidis is an exploration geophysicist with over 30 years' industry experience. His career has included extensive gold, diamond, base metals and mineral sands exploration. He has worked tirelessly building the gold assets of the company, since February 2016.

Mr Sakalidis has been involved in a numerous significant mineral discoveries, including the Three Rivers and Rose gold deposits, the Blackmans gold deposit, the Dongara Mineral Sands Deposits, the Boonanarring, Gingin South, Hyperion Mineral Sands Deposits in Western Australia and he was involved in the tenement application over the Silver Swan nickel deposit.

He was also involved with the tenement application for the recently discovered Monty Copper mineralisation adjacent to the Degruessa Copper deposit. He is a founding Director and is Managing Director of this company, Magnetic Resources NL (since listing on August 2006, resigned October 2014, reappointed 29 January 2016), Image Resources NL (since listing on July 2002 and resigned 29 May 2020), Meteoric Resources NL (since listing on 16 July 2004). Mr Sakalidis is also a founding director of ASX listed companies Emu NL and Potash West NL.

Mr Sakalidis has a relevant interest in 8,052,892 ordinary fully paid shares, 3,135,714 contributing shares and 3,300,000 options to acquire fully paid ordinary shares.

Throughout the past three years he has served as a director of the following listed companies:

- ▶ Image Resources NL – appointed 2002, resigned 29 May 2020.
- ▶ Meteoric Resources NL – appointed February 2004, resigned 29 November 2017

Hian Siang Chan (Non-Executive Director)

Mr Chan is the founder, Executive Director and CEO of SP Chemicals Pte Ltd, a Singapore-based company that specializes in the production of chlor-alkali and petrochemicals in the Jiangsu Province, PRC, which has annual revenue of approx. A\$1.47 billion.

He is responsible for and instrumental in the establishment of SP Chemicals' Taixing plant in Jiangsu Province, PRC. Mr Chan is also an Executive Director of SP Chemicals parent company, Asiawide Holdings Pte Ltd.

He holds a Bachelor of Arts (Economics) degree from York University, Toronto, Canada and a Master of Business Administration from McGill University, Montreal, Canada.

Mr Chan has a relevant interest in 29,608,982 ordinary fully paid shares and 750,000 options to acquire fully paid ordinary shares.

Mr Chan has not held any directorships in other listed companies during the last 3 years.

Ben Donovan (Non – Executive Director and Company Secretary)

Mr Donovan is a member of Chartered Secretaries Australia and provides corporate advisory, IPO and consultancy services to a number of companies.

Mr Donovan is currently a Director and Company Secretary of several ASX listed and public unlisted companies involved in the resources and technology industries, including one company currently developing a large magnetite project in Australia.

He has extensive experience in listing rules compliance and corporate governance, having served as a Senior Adviser at the Australian Securities Exchange (ASX) in Perth for nearly 3 years, including as a member of the ASX JORC Committee.

In addition, Mr Donovan has experience in capital markets having raised capital and assisted numerous companies in achieving an initial listing on the ASX, as well as for a period of time, as a private client adviser at a boutique stock broking group.

Mr Donovan has a relevant interest in 19,047 ordinary fully paid shares, 60,000 contributing shares. and 1,350,000 options.

Audit Committee

The Company adopted a formal Audit charter last year. The Board acted as the constituted Audit Committee and the following meetings were held during the year:

	Eligible to Attend	Attended
George Sakalidis	2	2
Eric Lim	2	2
Benjamin Donovan	2	2
Hian Siang Chan	2	2

Remuneration Committee

At the date of this report, the Remuneration Committee comprises the current board of directors. No remuneration committee meetings were held during the year as the board decided all matters.

Meetings of Directors

During the financial year ended 30 June 2023, the following director meetings were held:

	Eligible to Attend	Attended
George Sakalidis	5	5
Eric Lim	5	5
Benjamin Donovan	5	5
Hian Siang Chan	5	5

*Excludes meetings held by circular resolution

Remuneration Report (Audited)

Names and positions held of key management personnel (KMP), defined by the Australian Accounting Standards as being ("those people having authority and responsibility for planning, directing, and controlling the activities of an entity, either directly or indirectly. This includes an entity's directors") in office at any time during the financial year were:

Key Management Person	Position
Eric Lim	Non-Executive Chairman
George Sakalidis	Managing Director
Benjamin Donovan	Non-Executive Director
Hian Siang Chan	Non-Executive Director

The Company's policy for determining the nature and amount of emoluments of key management personnel is set out below.

Key Management Personnel Remuneration (KMP) and Incentive Policies

Given the size of the Company, all board members form the Remuneration Committee ("**committee**"). The mandate of the Committee is to consider appropriate and competitive remuneration and incentive policies (including basis for paying and the quantum of any bonuses) for key management personnel and others as considered appropriate to be singled out for special attention, which:

- motivates them to contribute to the growth and success of the Company within an appropriate control framework.
- aligns the interests of key leadership with the interests of the Company's shareholders.
- are paid within any limits imposed by the Constitution and make recommendations to the Board with respect to the need for increases to any such amount at the Company's annual general meeting; and
- in the case of directors, only permits participation in equity-based remuneration schemes after appropriate disclosure to, due consideration by and with the approval of the Company's shareholders.

Non-Executive Directors

- The committee is to ensure that non-executive directors are not provided with retirement benefits other than statutory superannuation entitlements.
- To the extent that the Company adopts a remuneration structure for its non-executive directors other than in the form of cash and superannuation, disclosure shall be made to stakeholders and approvals obtained as required by law and the ASX listing rules.

Incentive Plans and Benefits Programs

The committee is to:

- review and make recommendations concerning long-term incentive compensation plans, including the use of equity-based plans. Except as otherwise delegated by the Board, the committee will act on behalf of the Board to administer equity-based and employee benefit plans, and as such will discharge any responsibilities under those plans, including making and authorising grants, in accordance with the terms of those plans.
- ensure that, where practicable, incentive plans are designed around appropriate and realistic performance targets that measure relative performance and provide remuneration when they are achieved; and
- review and, if necessary, improve any existing benefit programs established for employees.

Retirement and Superannuation Payments

Prescribed benefits were provided by the Company to all directors by way of superannuation contributions to externally managed complying superannuation funds during the year. These benefits were paid as superannuation contributions to satisfy (at least) the requirements of the Superannuation Contribution Guarantee Act and in satisfaction of any salary sacrifice requests. All contributions were made to accumulation type funds selected by the director and accordingly actuarial assessments were not required.

Relationship between Company Performance and Remuneration

There is no relationship between the financial performance of the Company for the current or previous financial year and the remuneration of the key management personnel. Remuneration is set having regard to market conditions and encourage the continual services of key management personnel.

Use of Remuneration Consultants

The Company did not employ the services of any remuneration consultant during the financial year ended 30 June 2023.

Key Management Personnel Remuneration for 30 June 2023

Key Management Personnel	Short-term benefits Fees & contractual payments (\$)	Employment Benefits (\$)	Post-employment benefits Statutory superannuation (\$)	Cash settled share based payments (\$)	Equity settled Share Based Payments (\$)	Total (\$)
Eric Lim	52,900	-	-	-	150,917	203,817
George Sakalidis	323,064	173,850	35,431	-	301,832	834,177
Benjamin Donovan	24,000		2,520	-	150,917	177,437
Hian Siang Chan	52,900		-	-	150,917	203,817
Julian Sanderson	-		220			220
Total	452,864	173,850	38,171	-	754,583	1,419,468

Key Management Personnel Remuneration for 30 June 2022

Key Management Personnel	Short-term benefits Fees & contractual payments (\$)	Post-employment benefits Statutory superannuation (\$)	Cash settled share based payments (\$)	Equity settled Share Based Payments (\$)	Total (\$)
Eric Lim	52,900	-	-		52,900
George Sakalidis	301,950	28,685	-	-	330,635
Benjamin Donovan	6,000	400	-	-	6,400
Hian Siang Chan	52,900	-	-	-	52,900
Julien Sanderson	39,675	4,188	-	-	48,633
Total	453,425	33,273	-	-	486,698

Securities Received that are Not Performance-Related.

No members of KMP are entitled to receive securities that are not performance-based as part of their remuneration package.

Employment Details of Members of Key Management Personnel

Key Management Personnel	Position held as at 30 June 2023 and any changes during the year	Contract details Continuation and Termination	Proportion of 2022 / 2023 Remuneration related to performance (other than options issued)		Proportion of 2021/ 2022 Remuneration not related to performance (Fixed salary/fees)
			Non-cash salary-based incentives	Shares / units	
Eric Lim	Non-Executive Director	No fixed term	-	-	100%
George Sakalidis	Managing Director	No fixed term 2 months' notice required to terminate	-	-	100%
Benjamin Donovan	Non-Executive Director	No fixed term	-	-	100%
Hian Siang Chan	Non-Executive Director	No fixed term	-	-	100%

The employment terms and conditions of all KMP are formalized in contracts of employment.

Options held by Key Management Personnel

All options were issued by Magnetic Resources NL and entitle the holder to one ordinary share in Magnetic Resources NL for each option exercised. There has not been any alteration to the terms or conditions of any grants since grant date.

The number of options over fully paid ordinary shares in the Company held at the beginning and end of the year and movements during the financial year by key management personnel and/or their related entities are set out below. (Details of the Share Based Payments made during the year are referred to in note 20):

Options held by Key Management Personnel:

30 June 2023:

Name	Balance at the beginning of the year	Grant Details			Exercised during the year		Lapsed	Other changes during the year	Balance at the end of the year
		Issue Date	No.	Value \$	No.	Value \$			
Eric Lim	900,000	6/12/2022	750,000	150,917	-	-	-	-	1,650,000
George Sakalidis	1,800,000	6/12/2022	1,500,000	301,833	-	-	-	-	3,300,000
Benjamin Donovan	600,000	6/12/2022	750,000	150,917	-	-	-	-	1,350,000
Hian Siang Chan	-	6/12/2022	750,000	150,917	-	-	-	-	750,000
Total	3,300,000	-	3,750,000	754,583	-	-	-	-	7,050,000

Shares held by Key Management Personnel

The number of shares and partly-paid contributing shares (on which \$0.20 is payable to convert those partly-paid shares to fully paid shares) in the Company held at the beginning and end of the year and net movements during the financial year by key management personnel and/or their related entities are set out below:

30 June 2023:

Name	Balance at the start of the year	Granted as Remuneration during the Year	Issued on exercise of Options during the Year	Other Changes during the Year	Balance at the end of the year
Eric Lim					
Ordinary shares	9,491,794	-	-	298,412	9,790,206
Contributing shares		-			
George Sakalidis					
Ordinary shares	7,899,336	-	-	153,556	8,052,892
Contributing shares	3,135,714	-	-		3,135,714
Benjamin Donovan					
Ordinary shares		-	-	19,047	19,047
Contributing shares	60,000	-	-	-	60,000
Hian Siang Chan					
Ordinary Shares	29,064,538	-	-	544,444	29,608,982
Contributing shares		-	-	-	-
Total Ordinary shares	46,455,668	-	-	1,015,459	47,471,127
Total Contributing shares	3,195,714	-	-		3,195,714

Consultant Agreements

On 10 August 2016, the Company entered into an employment agreement with Mr Sakalidis for his services as an executive director effective 7 February 2016. The key terms of the agreement are for Mr Sakalidis to work an average of 95 hours per month at an hourly rate of \$155 per hour performing the normal duties associated with an executive director of an ASX listed company. Mr Sakalidis is also entitled to participate in any short- and long-term incentive plans, and normal leave entitlements. Either party may give 2 months' notice of their intention to terminate the agreement, or immediately

if Mr Sakalidis commits any serious misconduct or if removed by shareholders. On 11 April 2017, the Board agreed to amend the title held by Mr Sakalidis to Managing Director with no change to the terms of his contract. On 27 May 2019, the Company agreed to revise Mr Sakalidis' hourly rate to \$178.25 per hour. On 25 May 2021, the Company agreed to revise Mr Sakalidis' hourly rate to \$204.99 per hour.

Mr Donovan is engaged by the Company as a non- executive Director and Company Secretary. Mr Donovan is employed on an agreed annual fee with additional hours paid at market rates. Each party can terminate the agreement with 4 months' notice.

On May 2021 ,Mr Lim and Mr Chan have entered into a director's contract where they are paid \$52,900 per annum.

Guaranteed Rate Increases

There are no guaranteed rate increases fixed in the contracts of any of the key management personnel.

Other Equity –related KMP Transactions

There have been no other transactions involving equity instruments apart from those described in the tables above relating to options, rights and shareholdings.

Other Transactions with KMP and / or their Related Parties

There have been no other transactions conducted between the Company and KMP or their related parties, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons. involving equity instruments apart from those described in the tables in the tables above relating to options, rights and shareholdings.

Directors' Interests

The relevant interest of each director in the shares and options over such instruments issued by the Company as notified by the directors to the Australian Securities Exchange in accordance with Section 205G(1) of the Corporations Act 2001 at the date of this report is as follows:

	Fully Paid Ordinary Shares	Partly paid Contributing Shares	Options to Acquire Fully Paid Ordinary Shares
Eric Lim	9,790,206	-	1,650,000
George Sakalidis	8,052,892	3,135,714	3,300,000
Benjamin Donovan	19,047	60,000	1,350,000
Hian Siang Chan	29,608,982	-	750,000
Total	47,471,127	3,195,714	7,050,000

Share Options Granted to Directors And Officers

No options have been issued to directors or officers during or since the end of the financial year other than those noted above.

Employees

At 30 June 2023, aside from directors who are for tax purposes treated as employees, the Company's only other employees were part-time or casual staff. The same position prevailed at 30

June 2022.

Corporate Structure

Magnetic is a no liability company incorporated and domiciled in Australia.

Risk Management

Risk management is a complex and critical component of the company's governance. The Board oversees and guides the Company's risk management framework and the company secretary is charged with implementing appropriate risk systems with the company. The Board is supported in its oversight of risk by the Audit and Risk Management Committee. Magnetics' risk management policy is reviewed and endorsed annually by the Board in line with ASX Corporate Governance Principles and Recommendations.

Magnetic's identified material risks and mitigating actions are summarized in the table below:

Material Risks	Mitigating Actions
Inability to access adequate funding	<ul style="list-style-type: none"> • Maintaining relationships with existing and potential investors/shareholders. • Continuing to educate the market and investors on Podium, platinum group metals and its link with decarbonization. • Preserving cash where possible.
Major safety incident	<ul style="list-style-type: none"> • Appropriate safety standards, policies and procedures in place further supported by Podium's Health, Safety and Environment System. • Appropriate inductions and communication of safety standards and monitoring of compliance.
Processing technology impacts economic viability	<ul style="list-style-type: none"> • Engagement of mineral processing experts and advisors. • Technical panel overview and support. • Employing and retaining experienced technical people. • Actively managing deliverables and milestones.
Loss or forfeiture of key tenement s	<ul style="list-style-type: none"> • Maintaining a compliance register and system to meet key tenement conditions.
Major compliance breach	<ul style="list-style-type: none"> • Maintaining a register and system to meet key compliance items. • Appropriate internal financial controls. • Appropriate policies communicated to employees including code of conduct, corporate governance, anti-bribery and corruption and whistle blower policies. • Company values and culture.
Material cultural heritage breach	<ul style="list-style-type: none"> • Maintaining communications and relationships with traditional owners and community. • Undertake cultural heritage surveys to obtain clearance and understand areas of significance.
Loss of key personnel	<ul style="list-style-type: none"> • Multi-level engagement with key partners, suppliers and shareholders. • Central access to data, information and reports.

Access to Independent Advice

Each director has the right, so long as he is acting reasonably in the interests of the Company and in the discharge of his duties as a director, to seek independent professional advice and recover the reasonable costs thereof from the Company.

The advice shall only be sought after consultation about the matter with the chairman (where it is reasonable that the chairman be consulted) or, if it is the chairman that wishes to seek the advice or it is unreasonable that he be consulted, another director (if that be reasonable).

The advice is to be made immediately available to all Board members other than to a director against whom privilege is claimed.

Indemnification And Insurance of Directors And Officers

The Company has entered into agreements indemnifying, to the extent permitted by law, all the directors and officers of the Company against all losses or liabilities incurred by each director and officer in their capacity as directors and officers of the Company. During the year an amount of \$27,114 (2022: \$26,800) was incurred in insurance premiums for this purpose.

Options

As at the date of this report there are the following unquoted options over unissued ordinary shares in the Company:

- 4,900,000 options to acquire fully paid shares exercisable at \$1.515 on or by 6 December 2024
- 3,750,000 options to acquire fully paid shares exercisable at \$1.20 on or by 6 December 2025
- 2,216,502 options to acquire fully paid shares exercisable at \$0.68 on or by 10 May 2025

Option holders do not have any rights to participate in any issues of shares or other interests of the company or any other entity. There have been no options granted over unissued shares or interests of any controlled entity within the Group during or since the end of the reporting period.

For details of options issued to directors and executives as remuneration, refer to the remuneration report.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Non-audit Services

During the year Elderton Audit Pty Ltd, the Company's auditor, did not perform any services other than their audit services.

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

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the audit; and
- the nature of the service provided does not compromise the general principles relating to auditor independence in accordance with *APES 110: Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

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 in this annual report.

Signed in accordance with a resolution of the directors

SIGNED.



GEORGE SAKALIDIS

MANAGING

DIRECTOR

Perth

29 September 2023

Auditor's Independence Declaration

To those charged with governance of Magnetic Resources NL

As auditor for the audit of Magnetic Resources NL for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Elderton Audit Pty Ltd.

Elderton Audit Pty Ltd



Sajjad Cheema
Audit Director

Perth

29th September 2023

Corporate Governance Statement

Magnetic Resources NL ("Company") has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. These policies and procedures are summarised in this statement. Commensurate with the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("Principles & Recommendations") fourth edition, the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for the adoption of its own practice, in compliance with the "if not, why not" regime.

Disclosure of Corporate Governance Practices

Summary Statement

	ASX P & R	If not, why not		ASX P & R	If not, why not
Recommendation 1.1	✓		Recommendation 4.2	✓	
Recommendation 1.2	✓		Recommendation 4.3	✓	
Recommendation 1.3	✓		Recommendation 5.1	✓	
Recommendation 1.4	✓		Recommendation 5.2	✓	
Recommendation 1.5		✓	Recommendation 5.3	✓	
Recommendation 1.6	✓		Recommendation 6.1	✓	
Recommendation 1.7	✓		Recommendation 6.2	✓	
Recommendation 2.1		✓	Recommendation 6.3	✓	
Recommendation 2.2	✓		Recommendation 6.4	✓	
Recommendation 2.3	✓		Recommendation 6.5	✓	
Recommendation 2.4		✓	Recommendation 7.1		✓
Recommendation 2.5	✓		Recommendation 7.2	✓	
Recommendation 2.6	✓		Recommendation 7.3	✓	
Recommendation 3.1	✓		Recommendation 7.4	✓	
Recommendation 3.2	✓		Recommendation 8.1		✓
Recommendation 3.3	✓		Recommendation 8.2	✓	
Recommendation 3.4	✓		Recommendation 8.3	N/A	
Recommendation 4.1		✓			

Website Disclosures

Further information about the Company's charters, policies and procedures may be found at the Company's website at www.magres.com.au, under the section marked Corporate Governance.

Disclosure – Principles & Recommendations

The Company reports below on how it has followed (or otherwise departed from) each of the Principles & Recommendations during the financial period ("**Reporting Period**").

Principle 1 – Lay Solid Foundations for Management and Oversight

Recommendation 1.1: A listed entity should disclose:

- a) the respective roles and responsibilities of its board and management; and
- b) those matters expressly reserved to the board and those delegated to management.

Disclosure:

The Company has established the functions reserved to the Board and has set out these functions in its Board Charter. The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

The Company has established the functions delegated to senior executives and has set out these functions in its Board Charter. Senior executives are responsible for supporting the Managing Director or Executive Director and assisting the Managing Director or Executive Director in implementing the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Managing Director or Executive Director or, if the matter concerns the Managing Director or Executive Director, then directly to the Chair or the lead independent Director, as appropriate.

Recommendation 1.2: A listed entity should:

- a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and
- c) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Disclosure:

The board undertakes a review of the potential candidate and their appropriate skills through reference of previous positions and industry contacts.

Full details of each person are announced in the initial appointment announcement and also in the Annual Report. Where a director is seeking election, shareholders are given full details.

Recommendation 1.3: A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

Disclosure:

Upon joining the Company, each director and senior executive enters into an agreement with the Company which sets out the key terms of their employment and their responsibilities including adhering to all Company policies.

Recommendation 1.4: The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

Disclosure:

The Company Secretary advises the board directly on all matters regarding the function of the board, in consultation with any legal advice if so required. The Secretary is responsible for the coordinating of all board matters, committee meetings and advice.

Recommendation 1.5: A listed entity should:

- a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them.
- b) disclose that policy or a summary of it; and
- c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:
 - 1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or
 - 2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.16

Disclosure:

The Company does not qualify under the Act. The Company has a policy of appointing the most suitably qualified person to each position in the Company. Where there is a vacancy in the Company, the most suitable party will be employed.

- ☐ At present, there is no documented policy of objectives, as positions are selected on the best available candidate.
- ☐ At the date of this report, all senior executive positions, being persons who can influence the direction of the Company, are filled by males.

Recommendation 1.6:

A listed entity should:

- a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
- b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Disclosure:

The Chair is responsible for evaluating the board and the various committee members. The Chair holds informal discussions with the board on an ongoing basis, as required. Given the size of the Company and only being a 4 person board, the position of Chair is usually filled by one of the directors.

Recommendation 1.7

A listed entity should:

- a) have and disclose a process for periodically evaluating the performance of its senior executives; and
- b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Disclosure:

The Managing Director is responsible for evaluating the senior executives and does this by holding informal discussions with the senior executives on an ongoing basis, as required.

Principle 2 – Structure the Board to Add Value**Recommendation 2.1**

The board of a listed entity should:

- a) have a nomination committee which:
 - 1) has at least three members, a majority of whom are independent directors; and
 - 2) is chaired by an independent director,

and disclose:

- 3) the charter of the committee.
- 4) the members of the committee; and

5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

- b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

Disclosure:

Given the size of the Company, the Board believes that the appointment of a nomination committee is not warranted, and that all 4 Board directors should perform the role. Mr Lim and Mr Donovan are independent directors. Mr Sakalidis and Mr Chan are not deemed to be independent due to Mr Sakalidis being Managing Director and Mr Chan being a significant shareholder. The Company does have a charter setting out the criteria and responsibilities for the selection of new Directors.

The number of times the committee met is outlined in the annual report.

Recommendation 2.2

A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

Disclosure:

The skills of each individual director are outlined in the annual report setting out the qualifications and experience of each person.

Recommendation 2.3

A listed entity should disclose:

- the names of the directors considered by the board to be independent directors.
- if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and
- the length of service of each director

Name	Position	Independent	Appointed
Mr Eric Lim	Non-Executive Chairman	Yes	23/8/2011
Mr George Sakalidis	Executive Director	No	29/1/2016
Mr Benjamin Donovan	Non-Executive Director	Yes	28/03/2022
Mr Hian Siang Chan	Non-Executive Director	No	23/2/2020

An independent Director is defined as a Non-Executive Director and.

- Is not a substantial shareholder of the Company or an officer of or directly or indirectly associated with a substantial shareholder of the Company within the last 3 years, or if they have been, they have been assessed by the Board to now be independent.
- Within the last three years has not been employed in an executive capacity by the Company or been a director after ceasing to hold any such employment.
- Within the past three years has not been a principal of a material professional advisor or a material consultant to the Company or an employee associated with a such a material service provider or advisor; and,
- Does not have a material contractual relationship with the Company other than as a Director of the Company.

Disclosure:

The Board comprises four Directors, with Mr Sakalidis as an executive director, and Mr Lim and Mr Donovan and Mr. Chan who non-executive directors, Mr Sakalidis and Mr Chan are deemed to not be independent given Mr Sakalidis is Managing Director and Mr Chan's significant shareholding in the Company. Mr Donovan and Mr Lim are deemed to be independent despite Mr Lim being a significant shareholder. The Board considers that given the size of the Company, it is better to have directors with the appropriate skill sets as key members.

A profile of each Director containing their skills, experience, expertise and term of office is set out in the Directors' Report.

Identification of Independent Directors

Mr. and Mr. Lim are independent directors. Independence is measured having regard to the relationships listed in Box 2.3 of the Principles & Recommendations and the Company's materiality thresholds. The materiality thresholds are set out below.

Group's Materiality Thresholds

The Board has agreed on the following guidelines for assessing the materiality of matters, as set out in the Company's Board Charter:

- Statement of Financial Position items are material if they have a value of more than 10% of net assets.
- Profit and loss items are material if they will have an impact on the current period operating result of 10% or more.
- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, they could affect the Company's rights to its assets, if accumulated they would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on statement of financial position or profit and loss items, or they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.
- Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default, and the default may trigger any of the quantitative tests, are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests, contain or trigger change of control provisions, they are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

Recommendation 2.4

A majority of the board of a listed entity should be independent directors.

Disclosure:

Mr. Donovan and Mr. Lim are deemed independent. Mr. Sakalidis and Mr. Chan are not deemed to be independent.

Recommendation 2.5: The chair of the board of a listed entity should be an independent director and should not be the same person as the CEO of the entity.

Disclosure:

The Chair of the Board is Mr. Lim, which allows for the division of the roles with the Executive Director role carried out by Mr. Sakalidis. Mr. Lim is also considered independent.

Recommendation 2.6: A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

Disclosure:

Each director is provided with an induction to the Company's assets and business including all policies and procedures. Each director can request appropriate development opportunities which will be considered by the board on each occasion.

If a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director, then, provided the Director first obtains approval for incurring such expense from the Chair, the Company will pay the reasonable expenses associated with obtaining such advice.

Principle 3 – Act ethically and responsibly

Recommendation 3.1

A listed entity should articulate and disclose its values.

Disclosure:

The Company expects Directors, Officers and Employees to practice honesty, integrity and observe high standards of business and personal ethics and comply with all applicable laws and regulations in fulfilling their duties and responsibilities. The Company has a Statement of Values.

Recommendation 3.2

A listed entity should:

- (a) have a code of conduct for its directors, senior executives and employees; and
- (b) ensure that the board or a committee of the board is informed of any material breaches of that code.

Disclosure:

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, practices necessary to consider their legal obligations and the expectations of their stakeholders and responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Recommendation 3.3

A listed entity should:

- (a) have and disclose a whistleblower policy; and
- (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.

Disclosure:

The Company has adopted a Whistleblower Policy which aims to encourage reporting of violations (or suspected violations) of the Company's Code of Conduct, or material legal or regulatory obligations, and to provide effective protection from victimisation and retaliation or dismissal to those reporting by implementing systems for confidentiality, anonymity and report handling.

Everyone working for the Company receives training on the Whistleblower Policy and are expected to understand and comply with it. Complaints made under the Whistleblower Policy which are regarded as serious and warrant investigation by the Responsible Officer are investigated as set out in the Policy. The Board is informed of material breaches or incidents reported under the Whistleblower Policy and the Board periodically reviews and makes changes to the Policy.

Recommendation 3.4

A listed entity should:

- (a) have and disclose an anti-bribery and corruption policy; and
- (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.

Disclosure:

The Company has an Anti-Bribery & Anti-Corruption Policy that applies to its employees, Directors, contractors, consultants, third parties and other persons associated with the Company's business operations.

All Company policies are aimed at conducting business that is fair, honest, transparently, with integrity and in compliance with the law in all jurisdictions in which it operates. Acknowledging the potential for reputational damage if the Company is, or is alleged to be, involved in bribery or corruption, the Policy addresses:

- what may be deemed as forms of bribery and corruption.
- encourages a robust culture of integrity, transparency and compliance, which is critical to long term success and value preservation in the business.
- aims to safeguard and make transparent relationships with external parties in the context of receiving and giving hospitality, gifts and other financial benefits for legitimate purposes consistent with normal business practice; and
- prohibits bribes and improper payments, and places appropriate controls on gifts and donations.

Employees are trained in the policy and are responsible for reporting actual or suspected breaches of the Policy. All safeguards in terms of confidentiality, anonymity, ongoing support and protection in that Policy will apply in these circumstances. Any material breaches of the Anti-Bribery & Anti-Corruption Policy are reported to the Board. The Board periodically reviews and makes changes to the Policy

Principle 4 – Safeguard Integrity in Financial Reporting**Recommendation 4.1**

The board of a listed entity should:

- a) have an audit committee which:
 - 1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
 - 2) is chaired by an independent director, who is not the chair of the board,
- and disclose:

- 3) the charter of the committee.
 - 4) the relevant qualifications and experience of the members of the committee; and
 - 5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

Disclosure:

The Board has established an Audit committee, however, given the size of the Company and there only being directors, each director acts as a member of the Audit Committee. Mr. Lim and Mr. Donovan are considered independent. However, Mr. Sakalidis and Mr. Chan are not considered independent.

Details of each of the Director's qualifications are set out in the Directors' Report.

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Group through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The Audit Committee meet twice during the Reporting Period as a whole board.

Recommendation 4.2

The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Disclosure:

The Executive Director and the Chief Financial Officer (or equivalent) have provided a declaration to the Board in accordance with section 295A of the Corporations Act and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risk.

Recommendation 4.3

A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

Disclosure:

The Audit and Risk Committee reviews and makes recommendations to the Board for the approval of all financial reports.

Where a report does not require an audit or review by an external auditor, the report is prepared by the accounts department and then reviewed by the Managing Director. Once the Managing Director has reviewed and is happy with the report content, it is circulated internally to any appropriate member before being circulated to the full board for comment and approval prior to lodging with the ASX.

Principle 5 – Make Timely and Balanced Disclosure**Recommendation 5.1: Recommendation 5.1**

A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1.

Disclosure:

The Company has established written policies designed to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for that compliance. The policies also include examples of disclosure requirements and who can communicate with media outlets.

Recommendation 5.2

A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.

Disclosure:

Any announcement is first prepared by the appropriate department of the Company and forwarded to the Managing Director for review. If needed, the Company Secretary will also review the announcement before it is then sent to the full board for comment and approval prior to lodging with the ASX.

Recommendation 5.3

A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

Disclosure:

The Company lodges all presentations prior to any meeting with analysts. From time to time the Company will provide a Company Update which is lodged on the ASX platform ahead of the commencement of trading hours where possible.

Principle 6 – Respect the Rights of Security Holders**Recommendation 6.1:**

A listed entity should provide information about itself and its governance to investors via its website.

Disclosure:

The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings. This includes all relevant information being disclosed on the Company's website.

Recommendation 6.2

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

Disclosure:

The company welcomes open communication with shareholders including access to the Managing Director, Board members and the ability for shareholders to communicate via email.

Recommendation 6.3

A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

Disclosure:

The Company encourages all shareholders to attend meetings of members, including allowing time for shareholder questions. The time and place of each general meeting is decided with Shareholder preferences in mind, to encourage maximum attendance by Shareholders.

Recommendation 6.4

A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

Disclosure:

Decisions on all substantive resolutions at general meetings of the Company will be decided by a poll to ensure the true will of Shareholders is ascertained (rather than by a show of hands, which is inconsistent with the "one security one vote" principle in the ASX Listing Rules).

Recommendation 6.5

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Disclosure:

The Company has an email where shareholders can request to receive all information electronically and offers the same service through its share registry.

Principle 7 – Recognise and Manage Risk**Recommendation 7.1:**

The board of a listed entity should:

- a) have a committee or committees to oversee risk, each of which:
 - 1) has at least three members, a majority of whom are independent directors; and
 - 2) is chaired by an independent director,and disclose:
 - 3) the charter of the committee.
 - 4) the members of the committee; and
 - 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b) If it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

Disclosure:

The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Under the policy, the Board delegates day-to-day management of risk to the Managing Director who is responsible for identifying, assessing, monitoring and managing risks. The Managing Director is responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board.

In fulfilling the duties of risk management, the Managing Director may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:

- 1) the Board has established authority limits for management which, if exceeded, will require prior Board approval.
- 2) the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Group's continuous disclosure obligations; and
- 3) the Board has adopted a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices.

Given that the board consists of members, all members comprise the audit and risk committee, and Mr. Lim and Mr. Donovan are considered to be independent. Mr. Sakalidis and Mr. Chan are considered independent.

Recommendation 7.2:

The board or a committee of the board should:

- a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and
- b) disclose, in relation to each reporting period, whether such a review has taken place.

Disclosure:

Management report to the Board as to the effectiveness of the Company's management of its material business risks via the Audit Committee meetings. In addition, at every board meeting, the Board is provided with an update to ensure all relevant risks and systems are in place and working effectively.

Recommendation 7.3

A listed entity should disclose:

- a) if it has an internal audit function, how the function is structured and what role it performs; or
- b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

Disclosure:

The Board receives assurances from the Managing Director and the Chief Financial Officer (or equivalent) that the financial accounts are founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Company has an internal audit committee as outlined above, which then reviews these financial reports in addition to the external auditors.

Recommendation 7.4

A listed entity should disclose whether it has any material exposure to environmental and social risks and, if it does, how it manages or intends to manage those risks.

Disclosure:

The Company is an exploration company and as such has exposure to the risks of the mining industry environmental risks etc. To mitigate any risks, the Company hires appropriately qualified personnel to undertake its exploration activities.

Principle 8 – Remunerate Fairly and Responsibly**Recommendation 8.1**

The board of a listed entity should:

- a) have a remuneration committee which:
 - 1) has at least three members, a majority of whom are independent directors; and
 - 2) is chaired by an independent director,and disclose:
 - 3) the charter of the committee.
 - 4) the members of the committee; and
 - 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

Disclosure:

The Committee has adopted a formal charter setting out the responsibilities and considerations in determining remuneration of Executives and Non-Executives. the current board members The Board considers the remuneration committee is sufficient given the size of the Board and Mr. Lim and Mr. Donovan are deemed to be independent.

The remuneration committee did not meet during the period, but meetings were held as formal board items.

Recommendation 8.2:

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Disclosure:

The details of Executive Directors are disclosed to the ASX when necessary.

Non-Executive Directors are remunerated at a fixed monthly fee for their time and their responsibilities to various committees and are eligible for additional fees on an hourly basis for work outside of their normal responsibilities, with the approval of the Chairman of the Board.

The Non-Executive Directors are however eligible to participate in the Company's incentive plan. The Board considers that this is a necessary motivation to attract the highest calibre candidates to the Board at this stage in the Company's operations.

Recommendation 8.3:

A listed entity which has an equity-based remuneration scheme should:

- a) have a policy on whether participants are permitted to enter transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
- b) disclose that policy or a summary of it.

Disclosure:

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms part of the Directors' Report.

The Remuneration Committee meets where appropriate to discuss the employment terms of the Managing Director/Executive Directors and Non-Executive Directors and provides any equity-based remuneration after consideration of key milestones to be achieved and other remuneration being paid in the industry.

There are no termination or retirement benefits for Non-Executive Directors (other than for superannuation).

Securities Trading Policy

The Company has also established a policy concerning trading in the Company's securities by Directors, senior executives and employees.

The policy includes blackout periods where no trading in Group securities shall take place between:

- 1) Up to and including two (2) weeks prior to the announcement of the annual results.
- 2) Up to and including two (2) weeks prior to the announcement of the half year results; and
- 3) The last two (2) week period of the months of January, April, July and October prior to the release of the quarterly results for the periods ending 31 December, 31 March, 30 June and 30 September; or
- 4) as directed in writing by the Company's Board at any time in its sole discretion.

If Directors including the Managing Director/Executive Director wish to trade securities outside the blackout period, they must obtain approval from the Chairman. Employees must obtain the approval of the Managing Director/Executive Director, and the Chairman must obtain the approval of the Board.

All related party share dealings involving the purchase of new shares or equity is subject to shareholder approval prior to the shares being issued.

Financial Statement

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Notes	2023 (\$)	2022 (\$)
Revenue:			
Interest income	3	31	2,446
Tenement sold	12	0	240,000
Tribute gold sales		0	0
Profit on disposal of fixed asset		0	909
Other revenue	3	480	6,312
Expenses:			
Depreciation expense	11	(27,713)	(30,797)
Directors' Remuneration	5	(668,575)	(486,698)
Exploration and tenement expenses	3	(4,487,737)	(6,397,702)
Employee Remuneration		(260,508)	(215,386)
Share based payment expenses	5/20	(754,583)	(237,632)
Other expenses	3	(937,112)	(541,145)
(Loss) before income tax expense		(7,135,716)	(7,659,693)
Income tax expense	4	-	-
(Loss) from continuing operations		(7,135,716)	(7,659,693)
Other comprehensive (loss)/income for the year, net of tax (Changes in the Fair Value of financial assets)	12	(54,656)	(148,403)
Total comprehensive loss for the year		(7,190,372)	(7,808,096)
Total comprehensive loss for year attributable to members of the Company		(7,190,372)	(7,808,096)
Basic (loss) per share (cents per share)	7	(3.13)	(3.52)
Diluted (loss) per share (cents per share)	7	(3.13)	(3.44)

Statement of Financial Position

As at 30 June 2023

	Notes	2023 (\$)	2022 (\$)
Current Assets			
Cash and cash equivalents	8	4,102,162	2,029,835
Trade and other receivables	9	179,667	187,274
Other assets	10	20,123	67,432
Total Current Assets		<u>4,301,952</u>	<u>2,284,541</u>
Non-Current Assets			
Property, plant and equipment	11	19,833	46,510
Other financial assets	12	168,819	223,475
Total Non-Current Assets		<u>188,652</u>	<u>269,985</u>
TOTAL ASSETS		<u>4,490,604</u>	<u>2,554,526</u>
Current Liabilities			
Trade and other payables	13	565,948	372,176
Leave liabilities	15	220,847	-
Total Current Liabilities		<u>786,795</u>	<u>372,176</u>
TOTAL LIABILITIES		<u>786,795</u>	<u>372,176</u>
NET ASSETS		<u>3,703,809</u>	<u>2,182,350</u>
Equity			
Contributed equity	14	51,391,366	43,446,485
Reserves	14	3,338,829	2,571,878
Accumulated (losses)		(50,907,672)	(43,771,955)
AFSA Reserve		(118,714)	(64,058)
TOTAL EQUITY		<u>3,703,809</u>	<u>2,182,350</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year ended 30 June 2023

	Note	Contributed Equity (Net of Costs) (\$)	Share Base Payment Reserve (\$)	FVOCI Reserv (\$)	AAIS Reserve	Accumulated Losses (\$)	Total (\$)
Balance at 1 July 2022		43,446,485	2,571,878	(64,058)	-	(43,771,956)	2,182,350
Comprehensive income							
Operating (loss) for the year		-	-	-	-	(7,135,716)	(7,135,716)
Other comprehensive (loss) for the year		-	-	(54,656)			(54,656)
Total comprehensive loss for the year		-	-	(54,656)	-	(7,135,716)	(7,190,372)
Transactions with owners, in their capacity as owners, and other transfers							
Shares issued during the year	14	8,316,080	(237,632)	-		-	8,078,448
Shares to be Issued	14	-	-	-	250,000		250,000
Capital raising costs	14	(371,199)	-	-		-	(371,199)
Share based payment	14	-	754,583	-		-	754,583
Total transactions with owners and other transfers		7,944,881	516,951		250,000		8,711,826
Balance at 30 June 2023		51,391,366	3,088,829	(118,714)	250,000	(50,907,672)	3,703,809
Balance at 1 July 2021		40,230,146	2,921,073	84,345		(36,112,262)	7,123,302
Comprehensive income							
Operating (loss) for the year		-	-	-		(7,659,693)	(7,659,693)
Other comprehensive (loss) for the year		-	-	(148,403)		-	(148,403)
Total comprehensive loss for the year		-	-	(148,403)		(7,659,693)	(7,808,096)
Transactions with owners, in their capacity as owners, and other transfers							
Shares issued during the year	14	1,021,448	237,632	-		-	1,259,080
Options converted to shares	14	1,665,100	-	-		-	1,665,100
Capital raising costs	14	(57,036)	-	-		-	(57,036)
Share based payments	14	586,827	(586,827)	-		-	-
Total transactions with owners and other transfers		3,216,339	(349,195)	-		-	2,867,144
Balance at 30 June 2022		43,446,485	2,571,878	(64,058)		(43,771,955)	2,182,350

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year ended 30 June 2023

	Notes	2023 (\$)	2022 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash payments to suppliers and contractors		(1,325,293)	(1,132,035)
Interest received		(1)	2,383
Sundry Income		(2,766)	(2,135)
Government grants received			0
Net cash (used in) operating activities	16	(1,328,060)	(1,131,787)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		-	(317)
Payments for exploration and evaluation		(4,552,878)	(6,341,078)
Purchase of new tenements		-	(124,957)
Proceeds from disposal of Plant		-	909
Proceeds of Dividends		-	6,312
Proceeds from Sale of Tenements		-	-
Net cash (used in) investing activities		(4,552,878)	(6,459,131)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from new issues of shares and Share Based Payments	14	8,328,449	2,684,181
Capital raising costs	14	(371,203)	(57,036)
Repayment of lease liabilities		(3,981)	0
Net cash provided by financing activities		7,953,265	2,627,145
Net (decrease)/increase in cash held		2,072,327	(4,963,773)
Cash and cash equivalents at the beginning of the financial year		2,029,835	6,993,608
Cash and cash equivalents at the end of the financial year	8	4,102,162	2,029,835

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2023

This financial report includes the financial statements and notes of the Company.

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial statements were authorised for issue on 29 September 2023

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Going Concern

The directors have prepared the financial statements of the Company on a going concern basis. In arriving at this position, the directors have considered the following pertinent matters:

- a) cash on hand at the date of this report is approximately \$4,102 million.
- b) current cash resources are considered adequate to fund the entity's immediate operating and exploration activities however given the state of the equity markets, the rate of expenditure on exploration as a whole has been reduced; and
- c) the company's ability to raise additional funds by the issue of additional shares or the sale of assets if a high level of exploration activity is to be undertaken.

Accounting Policies

i. Revenue

Interest revenue is recognised on a proportional basis taking into account interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

The Research and Development tax incentive income is recognised as income when it is determined that it is probable that it will be received, and the amount can be estimated reliably. Within the income tax expense reconciliation, the income is non-assessable and R&D expenditure non-deductible.

ii. Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by non-casual employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. There is no liability for long service leave entitlements.

iii. Exploration and Evaluation Expenditure

All exploration and evaluation expenditure is expensed to Statement of Profit or Loss and Other Comprehensive Income as incurred. The effect of this is to increase the loss incurred from continuing operations as disclosed in the Statement of Profit or Loss and Other Comprehensive Income and to decrease the carrying values in the Statement of Financial Position. The carrying value of mineral assets, as a result of the operation of this policy, is zero, but does not necessarily reflect the board's view as to the market value of that asset.

iv. Acquisition of Assets

The cost method is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of assets given up at the date of acquisition plus costs incidental to the acquisition.

Costs relating to the acquisition of new areas of interest are classified as either exploration and evaluation expenditure or mine properties based on the stage of development reached at the date of acquisition.

v. Goods and Services Tax (GST)

Revenues, expenses and assets are recognized net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority. In these circumstances, the GST is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

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

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

vi. Income Tax

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to the Statement of Profit and Loss and Other Comprehensive Income is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities and assets are therefore measured at the amounts expected to be paid to or recovered from the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses, if any in fact are brought to account.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognized.

From the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

vii. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

viii. **Impairment of Assets**

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income. This policy has no application where paragraph (c) (Exploration and Evaluation Expenditure) applies.

(i) **Earnings per Share**

(i) *Basic Earnings per Share* – Basic earnings per share is determined by dividing the loss from continuing operations after related income tax expense by the weighted average number of ordinary shares outstanding during the financial period.

(ii) *Diluted Earnings per Share* – Options that are considered to be dilutive are taken into consideration when calculating the diluted earnings per share.

(j) **Property, plant and equipment**

Each class of plant, equipment and motor vehicles is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant, equipment and motor vehicles are measured on a cost basis.

The carrying amounts of plant, equipment and motor vehicles are reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all plant, equipment and motor vehicles are depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for the class of plant, equipment and motor vehicle depreciable assets range between 20% and 100%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit and Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(k) Financial**Instruments Financial****instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company determines the classification of its financial instruments at initial recognition.

Financial assets

Financial assets are classified at initial recognition a (i) subsequently measured at amortised cost, (ii) fair value through other comprehensive income (OCI) or (iii) fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired.

Financial assets at fair value through profit or loss

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

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the Income Statement within finance costs. Transaction costs arising on initial recognition are expensed in the Income Statement.

Financial assets at fair value through other comprehensive income

The financial asset is held for both collecting contractual cash flows and selling the financial asset. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

The Company's financial assets at fair value through other comprehensive income include its investment in listed equities.

Financial assets at amortised cost

Financial asset at amortised costs are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gain and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include 'trade and other receivables' and 'cash and equivalents' in the Balance Sheet.

Financial liabilities

Financial liabilities are classified at initial recognition as (i) financial liabilities at fair value through profit or, (ii) loans and borrowings, (iii) payables or (iv) derivatives designated as hedging instruments, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdraft. These are subsequently measured at amortized cost using the effective interest method. Gain and losses are recognized in the Income Statement when the liabilities are derecognized. Amortization is included as finance costs in the Income Statement.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models. The expression "fair value" – and derivatives thereof – wherever used in this report bears the meaning ascribed to that expression by the Australian Accounting Standards Board.

Impairment of financial assets

The entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognized is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires, or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(l) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

(m) Leases

Lease payments for operating leases (where substantially all the risks and benefits remain with the lessor) are charged as an expense in the periods in which they are incurred.

Lease incentives under operating leases, if any, are recognised as a liability and amortized on a straight-line basis over the life of the lease term.

(n) Contributed Equity

Ordinary share capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(o) Comparative Figures

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

(p) Segment Reporting

Operating segments are reported in a manner that is consistent with the internal reporting to the chief operating decision maker ("CODM"), which has been identified by the company as the Managing Director and other members of the Board of directors.

(q) Critical Accounting Estimates, Assumptions, 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 from within the Company.

Share based payments

The value of amounts recognized in respect of share-based payments have been estimated based on the fair value of the equity instruments granted including the vesting period. Fair value of the options issued are estimated by using an appropriate option pricing model. If any of these assumptions or estimates were to change, this could have a significant effect on the amount recognized.

Taxation

Balances disclosed in the financial statements and the notes thereto related to taxation are based on best estimates by directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income tax legislation and the director's understanding thereof. No adjustment has been made for pending or future taxation legislation. The current tax position represents the directors' best estimate pending an assessment being received from the Australian Taxation Office.

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 Company's development and its current environmental impact, the directors believe such treatment is reasonable and appropriate.

Impairment

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

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavorably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

(r) Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

(s) New or amended Accounting Standards and Interpretations adopted.

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early Adopted.

(t) Right of use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(u) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are measured if there is a change in the following: future lease payments arising from a change in an index, or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

NOTE 2 OPERATING SEGMENTS**Segment Information****Identification of reportable segments**

The Company has identified that it operates in only one segment based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Company's principal activity is mineral exploration.

Assets by geographical region

The Company's assets are located wholly within Australia.

NOTE 3 REVENUE AND EXPENDITURE

	2023 (\$)	2022 (\$)
Other Income		
Sundry Income	511	-
Dividend Income	-	6,312
Government grants	-	-
	511	6,312
Other Expenses		
Occupancy costs	(51,563)	(43,035)
Filing and ASX fees	(109,778)	(86,224)
Other expenses from continuing operations	(775,770)	(411,886)
	(937,111)	(541,145)
Exploration and Tenement Expenses		
Exploration expenditure incurred	(4,487,737)	(6,272,745)
Acquisition of tenements	-	(124,957)
	(4,487,737)	(6,397,702)

NOTE 4 INCOME TAX EXPENSE

The components of tax expense comprise:

	2023 (\$)	2022 (\$)
Current tax	-	-
Deferred tax asset/liability	-	-
	-	-

The prima facie tax on loss from ordinary activities before income tax is reconciled to income tax as follows:

Total comprehensive loss for the year before income tax	7,135,716	7,659,693
Prima facie tax benefit attributable to loss from continuing operations before income tax at 25% (25% 2022)	1,783,929	1,914,923
• Other	0	(38,601)
Deferred tax benefit on tax losses not brought to account	(1,783,929)	(1,876,322)
Income tax attributable to operating loss	-	-

Unrecognised temporary differences

Net deferred tax assets (calculated at 25%) have not been recognised in respect of the following items:

Accrued expenses	0	(2556)
Available-for-sale financial assets loss		6,649
Unrecognised deferred tax assets relating to the above temporary differences	0	4,093

Unrecognised deferred tax assets

The Company has accumulated tax losses of \$45,444,086 (2022: \$39,340,194)

The potential deferred tax asset of these losses \$11,361,021 (2022: \$9,835,048) will only be recognised if:

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

NOTE 5 KEY MANAGEMENT PERSONNEL COMPENSATION

	2023 (\$)	2022 (\$)
Short-term employee benefits	456,544	453,425
Post-employment benefits	38,171	33,273
Employment Provisions	173,850	
Share Based Payments	754,583	-
	1,423,158	486,698

Further key management personnel remuneration information has been included in the Remuneration Report section of the Directors Report. Information on related party and entity transactions is disclosed in Note 21.

NOTE 6 AUDITORS REMUNERATION

	2023 (\$)	2022 (\$)
Amounts received or due and receivable by the auditors of the Company for:		
Auditing and reviewing the financial report	28,155	22,000
Other	-	-
	28,155	22,000

NOTE 7 EARNINGS PER SHARE

	2023 (\$)	2022 (\$)
The following reflects the earnings and share data used in the calculation of basic and diluted earnings per share		
Loss for the year	(7,135,716)	(7,808,096)
weighted average number of ordinary shares used in calculating basic and diluted earnings per share	229,325,275	221,558,720

The Company had 20,418,862 partly paid contributing shares and 10,866,502 options over fully paid ordinary shares on issue at balance date. Options and contributing shares are considered to be potential ordinary shares. However, they are not considered to be dilutive this year and accordingly have not been included in the determination of diluted earnings per share.

NOTE 8 CASH AND CASH EQUIVALENTS

	2023 (\$)	2022 (\$)
Cash at bank	4,077,336	2,005,009
Deposits at call	24,826	24,826
	4,102,162	2,029,835

NOTE 9 TRADE AND OTHER RECEIVABLES

	2023 (\$)	2022 (\$)
Other receivables	6,532	3,256
GST refundable	173,135	184,018
	179,667	187,274

NOTE 10 OTHER ASSETS

	2023 (\$)	2022 (\$)
Prepayments	20,123	67,432

NOTE 11	PROPERTIES, PLANT, EQUIPMENT	2023 (\$)	2022 (\$)
Plant and equipment		141,211	140,176
Less: Accumulated depreciation		(121,378)	(116,550)
		<u>19,833</u>	<u>23,626</u>
Motor vehicles		161,285	161,285
Less: Accumulated depreciation		(161,285)	(138,401)
		<u>0</u>	<u>22,884</u>
		<u>19,833</u>	<u>46,510</u>
Reconciliation of the carrying amounts of plant, equipment and motor vehicles from the beginning to the end of the financial year.			
Plant, equipment and motor vehicles			
Carrying amount at beginning of year		46,510	78,049
Additions		1,036	317
Disposals		-	(1,062)
Depreciation expense		(27,713)	(30,794)
Total plant, equipment and motor vehicles at end of year		<u>19,833</u>	<u>46,510</u>

NOTE 12	OTHER FINANCIAL ASSETS	2023 (\$)	2022 (\$)
Non-Current			
Financial assets at fair value through other comprehensive income – shares in listed corporations		168,819	223,475
Opening Balance		<u>223,475</u>	<u>131,878</u>
Additions		0	240,000
Increase/ (Decrease) in Market Value		(54,656)	(148,403)
Closing Balance		<u>168,819</u>	<u>223,475</u>
The addition of \$240,000 represents 2m Mt Malcolm shares purchased on sale of Tenements			
Investments in related parties			
Financial assets at fair value through other comprehensive income includes the following investments held in director-related party entities:			
Image Resources NL		27,456	58,385
Meteoritic Resources NL		<u>41,000</u>	<u>2,200</u>
		<u>68,456</u>	<u>60,585</u>

NOTE 13	TRADE AND OTHER PAYABLES	2023 (\$)	2022 (\$)
Trade creditors and accruals		540,828	350,818
PAYG Withholding & Superannuation Payable		<u>25,120</u>	<u>21,358</u>
		<u>565,948</u>	<u>372,176</u>

NOTE 14 EQUITY

2023

2022

No.

\$

No.

\$

Contributed Equity – Ordinary Shares

At the beginning of year	224,342,819	43,446,485	218,173,490	40,230,146
Placement Of Shares at \$1.42	167,340	237,623	719,329	1,021,447
Placement of Shares at \$1.05	800,285	840,299	3,000,000	1,131,000
Placement of Shares at \$0.90	3,157,053	2,841,348	2,450,000	534,100
Transfer from Share Based Benefits Reserve				586,827
Placement of Shares at \$0.92 for Drilling Services	125,839	115,771		
Placement of Shares at \$1.05 and \$0.90 to the Directors	919,045	864,998		
Placement of Shares at \$0.45 each	6,649,506	2,992,277		
Placement of Shares at \$0.56, \$0.50, \$0.49 and \$0.52 for Drilling Services	792,148	423,763	-	-

Broker / Share and Option issuance costs
Closing balance:

		(371,202)		(57,035)
	236,954,035	51,391,367	224,342,819	43,446,485

Contributed Equity – Contributing Shares – Partly-paid

2023

2022

No.

\$

No.

\$

At the beginning of year	20,418,862	-	20,418,862	-
Shares issued during the year at \$Nil	-	-	-	-
Closing balance:	20,418,862	-	20,418,862	-

Reserves

Share based benefits reserve (i)	3,088,829	2,571,878
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The share-based payments reserve is used to recognize the fair value of options issued to employees and advisors.

Advanced Against Issuance of Shares (AAIS)

In May 2023 there was \$3,242,278 received by the company as part of a placement . Of this amount \$2,992,278 shares were issued to various shareholders . The Balance of \$250,000 the shares are to be issued at the AGM in November 2023.

Options	2023	2022
Options to acquire fully paid shares exercisable at \$1.515 on or before 31 December 2024.	4,900,000	4,900,000
Options to acquire fully paid shares exercisable at \$1.20 on or by 6 December 2025(Refer to note 20)	3,750,000	0
Options to acquire fully paid shares exercisable at \$1.515 on or by 10 May 2025	2,216,502	0
Total Options	10,866,502	4,900,000

A reconciliation of the total options on issue as at 30 June is as follows:

	NOTE			
At 1 July 2022		4,900,000	4,900,000	
Options Converted During the year		0	0	
Options Issued during the year.		5,966,502	0	
At 30 June 2023		10,866,502	4,900,000	10,350,000

Terms and condition of contributed equity

Ordinary Fully Paid Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of shares held, regardless of the amount paid up thereon.

On a show of hands, every holder of fully paid ordinary shares present at a meeting in person or by proxy, is entitled to one vote and upon a poll, each member present in person or by proxy or by attorney or duly authorized representative shall have one vote for each fully paid ordinary share.

Contributing Shares

Contributing shares require a further payment of \$0.20 to become fully paid.

On a show of hands, every holder of contributing shares present at a meeting in person or by proxy, is entitled to one vote and upon a poll, each member present in person or by proxy or by attorney or duly authorised representative shall have a fraction of a vote for each partly paid contributing share held. The fraction must be equivalent to the proportion which any amount paid (not credited) is of the total amounts paid (if any) and payable (excluding amounts credited). Any amounts paid in advance of a call are ignored when calculating these fractional voting rights

NOTE 15 Employee Benefits

Provision is made for the Company's Liability for employee benefits arising from services rendered to employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

NOTE 16 CASH FLOW INFORMATION

	2023 (\$)	2022 (\$)
Reconciliation of operating loss after income tax with funds used in operating activities		
Operating (loss) after income tax	(7,190,372)	(7,659,693)
Depreciation and amortization	27,713	30,795
Sale of tenement	0	240,000
Exploration and Other expenditure	5,869,499	6,460,032
Other expenditure	(283,584)	(242,629)
Profit on sale of fixed assets		150
Interest accrual	32	63
Interest expense – right of use asset	0	0
Changes in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables relating to operating activities	7637	1,171
Decrease/(increase) in prepayments	47,307	(1,047)
Increase/(decrease) in trade and other payables relating to operating activities	193,771	39,371
Cash flow from operations	(1,328,060)	(1,131,787)

NOTE 17 TENEMENT EXPENDITURE COMMITMENTS

Pursuant to relevant legislation in Western Australia, mineral tenements are held subject to the condition that rate and rentals are paid, and prescribed expenditure conditions are met. Application for exemption from all or some of the prescribed expenditure conditions may be made but no assurance is given that any such application will be granted. If the prescribed expenditure conditions are not met with respect to a tenement, that tenement is liable to forfeiture. The prescribed expenditure condition in respect of the granted tenements for the next twelve months amounts to \$689,449 (2022 \$751,880). The prescribed expenditure condition in respect of the pending tenements for the next twelve months amount to \$ Nil.

NOTE 18 TENEMENT ACCESS**Native Title and Freehold**

All or some of the tenements in which the Company has an interest are or may be affected by native title.

The Company is not in a position to assess the likely effect of any native title impacting the Company.

The existence of native title and heritage issues represent, as a general proposition, a serious threat to explorers and miners, not only in terms of delaying the grant of tenements and the progression of exploration development and mining operations, but also in terms of costs arising consequent upon dealing with aboriginal interest groups, claims for native title and the like.

As a general proposition, a tenement holder must obtain the consent of the owner of freehold before conducting operations on the freehold land. Unless it already has secured such rights, there can be no assurance that the Company will secure rights to access those portions (if any) of the Tenements encroaching freehold land but, importantly, native title is extinguished by the grant of freehold so if and whenever the Tenements encroach freehold the Company is in the position of not having to abide by the Native Title Act in respect of the area of encroachment albeit aboriginal heritage matters still be of concern.

NOTE 19 EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the year end, the Company announced in September 2023 that it has received binding commitments for approximately \$4.8 million (before costs) via a placement of approximately 6.66 million New Shares at an issue price of \$0.72 per share.

NOTE 20 SHARE BASED PAYMENTS

In the 2023 financial year 3,750,000 options were granted to Key Management Personnel ("KMP"), employees and contractors following approval at the AGM on 30 November 2022. The options were issued with an exercise price of \$1.20 and expiry of 6 December 2025. The options vested immediately and a total of \$754,583 was expensed.

The options in the 2023 financial year were issued to KMP, employees and contractors as follows:

	Options
Key Management Personnel:	
George Sakalidis	1,500,000
Eric Lim	750,000
Hiam Cham	750,000
Ben Donovan	750,000

TOTAL

3,750,000

For the options granted, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
6/12/2022	06/12/2025	\$0.80	\$1.20	52.1%	-	3.091%	\$0.20

Total expense of the share based payments for the year was:

	2023	2022
	\$	\$
Total expense recognized as key management personnel expenses	754,583	0
Total expense recognized as contractors' expenses	539,537	237,632
	<u>1,294,120</u>	<u>237,632</u>

NOTE 21 RELATED ENTITY AND RELATED ENTITY TRANSACTIONS

Particulars of contractual arrangements and financial benefits provided to the key management personnel are detailed in the directors' report. There are no amounts owing to directors and/or director-related parties (including GST) at 30 June 2023 or 2022.

Transactions with directors, director-related parties and related entities **other than those disclosed elsewhere in this financial report** are as follows:

	2023(\$)	2022(\$)
Investments in related parties		
Financial assets at fair value through other comprehensive income includes the following investments held in director-related party entities:		
Image Resources NL	27,456	55,229
Meteoric Resources NL	41,000	10,200
TOTAL	<u>68,456</u>	<u>60,585</u>

NOTE 22 CONTINGENT LIABILITIES/COMMITMENTS**Native Title**

The Company's activities may be subject to the Native Title Act and Aboriginal heritage legislation.

The Native Title Act recognises the title rights of indigenous Australians. State and Commonwealth native title legislation regulates the recognition, application and protection of native title. Native title may affect the status, renewal and conversion of existing tenements and the granting of new tenements. Indigenous land use agreements, including terms of compensation, heritage survey and protection agreements or other agreement types may need to be negotiated with affected parties.

The Native Title Act prescribes procedures applicable to the grant of tenements which may apply even in the case of, for instance, a granted exploration license being "converted" to, say, a mining lease. Compensation may become payable in respect of any impact which the grant of any tenements or other activities has on native title. A tenement holder may be liable for the payment of compensation for the effect of mining and exploration activities on any native title rights and interests that exist in the area covered by a tenement. Compensation may be payable in forms other than money, including the transfer of property and the provision of goods and services.

It is not currently possible to assess whether compensation will be payable by the Company to native title holders in relation to any of the tenements, but such compensation could be significant.

There may be sites and objects of significance to indigenous Australians located on the land relating to the Company's tenements. State and Commonwealth Aboriginal heritage legislation aims to preserve and protect these sites and objects from use in a manner inconsistent with Aboriginal tradition. The Company proposes carrying out 'clearance surveys' if it considers this to be appropriate before conducting any exploration work that would disturb the surface of the land.

The Company's tenements may contain some such sites or objects of significance, which would need to be avoided or cause delays. It is possible that areas containing mineralisation, or an economic resource may also contain sacred sites, in which case exploitation thereof may be entirely frustrated. Access agreements will need to be negotiated with affected parties.

Native title, Aboriginal heritage or other indigenous matters are matters of substantial risk (giving rise to the threat that certain tenements may not be granted, access to certain tenements may be denied or delayed in addition to potentially significant cost exposure in respect of things such as negotiations, surveys, incentive payments and compensation to name but a few) as the legislative frame works provide torturous and frequently uncertain routes to the endeavors by both stakeholders (that is explorers/miners and indigenous peoples) to attain certainty.

It is not possible to quantify the financial or other impact native title and Aboriginal heritage will have upon the Company as, amongst other things, the processes involved with:

- (a) identifying all and only the indigenous peoples with a relevant interest.
- (b) registering an indigenous land use agreement.
- (c) obtaining access to land without infringing the provisions of the Aboriginal Heritage Act.

are open ended, can involve substantial delay and cost and there can be no certainty as to the outcome with it being possible for projects to be entirely frustrated.

This could be the case, for instance, even in circumstances where:

- (a) a native title party consents to the grant of an exploration license and assists the exploration endeavor thereon (and the discovery of an otherwise economic deposit);
- (b) the Company, in order to exploit that discovery, applies for a mining lease (or other required approval, consent, authority etc.) but such grant, approval, consent or authority is not forthcoming by reason of an objection by the same or another native title party.

Freehold Access

The interests of holders of freehold land encroached by tenements are given special recognition by the Mining Act (WA). As a general proposition, a tenement holder must obtain the consent of the owner of freehold before conducting operations on the freehold land. There can be no assurance that the Company will secure rights to access those portions of the tenements encroaching freehold land either at all or for all purposes but, importantly, the grant of freehold extinguished native title so wherever the tenements encroach freehold the Company is in the position of not having to abide by the Native Title Act albeit aboriginal heritage matters will still be a consideration.

Mt Malcom Mines NL Tenements

The Company entered into an agreement with Mt Malcolm Mines NL in relation to a number of tenements 15km east of Leonora. The Company retains a 2% royalty.

NOTE 23 CONTINGENT ASSETS
Tenement Sales Agreement

The following relates to a contingent consideration in terms of the sale of tenements agreement for tenements (Jubuk – E70/3536, Ragged Rock E70/4243, Kauring – E70/4508, Kauring – E70/4528, Mt Joy – E70/4692) sold in July 2017:

- (a) If the Development Conditions are satisfied on or before the third anniversary of the Effective Date (the “Effective Date” being 14 July 2017), the Purchaser must make a payment of \$1,000,000 to an account nominated by the Vendor (Milestone Payment).
- (b) The Milestone Payment is conditional on the following conditions precedent being satisfied or waived before the third anniversary of the Effective Date:
 - (i) a minimum of a 100,000,000 tonne JORC 2012 compliant iron ore inferred resource being certified by a competent person as existing within any of the Tenements or the area of Mutual Interest (AM1), in any number of deposits in any one or more of the Tenements or the AM1 provided that in aggregate the total resources is equal to or greater than 100,000,000 tonnes of iron ore.
 - (ii) the Purchaser receiving all approvals, consents and authorities required under the Mining Act to commence mining of at least 2,000,000 tonnes per annum on any one or more of the Tenements or within the AM1;
 - (iii) the Purchaser receiving all approvals, consents and authorities required under all Environmental Laws to commence mining and development on any one or more of the Tenements or the AM1; and
 - (iv) the Purchaser receiving all other statutory approvals, consents and authorities required to commence mining and development on any one or more of the Tenements or the AM together, the Development Conditions).
- (c) The Purchaser will give the Vendor written notice of the satisfaction of the Development Conditions within 14 days of the satisfaction of the last Development Condition (Development Notice) and make the payment into an account nominated by the Vendor within 14 days of the Development Notice.
- (d) In its absolute discretion, the Purchaser may waive the requirement for the satisfaction of the Development Conditions in writing and make the Milestone Payment at any time on or before the third anniversary of the Effective Date.

Development Delay Payments

- (a) If the Purchaser has not issued a Development Notice:
 - (i) by the third anniversary of the Effective Date and provided that:
 - (A) the condition in clause (b) is satisfied; and
 - (B) the Purchaser has not exercised its rights under clause (c)

the Purchaser will pay the Vendor a payment of \$500,000 into an account nominated by the Vendor within 30 days of the third anniversary of the Effective Date (**14 July 2020**); We confirm that this has now been paid). and

- (ii) by the sixth anniversary of the Effective Date and provided that the purchaser has not exercised its rights under clause 4(d), the Purchaser will pay the Vendor a payment of \$500,000 into an account nominated by the Vendor within 30 days of the sixth anniversary of the Effective Date (**14 July 2023**), (**together, the Development Delay Payments**). For the avoidance of doubt, if the Purchaser makes the first Development Delay Payment, the Milestone Payment will not be payable by the Purchaser.

(b) The obligation to make the First Development Delay Payment is contingent upon a minimum amount being spent on the Tenements by the Purchaser being equal to the total of the:

- (i) minimum statutory expenditure under the Mining Act.
- (ii) rates and rents; and
- (iii) any fees associated with the Option and any access fees payable to landowners.

calculated from the Completion Date to the third anniversary of the Completion Date.

(c) At any time before the third anniversary of the Completion Date, the Purchaser, in its sole discretion, may hand back the Tenements by:

- (i) subject to the receipt of all relevant consents and approvals under the Mining Act, including the consent of the Minister, transferring its interest in the Tenements and the AMI (or any successor tenements) to the Vendors for nil consideration; and
- (ii) procuring that all security granted over the Tenements by the Purchaser is released.

(d) At any time between the third- and sixth-year anniversary of the Completion Date, the Purchaser, in its sole discretion, may hand back the Tenements by:

- (i) subject to the receipt of all relevant consents and approvals under the Mining Act, including the consent of the Minister, transferring its interest in the Tenements (or any successor tenements) to the Vendors for nil consideration; and
- (ii) procuring that all security granted over the Tenements by the Purchaser is released.

(e) If the Purchaser exercises its right to hand back the Tenement to the Vendor:

- (i) under clause (c), the Purchaser will not be required to make the Development Delay Payments.
- (ii) under clause (d), the Purchaser will not be required to make the Second Development Delay Payment.

(f) If the Purchaser exercises its rights under clauses (c) or 4(d) of this Agreement, both parties agree to do all things necessary or convenient to procure that the Tenements (or any successor tenements) are transferred to the Vendor as expeditiously as possible.

(g) In the event that the Purchaser does not pay either of the Development Delay Payments when they are due and payable, the Development Delay Payments will be a debt due and payable by the Purchaser under this Agreement.

The Company has received payments totalling \$1,000,000 under this agreement to date.

NOTE 25 FINANCIAL INSTRUMENTS DISCLOSURE

(a) Financial Risk Management Policies

The Company's financial instruments consist of deposits with banks, receivables, available-for-sale financial assets and payables.

Risk management policies are approved and reviewed by the board. The use of hedging derivative instruments is not contemplated at this stage of the Company's development.

Specific Financial Risk Exposure and Management

The main risks the Company is exposed to through its financial instruments are interest rate and liquidity risks.

Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

Liquidity Risk

The Company manages liquidity risk by monitoring forecast cash flows, cash reserves, liquid investments, receivables and payables.

Capital Risk

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern so that they may continue to provide returns for shareholders and benefits for other stakeholders.

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

The working capital position of the Company at 30 June 2023 and 30 June 2022 was as follows:

	2023 (\$)	2022 (\$)
Cash and cash equivalents	4,102,161	2,029,835
Trade and other receivables	179,666	187,274
Trade and other payables	(565,948)	(372,176)
Working capital position	3,715,879	1,844,933

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

There is no material amounts of collateral held as security at balance date.

The following table provides information regarding the credit risk relating to cash and cash equivalents based on credit ratings:

	2023 (\$)	2022 (\$)
AAA rated	-	-
AA rated	-	-
A rated	4,102,161	2,029,835

The credit risk for counterparties included in trade and other receivables at balance date is detailed below.

	2023 (\$)	2022 (\$)
Trade and other receivables		
Trade and other receivables	6,532	3,256
GST and tax refundable	173,134	184,018
	179,666	187,214

(b) Financial Instruments

The Company holds no derivative instruments, forward exchange contracts or interest rate swaps.

Financial Instrument composition and maturity analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments.

2023	Weighted Average Effective Interest Rate %	Floating Interest Rate (\$)	Non-Interest Bearing (\$)	Total (\$)
Financial Assets	0.012%			
Cash and cash equivalents		4,102,161	-	4,102,161
Other receivables		-	179,666	179,666
Available-for sale financial assets		-	168,819	168,819
Total Financial Assets		4,102,161	348,485	4,450,646
Financial Liabilities				
Trade and other payables		-	(565,948)	(565,948)
Net Financial Assets		4,102,161	(217,463)	3,884,698

Trade and other payables are expected to be paid as follows:

	2023 (\$)
Less than 6 months	(565,948)
	(565,948)

2022	Weighted Average Effective Interest Rate %	Floating Interest Rate (\$)	Non-Interest Bearing (\$)	Total (\$)
Financial Assets	1.528%			
Cash and cash equivalents		2,029,835	-	2,029,835
Other receivables		-	187,274	187,274
Available-for sale financial assets		-	223,475	223,475
Total Financial Assets		2,029,835	410,749	2,440,584
Financial Liabilities				
Trade and other payables (excluding GST refund)		-	(372,176)	(372,176)
Net Financial Assets		2,029,835	38,573	2,068,408

2022(\$)

Trade and other payables are expected to be paid as follows:

Less than 6 months	(372,176)
	(372,176)

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

Quoted prices in active markets for identical assets or liabilities (Level 1);

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and

Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

2023	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets:				
Financial assets at fair value through profit or loss:				
Available-for-sale financial assets:				
Listed investments	168,818	-	-	168,818
	168,818	-	-	168,818

2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets:				
Financial assets at fair value through profit or loss:				
Available-for-sale financial assets:				
Listed investments	223,475	-	-	223,475
	223,475	-	-	223,475

(c) Sensitivity Analysis – Interest rate risk

The Company has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. The sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

As at balance date, the effect on loss and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2023 (\$)	2022 (\$)
Change in loss – increase/(decrease):		
Increase in interest rate by 0.1%	(4,102)	(2,029)
Decrease in interest rate by 0.1%	4,102	2,029
Change in equity – increase/(decrease):		
Increase in interest rate by 0.1%	(4,102)	(2,029)
Decrease in interest rate by 0.1%	4,102	2,029

NOTE 26 NEW STANDARDS ADOPTED**AASB 16 Leases**

The Company adopted AASB 16 for the year ended 30th June 2023.

Where leases have a term of less than 12 months or relate to low value assets, the Company has applied the optional exemptions to not capitalize these leases and instead account for the lease expense on a straight-line basis over the lease term.

In summary please note that for the year ending 30th June 2023 the company had a one year lease effective up to from 27 March 2023. Currently the company is on a monthly casual lease arrangement. The Directors of the company are in the process of arranging a lease for a 12 month term. As there is no clear certainty that the company will extend the lease beyond 12 months. The directors have elected for the year ended 30 June 2023 to apply for the optional exemption in relation to AASB 16 and not capitalize the lease instead the lease payments are expensed on a straight line basis over the lease term.

Directors' Declaration

The directors of the Company declare that:

- 1) the accompanying financial statements and notes are in accordance with the Corporations Act 2001 and:
 - a) comply with Australian Accounting Standards and the Corporations Act 2001;
 - b) give a true and fair view of the financial position as at 30 June 2023 and performance for the year ended on that date of the Company; and
 - c) the audited remuneration disclosures set out in the Remuneration Report section of the Directors' Report for the year ended 30 June 2023 complies with section 300A of the Corporations Act 2001;
- 2) the Chief Financial Officer has declared pursuant to section 295A(2) of the Corporations Act 2001 that:
 - a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - b) the financial statements and the notes for the financial year comply with Australian Accounting Standards; and
 - c) the financial statements and notes for the financial year give a true and fair view;
- 3) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- 4) the directors have included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

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



SIGNED: GEORGE SAKALIDIS

MANAGING DIRECTOR

PERTH

Dated 29 September 2023

Independent Audit Report to the members of Magnetic Resources NL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Magnetic Resources NL (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Company'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*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Expenditure

Refer to total expenditure \$7,108,514, accounting policy note 1(iii), and note 3 (other expenses)

Key Audit Matter

Expenditure is a substantial figure in the financial statements of the Company, representing the majority of shareholder funds spent during the financial year.

Given this represents a significant volume of transactions, we considered it necessary to assess whether the Company's expenses had been accurately recorded, whether the services provided had been delivered in the appropriate period, and whether all expenses related to activities undertaken by Magnetic Resources NL.

How our audit addressed the matter

Our audit work included, but was not restricted to, the following:

- We completed a walkthrough test of the Company's expenses system and assessed related controls.
- We selected a sample of expenses using systematic sampling methods, and vouched each item selected to invoices and other supporting documentation.
- We reviewed post-year end payments and invoices to ensure that all goods and services provided during the financial year were recognised in expenses for the same period.
- For exploration expenses, we assessed which tenements the spending related to, to ensure funds were expended in relation to the Company's ongoing projects.

Going Concern

Refer to Going Concern note 1

Key Audit Matter

The financial statements have been prepared on a going concern basis as discussed in note 1.

Historically, the company has been loss making, and has raised capital to fund the expenditures.

Accumulated losses shown in the statement of financial position totalled \$50.9 million as at 30 June 2023.

We included the going concern assumption as a key audit matter as it relies on existing cash reserves and raising of additional funds by the issue of additional shares to meets its expenditure requirements, further the company will rely on the sale of assets if a high level of exploration activity is to be undertaken in future.

How our audit addressed the matter

In assessing the appropriateness of the going concern assumption used in preparing the financial statements, our procedures included, amongst others:

- Assessing the cash flow requirements of the company over 12 months from 30 September 2023 based on budgets and forecasts.
- Understanding what forecast expenditure is committed and what could be considered discretionary.
- Considering the liquidity of existing assets on the statement of financial position.
- Considering potential downside scenarios and the resultant impact on available funds.

Share Based Payments

Refer to share based payments \$754,483, note 20

Key Audit Matter

During the year, the Company granted 3,750,000 options to Key Management Personnel (KMP) with the approval at AGM dated 30 November 2022.

Share based payments are considered to be a key audit matter due to:

- the value of the transactions;
- the complexities involved in the recognition and measurement of these instruments under AASB 2 Share-based Payment; and
- judgement involved in determining the inputs used in the valuations.

How our audit addressed the matter

Our audit work included, but was not restricted to, the following:

- We evaluated the competence, abilities and objectivity of valuers.
- We also ensured the accuracy and completeness of data used and assumptions made for valuations.
- Reviewed the board minutes and ASX to verify the number of options issued and tested the reasonableness of the assumptions in the model being used for valuation.
- We assessed the adequacy of disclosure including significant assumptions.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the annual report, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance

with 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 the 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We 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 pages 23 to 28 of the directors' report for the year ended 30 June 2023. The directors of the Magnetic Resources NL are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit in accordance with Australian Auditing Standards.

Opinion

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

Elderton Audit Pty Ltd.

Elderton Audit Pty Ltd



Sajjad Cheema

Audit Director

29th September 2023

Other Information

Tenements currently held

Location	Tenement	Nature of Interest	Project	Equity (%) held
WA	E70/3536	Granted	JUBUK	Royalty Retained
WA	E70/4243	Granted	RAGGED ROCK	Royalty Retained
WA	E70/4508	Granted	KAURING	Royalty Retained
WA	E70/4692	Granted	MT JOY	Royalty Retained
WA	E70/5276	Granted	KAURING	Royalty Retained
WA	E70/5277	Granted	KAURING	Royalty Retained
WA	E37/1331	Granted	MALCOLM	2% Royalty Retained
WA	E37/1419	Granted	MALCOLM	2% Royalty Retained
WA	E37/1367	Granted	MELITA	2% Royalty Retained
WA	P37/8905	Granted	RAESIDE EAST	2% Royalty Retained
WA	P37/8906	Granted	RAESIDE EAST	2% Royalty Retained
WA	P37/8907	Granted	RAESIDE EAST	2% Royalty Retained
WA	P37/8908	Granted	RAESIDE EAST	2% Royalty Retained
WA	P37/8909	Granted	BRAISER	2% Royalty Retained
WA	P37/8910	Granted	BRAISER	2% Royalty Retained
WA	P37/8911	Granted	BRAISER	2% Royalty Retained
WA	P37/8912	Granted	BRAISER	2% Royalty Retained
WA	P37/9204	Granted	MALCOLM	2% Royalty Retained
WA	P37/9205	Granted	MALCOLM	2% Royalty Retained
WA	P37/9206	Granted	MALCOLM	2% Royalty Retained
WA	P37/9207	Granted	MALCOLM	2% Royalty Retained
WA	E37/1177	Granted	MERTONDALE	100%
WA	E37/1258	Granted	MERTONDALE	100%
WA	P37/8687	Granted	CHRISTMAS WELL	100%
WA	P37/8688	Granted	CHRISTMAS WELL	100%
WA	P37/8689	Granted	CHRISTMAS WELL	100%
WA	P37/8690	Granted	CHRISTMAS WELL	100%
WA	P37/8692	Granted	CHRISTMAS WELL	100%
WA	P37/8693	Granted	CHRISTMAS WELL	100%
WA	P37/8694	Granted	CHRISTMAS WELL	100%
WA	E38/3100	Granted	MT JUMBO	100%
WA	E38/3127	Granted	HAWKS NEST	100%
WA	E38/3205	Granted	HAWKS NEST EAST	100%
WA	E38/3209	Granted	MT AJAX	100%
WA	M38/1041	Granted	NICHOLSON WELL	100%
WA	P38/4126	Granted	HN9 WEST	100%
WA	P38/4170	Granted	DEFIANT BORE	100%
WA	P38/4317	Granted	MT JUMBO EAST	100%
WA	P38/4318	Granted	MT JUMBO EAST	100%
WA	P38/4319	Granted	MT JUMBO EAST	100%
WA	P38/4320	Granted	MT JUMBO EAST	100%
WA	P38/4321	Granted	MT JUMBO EAST	100%

Location	Tenement	Nature of Interest	Project	Equity (%) held
WA	P38/4322	Granted	MT JUMBO EAST	100%
WA	P38/4323	Granted	MT JUMBO EAST	100%
WA	P38/4324	Granted	MT JUMBO EAST	100%
WA	P38/4346	Granted	LADY JULIE	100%
WA	P38/4379	Granted	LADY JULIE	100%
WA	P38/4380	Granted	LADY JULIE	100%
WA	P38/4381	Granted	LADY JULIE	100%
WA	P38/4382	Granted	LADY JULIE	100%
WA	P38/4383	Granted	LADY JULIE	100%
WA	P38/4384	Granted	LADY JULIE	100%
WA	P37/9144	Granted	HOMEWARD BOUND SOUTH	0%
WA	P39/5455	Granted	HOMEWARD BOUND SOUTH	100%
WA	P39/5928	Granted	HOMEWARD BOUND SOUTH	100%
WA	P39/5929	Granted	HOMEWARD BOUND SOUTH	100%
WA	P39/5932	Granted	HOMEWARD BOUND SOUTH	100%
WA	P39/5933	Granted	HOMEWARD BOUND SOUTH	100%
WA	P39/5934	Granted	HOMEWARD BOUND SOUTH	100%
WA	P39/6175	Granted	HOMEWARD BOUND SOUTH	100%
WA	E39/2125	Granted	LITTLE WELL	100%
WA	P39/6134	Granted	LITTLE WELL	100%
WA	P39/6135	Granted	LITTLE WELL	100%
WA	P39/6136	Granted	LITTLE WELL	100%
WA	P39/6137	Granted	LITTLE WELL	100%
WA	P39/6138	Granted	LITTLE WELL	100%
WA	P39/6139	Granted	LITTLE WELL	100%
WA	P39/6140	Granted	LITTLE WELL	100%
WA	P39/6141	Granted	LITTLE WELL	100%
WA	P39/6142	Granted	LITTLE WELL	100%
WA	P39/6143	Granted	LITTLE WELL	100%
WA	P39/6144	Granted	LITTLE WELL	100%
WA	E70/5534	Granted	TRAYNING	100%
WA	E70/5537	Granted	BENJABERRING	100%
WA	E70/5538	Granted	GODDARD	100%
WA	E70/5771	Granted	KORRELOCKING	100%
WA	E70/6304	Granted	TRAYNING WEST	100%
WA	E70/6305	Granted	KOORDA	100%

The following information was applicable as at 20 September 2023

Share and Partly Paid Share holdings

Category (Size of Holding)	Holders of Fully Paid Ordinary Shares	Shares held / %	Holders of partly-paid contributing shares	Partly-Paid Contributing Shares / %	Holders options	Options
1 to 1,000	636	220,997 / 0.09%	1,049	439,231 / 2.15%	-	-
1,001 to 5,000	399	975,973 / 0.41%	478	1,038,642 / 5.09%	3	5,205
5,001 to 10,000	131	1,079,028 / 0.46%	69	496,724 / 2.43%	3	24,075
10,001 to 100,000	266	9,528,368 / 4.02%	64	2,271,742 / 11.13%	16	545,556
100,001 and over	129	225,149,669 / 95.02%	16	16,172,523 / 79.20%	20	10,291,666
Total	1,561	236,954,035	1,676	20,418,862	42	10,866,502

The number of shareholdings with less than marketable parcels is 522 shareholders holding 127,707 fully paid ordinary shares and 781 shareholders holding 221,007 partly paid contributing shares. There are no listed options.

Substantial shareholders :

Shareholder Name	Number of Shares	% of Issued Share Capital
OAN CHIM SENG	34,910,318	14.73%
CHAN HIAN SIANG	29,608,982	12.50%
DALE ALCOCK / TARGET RANGE	25,876,045	10.92%
LIM CHOON KONG	15,076,083	6.30%

Twenty largest shareholders – Quoted fully paid ordinary shares:

Position	Holder Name	Holding	% IC
1	MR CHIM SENG OAN	34,910,318	14.73%
2	MR HIAN SIANG CHAN	29,608,982	12.50%
3	TARGET RANGE PTY LTD	16,451,893	6.94%
4	MR CHOON KONG LIM	10,374,443	4.38%
5	CITICORP NOMINEES PTY LIMITED	9,647,295	4.07%
6	ALCOCK SUPERANNUATION FUND PTY LTD <ALCOCK SUPER FUND A/C>	9,424,152	3.98%
7	AVA CARTEL SDN BHD	7,590,302	3.20%
8	GFI INVESTMENTS PTY LTD <WARD SUPER FUND A/C>	6,800,500	2.87%
9	BNP PARIBAS NOMS PTY LTD UOBKH A/C R'MIERS <DRP>	5,904,044	2.49%
10	REKA CEMERLANG SDN BHD	5,759,615	2.43%
11	MR LIM JIN HUEI ERIC	5,055,423	2.13%
12	ROCKCAR PTY LTD <RCR FAMILY A/C>	4,217,325	1.78%
13	MS XIAO JUN ZHANG	4,000,000	1.69%
14	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	3,565,583	1.50%
15	MR AARON SIM KWANG LIANG	3,387,716	1.43%
16	MR GEORGE SAKALIDIS	3,228,571	1.36%
17	COWARA PTY LTD	2,801,501	1.18%
18	EMNJ PTY LTD	2,730,000	1.15%
19	MR CHIN HUAT LOO	2,567,735	1.08%
20	BNP PARIBAS NOMS PTY LTD <DRP>	2,349,955	0.99%
	Total	170,375,353	71.90%
	Total issued capital - selected security class(es)	236,954,035	100.00%

Twenty largest shareholders – Quoted partly-paid contributing shares:

Position	Holder Name	Holding	% IC
1	GFI INVESTMENTS PTY LTD <WARD SUPER FUND A/C>	4,311,081	21.11%
2	MR IAN RONALD BARON	2,051,999	10.05%
3	MR GEORGE SAKALIDIS & MRS JACQUELINE SAKALIDIS <SAKALIDIS SUPER A/C>	2,040,333	9.99%
4	MR ROGER MICHAEL THOMSON & MRS ROSMARIE OLIVE THOMSON <THOMSON SUPER FUND A/C>	2,000,000	9.79%
5	EMNJ PTY LTD <LAMORRAN SUPER FUND A/C>	1,377,332	6.75%
6	MR GEORGE SAKALIDIS	958,114	4.69%
7	BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE NO 1 A/C>	725,930	3.56%
8	MR BRENTON GRAHAM TIELEMAN	500,000	2.45%
9	MR BARRINGTON DANCE & MS JEAN PATRICIA DANCE <THE DANCE SUPER FUND A/C>	450,000	2.20%
10	MR BARRINGTON DANCE	360,438	1.77%
11	EMNJ PTY LTD	335,059	1.64%
12	MEGGSIES PTY LTD	261,997	1.28%
13	AUTO MANAGEMENT PTY LTD	218,654	1.07%
14	GILPIN PARK PTY LTD	205,556	1.01%
15	PGC (2006) PTY LTD <EXEC EMPLOYS (2006) SF A/C>	196,030	0.96%
16	MR ROBERT FRANCIS KAVANAGH	180,000	0.88%
17	MRS GAYNOR CHRISTENSEN	100,000	0.49%
18	MR CHOON KONG LIM	92,500	0.45%
19	MR ERIC ROBERT TERACE & MRS JUDITH FAY TERACE <R & J TERACE SUPER FUND A/C>	91,666	0.45%
20	MR PETER WILLIAM TAYLOR & MRS MAUREEN JUNE TAYLOR	70,000	0.34%
	Total	16,526,689	80.94%
	Total issued capital - selected security class(es)	20,418,862	100.00%

Option to acquire Fully Paid Ordinary Shares, expiry 31.12.2024

NAME	Expiry price	Number
ERIC LIM	\$1.515	900,000
BENJAMIN DONOVAN	\$1.515	600,000
MR GEORGE SAKALIDIS	\$1.515	1,800,000

Option to acquire Fully Paid Ordinary Shares, expiry 6.12.2025

NAME	Expiry price	Number
LEEMAN PTY LTD	\$1.20	1,500,000
MR HIAN SIANG CHAN	\$1.20	750,000
MR LIM JIN HUEI ERIC	\$1.20	750,000
ELOHIM NOMINEES PTY LTD <EAGLE EQUITY A/C>	\$1.20	750,000

There are a total of 236,954,035 fully paid ordinary shares, 20,418,862 partly-paid contributing shares and 10,866,502 options on issue. Both the fully paid ordinary shares and partly-paid contributing shares are listed on Australian Securities Exchange Limited.

Buy-Back Plans

The Company does not have any current on-market buy-back plans.

Voting Rights

The voting rights attaching to ordinary shares are governed by the Constitution. On a show of hands every person present who is a Member or representative of a member shall have one vote and on a poll, every member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each fully paid ordinary share held and a fraction of a vote for each partly-paid contributing share held. The fraction must be equivalent to the proportion which any amount paid (not credited) is of the total amounts paid (if any) and payable (excluding amounts credited). Any amounts paid in advance of a call are ignored when calculating these fractional voting rights. None of the options have any voting rights.