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2023

Annual Report

For the year ended 30th June 2023

ASX:1AE

ABN 87 604 406 377

Corporate Directory

DIRECTORS

- Mr Peter Lester** - Non-Executive Chair
- Mr Greg Cochran** - Managing Director
- Mr Alasdair Cooke** - Non-Executive Director

COMPANY SECRETARY

Mr Steven Jackson

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Chairman's Letter

Dear Shareholders,

This letter presenting the latest Aurora Energy Metals annual report for the 2023 financial year follows a year where your company has made considerable progress. As I write, the spot uranium price has reached US\$66/lb, a rise of 32% over the past year and one where uranium equities are finally achieving positive market sentiment.

I note the reports coming from the recent World Nuclear Association meetings in London where concerns were raised at the potential supply gap for uranium feed to the nuclear power industry. With demand forecast to double by 2040, this has pushed some long term contract prices up to the high US\$80s/lb, prices not seen for over 12 years.

At Aurora, we have initiated the uranium Scoping Study at our 100% owned Aurora project in the USA on the back of last year's Resource upgrade and the decision to proceed with the processing facilities in Nevada, less than 10km from the proposed mine site in Oregon. Much has been done to progress permitting in both US states and to establish a metallurgical test program as part of the Scoping Study. Work has also commenced on a preliminary mine plan and an assessment of transport options for the Oregon material to the Nevada processing site. We are hopeful of completion of the study by the third quarter of FY24.

Your company owns one of the largest pre-development uranium resources in North America with a potential value addition via lithium occurrences in the overlying lake sediments. As I commented in last year's letter, Aurora is ideally positioned to support the USA's clean energy transition which has bipartisan support. The USA continues to operate the largest fleet of nuclear reactors yet produces negligible amounts of the required uranium fuel. It is fully committed to re-establish a domestic nuclear fuel supply chain and projects such as Aurora, that are production visible in the short to medium term, are attracting considerable interest.

The new financial year has started on a very positive note with the highest uranium prices in over a decade and a robust work program of metallurgical testwork, technical studies, supplemental drilling and pursuit of the requisite permits. These activities should see the release a Scoping Study in early CY2024, followed by the commencement of a uranium Feasibility Study. We have a dedicated team with much to do. The progressive reporting and study results should produce a news flow to keep our both our shareholders and the market engaged.

We look forward to your continued support as we move the Company through these critically important study phases.

Yours faithfully



Mr Peter Lester
Non-Executive Chair

Review of Operations

Overview

The Company is focused on the exploration and development of the Aurora Energy Metals Project (AEMP) located in south-eastern Oregon, USA. The Project hosts the largest mineable, Measured and Indicated Uranium Mineral Resource in the United States and is also prospective for lithium.

The current, multi-phase program is focussed on completing uranium feasibility studies and permitting on its flagship project, which hosts a well-defined uranium mineral resource of 107.3 Mt @ 214 ppm U₃O₈ for 50.6 Mlb U₃O₈.

Resource Update

In November, Aurora announced an updated uranium Mineral Resource estimate for the AEMP, incorporating results from a 2011 drill program that were previously not included¹. The updated MRE totals 107.3 Mt @ 214 ppm U₃O₈ for 50.6 Mlb U₃O₈, including a Measured Mineral Resource of 59.5 Mt @ 251 ppm U₃O₈ for 32.9 Mlb U₃O₈, Indicated of 21.4 Mt @ 184 ppm U₃O₈ for 8.7 Mlb U₃O₈ and Inferred of 26.4 Mt @ 157 ppm U₃O₈ for 9.1 Mlb U₃O₈.

Resource Zone	Measured			Indicated			Inferred			Total		
	Mt	U ₃ O ₈ ppm	Mlb U ₃ O ₈	Mt	U ₃ O ₈ ppm	Mlb U ₃ O ₈	Mt	U ₃ O ₈ ppm	Mlb U ₃ O ₈	Mt	U ₃ O ₈ ppm	Mlb U ₃ O ₈
High-Grade Zone ^a	16.3	487	17.5	1.6	467	1.6	0.1	425	0.1	18.0	485	19.2
Low-Grade Zone ^b	43.2	162	15.4	19.8	161	7.0	26.3	155	9.0	89.3	160	31.5
Total	59.5	251	32.9	21.4	184	8.7	26.4	157	9.1	107.3	214	50.6

Table 1 : 23 November 2022 Aurora Energy Metals Mineral Resource

^a High grade zone estimated using a 300 ppm U₃O₈ cut-off

^b Low grade zone estimated using a 100 ppm U₃O₈ cut-off Note: Appropriate rounding applied

¹ ASX Announcement 23 November 2022 – Uranium mineral resource estimate up 34% to 50.6Mlb U₃O₈

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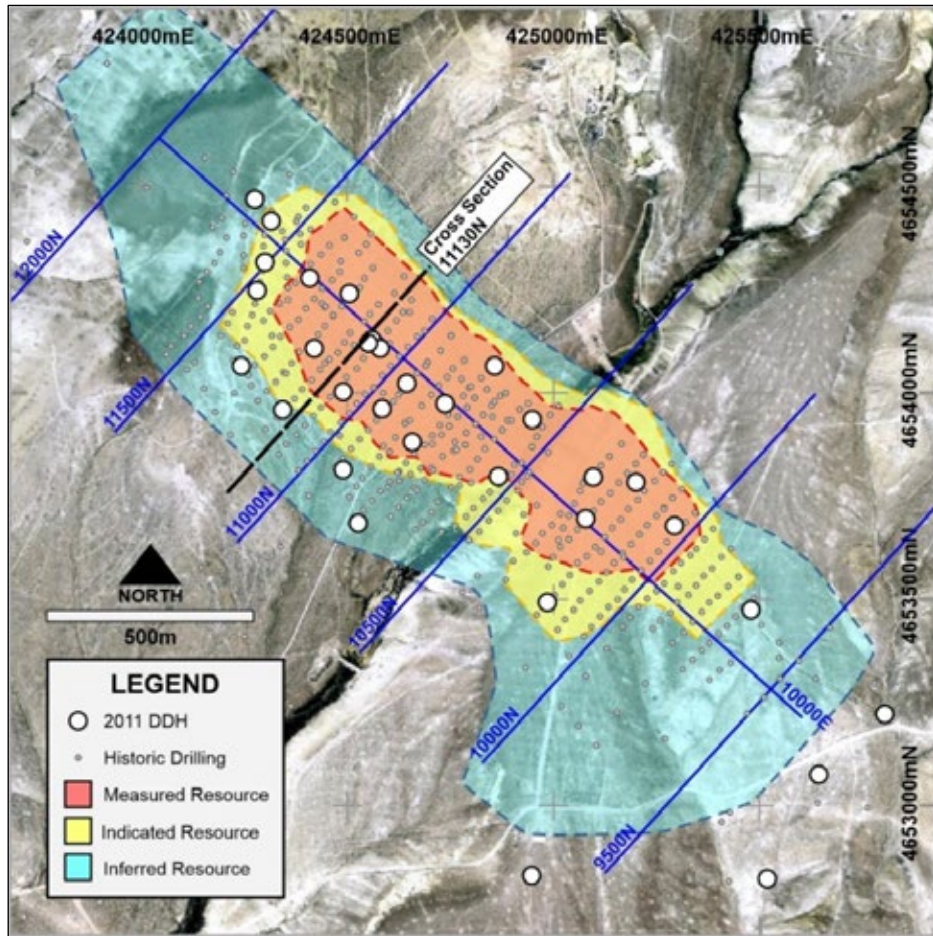


Figure 1: Plan view of November 2022 Mineral Resource with local grid and example section location

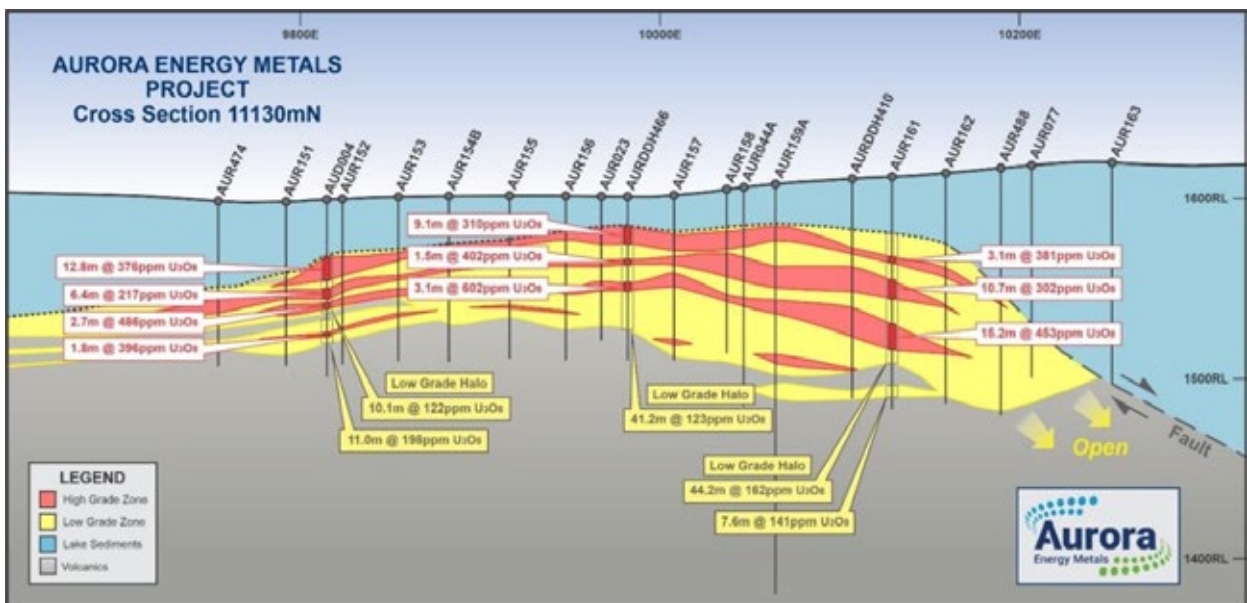


Figure 2: Cross section (11130mN Local grid) showing the interpreted mineralised domains and example drillhole intercepts

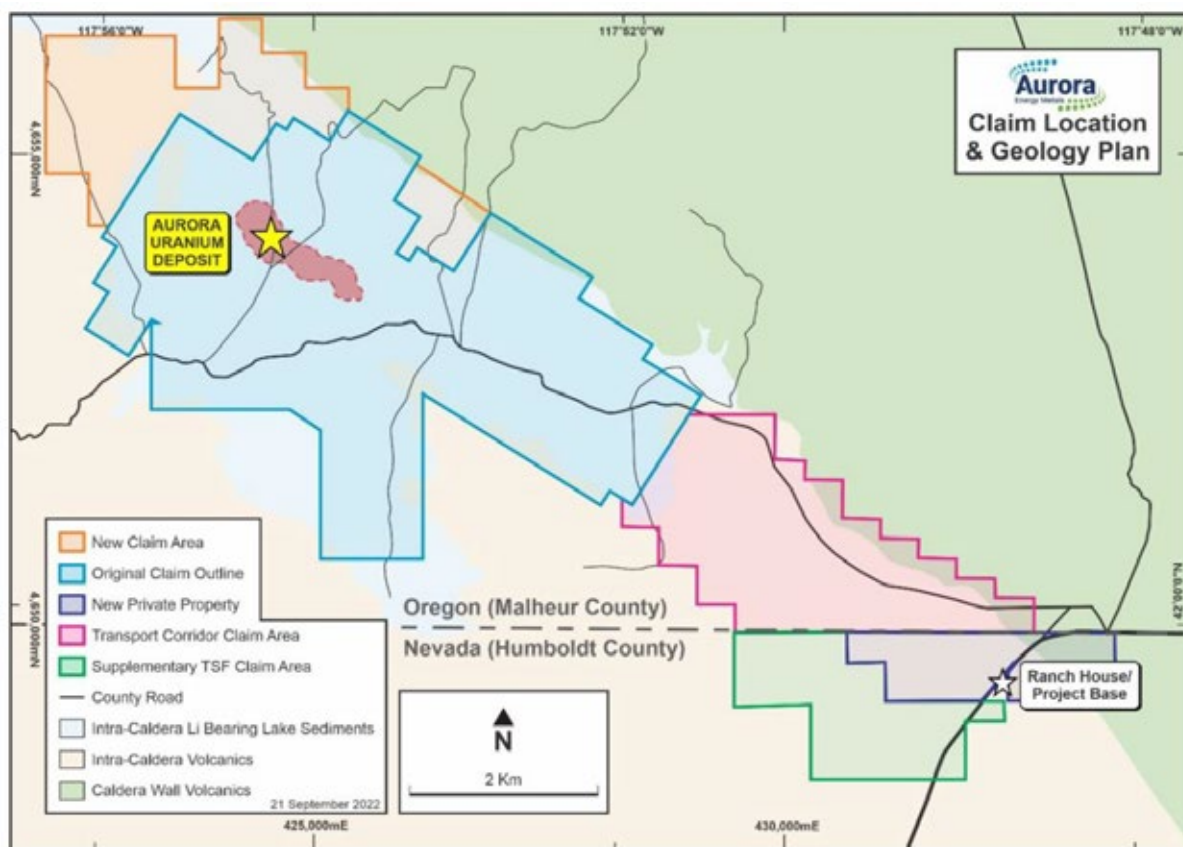


Figure 3: Map showing location of Nevada Property and new claims, relative to AEMP

Permitting Pathway

In September 2022, the company purchased a 410-acre private property in Nevada on the border with Oregon at a site considered ideal for plant and tailing facilities.² The property is located just 7km from the town of McDermitt and approximately 12km by road from the Aurora Uranium Deposit.

Notably, it is only 8km direct from the uranium deposit, presenting the opportunity to develop an in-pit crushing mining operation connected to a plant via a pipeline or conveyor belt, potentially removing the need for trucking.

A ranch house is located on the southern end of this private property, which has been renovated and has become the operating base for exploration programs.

Drill Program

The end of 2022 saw the Company complete a 3,414m drill program, the first drilling on the project in over a decade.³ The program consisted of 12 RC and 5 DD drillholes with one angled hole drilled at the conclusion of the program.

² ASX Announcement 27 September 2022 – Aurora Energy Metals Update

³ ASX Announcement 16 January 2023 – Thick Lithium & Uranium Zones Returned- Maiden Drill Program

Assay results from the 2022 drill program^{4,5,6}, which targeted uranium and lithium, successfully validated and exceeded the well-defined uranium model and confirmed the Company's lithium interpretation.

Encouraging uranium results were received, including multiple recorded intervals above 300ppm U₃O₈, showing potential for further mineral resource extension.

Selected uranium oxide results, using a 100ppm U₃O₈ cut-off, include (See Figure 3):

- 22AUDD001: 84.6m @ 234 ppm U₃O₈ from 100.4m
5.2m at 490 ppm U₃O₈ from 132.1m
23.9m at 437 ppm U₃O₈ from 152.3m
- 22AUDD005*: 9.8m at 133 ppm U₃O₈ from 185.1m
2.4m* at 540 ppm U₃O₈ from 203.6m
(*hole terminated in mineralisation due to drilling issues)
- 22AURC005DT: 13.5m at 278 ppm U₃O₈ from 158.5m
5.6m at 418 ppm U₃O₈ from 164.6m
8.0m at 128 ppm U₃O₈ from 174.5m
4.7m at 288 ppm U₃O₈ from 196.5m

The uranium oxide results were consistent with the existing mineral resource and demonstrate potential for further extensions.

⁴ ASX Announcement 17 January 2023 – Thick Lithium and Uranium Zones Returned from Maiden Drill Program at AEMP
⁷ ASX Announcement 14 February 2023 – Assays extend area of Aurora lithium mineralisation.

⁶ ASX Announcement 22 February 2023 – Lithium zone expanded significantly, open in all directions.

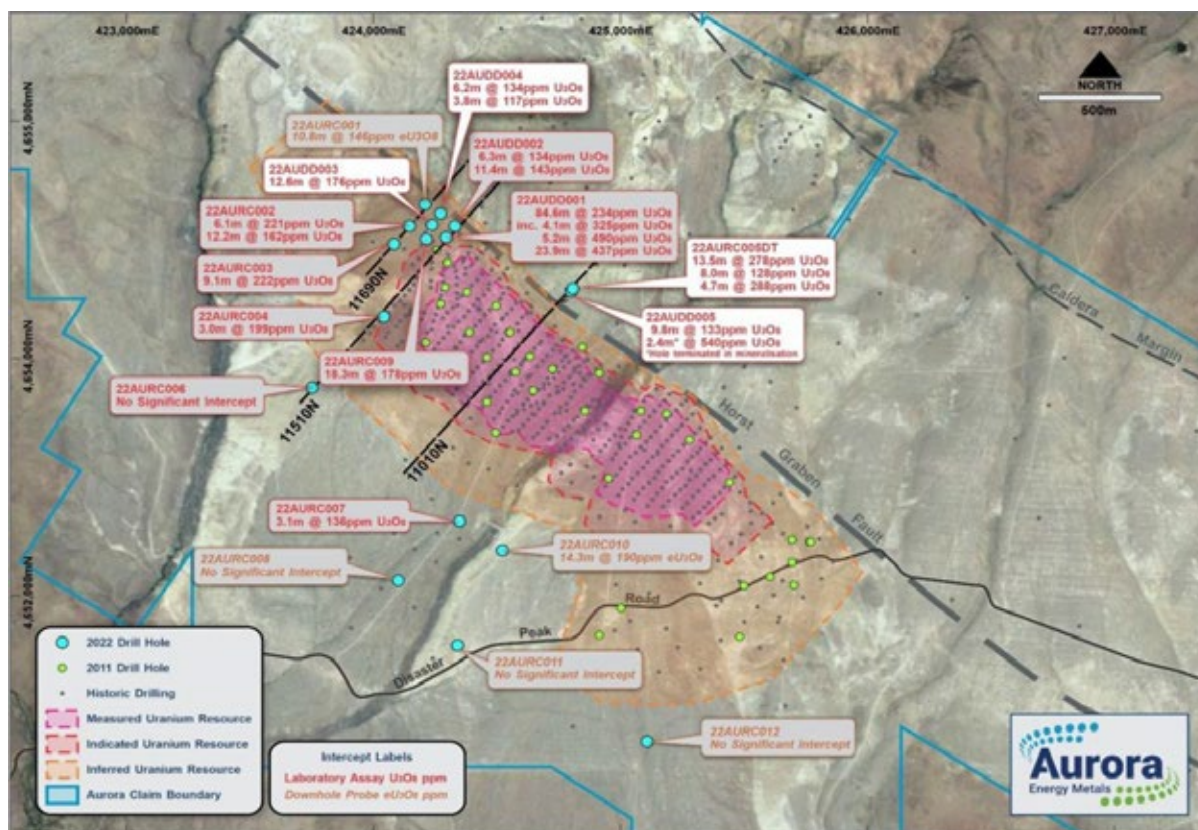


Figure 4: Map showing uranium assay results

Lithium Potential

Samples of the lakebed sediments for two 2011 core holes (AUD028 and AUD032) were sent for lithium analysis following re-organisation of the core storage facilities at McDermitt in July. The results received, at a cut-off of 1,000 ppm Li, included:

- AUD028: 27.3m @ 1,164 ppm Li from 17.4m, plus 6.7m @ 1,172 ppm Li from 61.0m
- AUD032: 4.6m @ 1,278 ppm Li from 45.5m

The intercept in AUD028 is the thickest received to date at Aurora and is the hole closest to the graben margin to the north-east where it is interpreted that the lake sediments increase in thickness, potentially up to 200m.

The known area of lithium mineralisation was extended as a result of the 2022 drill program, which intersected lithium-hosting clays at potentially economic grades well beyond the historical drilling. The lithium grades encountered in the drill program compare favourably with other large lithium hosting clay deposits in the McDermitt Caldera, including Jindalee Resources' McDermitt Project to the west and Lithium America's Thacker Pass Project to the south.

Selected lithium results, using a 1000ppm Li cut-off, include (See Figure 4):

- 22AURC002: 19.8m at 1,206 ppm Li (0.26% Li₂O) from 51.8m
- 22AURC004: 19.8m at 1,298 ppm Li (0.28% Li₂O) from 27.4m
- 22AURC006: 4.6m at 1,579 ppm Li (0.34% Li₂O) from 25.9m
- 22AURC007: 7.6m at 1,512 ppm Li (0.33% Li₂O) from 21.3m

- 22AURC008: 6.1m at 1,911 ppm Li (0.41% Li₂O) from 36.6m
- 22AURC011: 16.8m at 1,356 ppm Li (0.29% Li₂O) from 62.5m
- 22AUDD001: 20.6m at 1,212 ppm Li (0.26% Li₂O) from 20.7m
3.5m at 1,343 ppm Li (0.29% Li₂O) from 61m
6.4m at 1,347 ppm Li (0.29% Li₂O) from 71.5m
- 22AUDD002: 5.9m at 1,899 ppm Li (0.41% Li₂O) from 73.6m
12.1m at 1,237 ppm Li (0.27% Li₂O) from 87.5m
6.1m at 1,574 ppm Li (0.34% Li₂O) from 129.2m
8.5m at 1,325 ppm Li (0.29% Li₂O) from 145.1m
- 22AUD004: 8.1m at 1,690 ppm Li (0.36% Li₂O) from 79.5m
11.9m at 1,192 ppm Li (0.26% Li₂O) from 92.3m

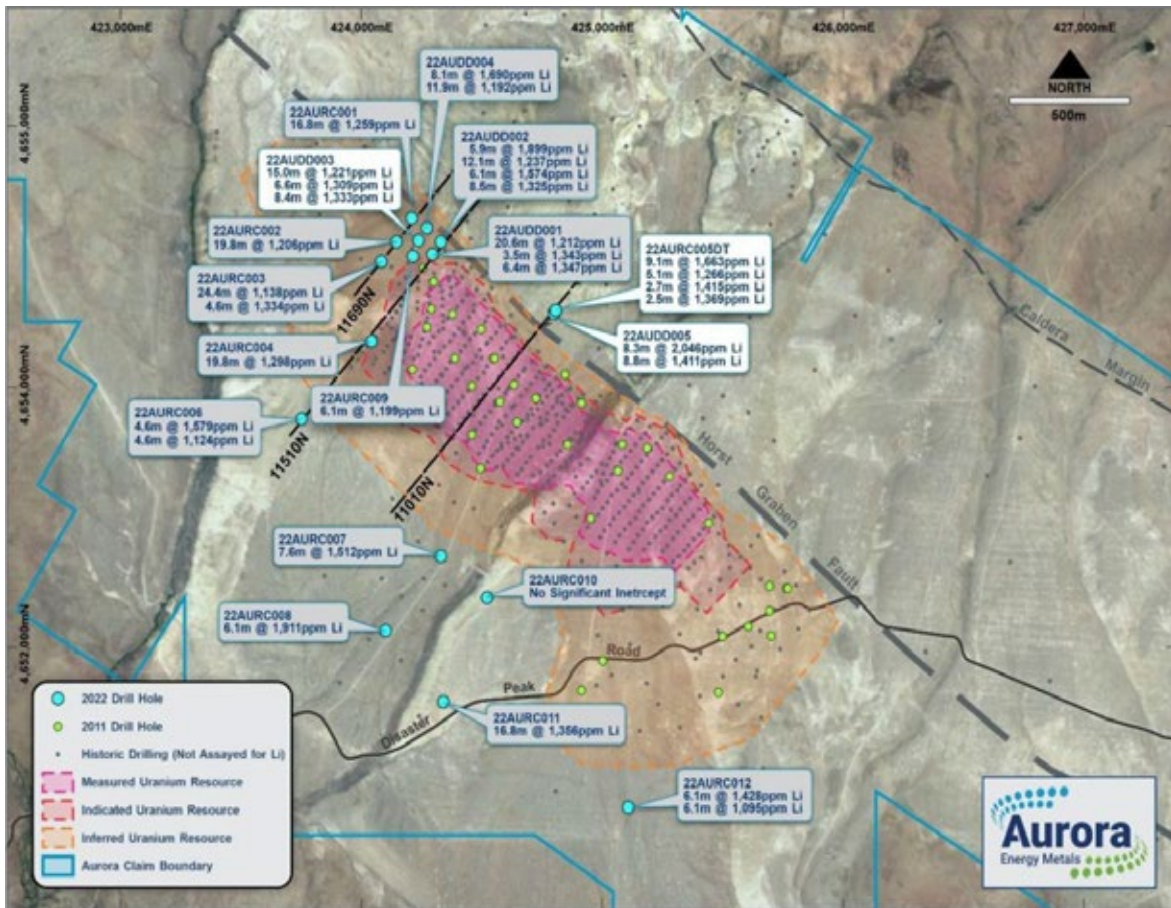


Figure 5: Map showing lithium assay results

Metallurgical Testwork Review

The results of an independent review of historical uranium metallurgical testwork were released in April. The review concluded that simple physical beneficiation techniques would be effective and could be used to upgrade future run-of-mine ore. Specifically, scrubbing and wet screening demonstrated that Aurora’s uranium mineralisation can be separated into different size fractions with different physical and mineralisation characteristics.

The results of the review were highly significant as the efficient removal of hard, coarse waste and low-grade material with minimal uranium loss would allow the deposit to be bulk mined and the ore to be cost-effectively upgraded prior to leaching. This approach would likely result in a reduction in crushing/grinding capital and operating costs.

It was also recommended that a follow-up program should focus on beneficiation and leach testwork and optimisation to enable flowsheet development, design and costing for a scoping study. The results will also inform future decision-making pertaining to PFS and then DFS level testwork programs.

2024 Work Program / Scoping Study Commencement

The Company commenced scoping-level metallurgical testwork at ALS Metallurgy (ALS) in Perth in August 2023, post the end of the reporting period. The samples being used for the program were generated from Aurora's 2022 drill campaign.

Corporate

A \$2.7 million placement was undertaken in May to new and existing institutional, professional and sophisticated investors (Placement). Funds will be used to complete uranium metallurgical testwork and a scoping study on the AEMP uranium deposit (Aurora Uranium Deposit).

The Placement consisted of approximately 36.5 million new fully paid Ordinary shares issued at a price of \$0.075 per share ("New Shares"), together with a 1:2 free attaching option ("Attaching Options"). The Attaching Options are exercisable at A\$0.15 and expire on 30 June 2026.

The Company's consolidated cash at hand was \$3.5m, as of 30 June 2023, with no debt.

Tenement Schedule

Project Name	Location	Claim Name	Interest
AEMP	Oregon, USA	AURORA 11-60	100%
AEMP	Oregon, USA	AURORA 62-64	100%
AEMP	Oregon, USA	AURORA 69-78	100%
AEMP	Oregon, USA	AURORA 82-87	100%
AEMP	Oregon, USA	AURORA 97-108	100%
AEMP	Oregon, USA	AURORA 117-125	100%
AEMP	Oregon, USA	AURORA 134-145	100%
AEMP	Oregon, USA	AURORA 236	100%
AEMP	Oregon, USA	AURORA 238	100%
AEMP	Oregon, USA	AURORA 240	100%
AEMP	Oregon, USA	AURORA 242	100%
AEMP	Oregon, USA	AURORA 244	100%
AEMP	Oregon, USA	AURORA 246	100%
AEMP	Oregon, USA	AURORA 248	100%
AEMP	Oregon, USA	AURORA 250	100%
AEMP	Oregon, USA	CROTALUS CREEK 7-9	100%
AEMP	Oregon, USA	CROTALUS CREEK 23	100%
AEMP	Oregon, USA	CROTALUS CREEK 25	100%
AEMP	Oregon, USA	CROTALUS CREEK 27	100%
AEMP	Oregon, USA	CALD 01-91	100%
AEMP	Oregon, USA	CALD 92-279	100%
AEMP	Oregon, USA	JH 01-71	100%
AEMP	Nevada, USA	JH 72-102	100%
AEMP	Nevada, USA	KB 01-56	100%

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Annual Statement of Mineral Resources

As of 30 June 2023, the Aurora Energy Metals deposit has a total resource of 107.3 Mt @ 214 ppm U₃O₈ for 50.6 Mlb U₃O₈, including a Measured Mineral Resource of 59.5 Mt @ 251 ppm U₃O₈ for 32.9 Mlb U₃O₈, Indicated of 21.4 Mt @ 184 ppm U₃O₈ for 8.7 Mlb U₃O₈ and Inferred of 26.4 Mt @ 157 ppm U₃O₈ for 9.1 Mlb U₃O₈.

Resource Zone	Measured			Indicated			Inferred			Total		
	Mt	U ₃ O ₈ ppm	Mlb U ₃ O ₈	Mt	U ₃ O ₈ ppm	Mlb U ₃ O ₈	Mt	U ₃ O ₈ ppm	Mlb U ₃ O ₈	Mt	U ₃ O ₈ ppm	Mlb U ₃ O ₈
High Grade Zone ¹	16.3	487	17.5	1.6	467	1.6	0.1	425	0.1	18.0	485	19.2
Low Grade Zone ²	43.2	162	15.4	19.8	161	7.0	26.3	155	9.0	89.3	160	31.5
Total	59.5	251	32.9	21.4	184	8.7	26.4	157	9.1	107.3	214	50.6

¹ High grade zone estimated using a 300 ppm U₃O₈ cut-off

² Low grade zone estimated using a 100 ppm U₃O₈ cut-off

Note: Appropriate rounding applied

Governance of Mineral Resources and Reserves

The Company ensures that the Mineral Resource and Reserve estimates for its projects are subject to appropriate levels of governance and internal controls. The Mineral Resource estimation procedures are well established and are subject to annual review internally and externally undertaken by suitable competent and qualified professionals. This review process has not identified any material issues or risks associated with the existing Mineral Resource estimates. The Company periodically reviews the governance framework in line with the development of the business. The Company reports its Mineral Resources in accordance with 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) 2012 edition'.

Competent Persons Statements

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Lauritz Barnes, a Competent Person who is Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Barnes is a consultant to the Company and is also a shareholder of the Company. Mr Barnes has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Mr Barnes consents to the to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Previous Disclosure

The information in this report is based on the following ASX announcements, which are available from the Company's website www.auroraenergymetals.com.au and www.asx.com.au:

- 16 May 2022 – Prospectus
- 16 June 2022 – Encouraging lithium assays received
- 27 September 2022 – Aurora Energy Metals Project Update
- 19 October 2022 – Drilling to Commence at Aurora Energy Metals Project
- 23 November 2022 – 34% Increase in Total Uranium Resource to 50.6 Mlb Maiden Measured Resource Declared at Aurora Uranium Deposit
- 17 January 2023 - Thick Lithium & Uranium Zones Returned - Maiden Drill Program
- 14 February 2023 – Further Assay Results for AEMP
- 22 February 2023 – Final Assay Results for 2022 Drilling
- 26 April 2023 – Positive Review of Historical Uranium Testwork
- 24 August 2023 – Scoping Study Metallurgical Testwork Program Underway

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the Mineral Resources in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are represented have not been materially modified from the original market announcement.

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Directors' Report

The Directors present their report together with the financial report of Aurora Energy Metals Limited (“the Company” or “AEM”) and the Company and its controlled entities (“Group” or “Consolidated Entity”), for the financial year ended 30 June 2023.

Directors and Company Secretary

The Directors and Company Secretary in office at any time during or since the end of the financial year are:

Mr Peter Lester – Non-Executive Chairman
 Mr Gregory Cochran – Managing Director and Chief Executive Officer
 Mr Alasdair Cooke – Non-Executive Director
 Mr Steven Jackson – Company Secretary

Directors' Meetings

	Present	Held
Peter Lester	4	4
Alasdair Cooke	4	4
Gregory Cochran	4	4

Directors and Company Secretary

Mr Peter Lester B.E (Mining Hons), MAusIMM, MAICD | Non-Executive Chairman

Peter Lester has over 40 years' experience in the mining industry and has held senior executive positions with North Ltd, Newcrest Mining Limited, Oxiana Limited and Oz Minerals Limited. He was Executive Director for Citadel Resource Group Limited and has been a non-executive director and chairman with several ASX listed resource companies, including Toro Energy and Kidman Resources.

Mr Lester's experience covers operations, project and business development and broad corporate activities, including a period in financial services. He has had considerable international experience, including in North and South America, SE Asia and the Middle East.

Other current directorships

Gateway Mining Limited
 Helix Resources Limited

Former directorships in the last three years

White Rock Minerals Limited

Interests in shares and options

300,000 ordinary shares
 100,000 unlisted options

Mr Greg Cochran M.Sc. Eng. (Mining and Mineral Economics) MBA | Managing Director

Mr Cochran is an international mining executive with over 30 years' experience in general management and in senior commercial and technical roles. He has operated at the MD/CEO level for the last 15 years, in Africa, Australia and Asia, in a broad spectrum of minerals including uranium, potash and other industrial minerals and base metals.

He has extensive uranium experience, having been CEO/Managing Director of ASX-listed Deep Yellow Limited for over five years. Previously, he was Executive Vice President (Australia & Asia) of the then TSX-listed Uranium One, where he was responsible for managing the company's assets in Kazakhstan as well as its Australian operations. Most recently, he was CEO of ASX-listed Reward Minerals Limited.

Mr Cochran is a Graduate Member of the Australian Institute of Company Directors and a Fellow of the Australasian Institute of Mining & Metallurgy. He holds an M.Sc. Eng. (Mining and Mineral Economics) and an MBA.

Other current directorships

Nil

Former directorships in the last three years

Nil

Interests in shares and options

1,417,450 ordinary shares
 6,133,334 unlisted options

Mr Alasdair Cooke BSc (Hons), MAIG | Non-Executive Director

Mr Cooke has over 30 years' experience in the resource exploration and mining industry throughout Australia and internationally, initially as part of BHP Minerals Business Development Group and the last 20 years managing public resource companies as part of the Mitchell River Group.

Mitchell River Group has been responsible for a number of successful mining operations and resource companies developed over the past 20 years, including Sally Malay Mining Ltd (now Panoramic Resources Ltd), Albidon Ltd, Mirabella Nickel Ltd, African Energy Resources Ltd (now Alma Metals Ltd) and Exco Resources Ltd.

Mr Cooke holds a first-class honours degree in Geology and a bachelor's degree in Science from the University of Western Australia and is a member of the Australian Institute of Geoscientists.

Other current directorships

Alma Metals Limited
Caravel Minerals Limited

Former directorships in the last three years

EVE Health Group Limited

Interests in shares and options

20,221,385 ordinary shares
166,666 unlisted options

Mr Steven Jackson BEc CPA | Company Secretary

Mr Jackson has over 10 years experience in company secretarial, advisory and financial management services to listed and unlisted public and private companies. Mr Jackson has experience in company secretarial services, including capital raising, compliance, corporate governance and is also a qualified CPA responsible for financial reporting and processes. Mr Jackson has acted as Company Secretary and CFO for a number of ASX listed companies, primarily in the mineral exploration sector.

Review of Operations

Aurora Energy Metals is an Australian company focused on the exploration and development of its Aurora Energy Metals Project in Oregon, USA. The Project hosts a defined uranium resource and is prospective for lithium.

Material Business Risks

The Group's principal activity is mineral exploration and development and companies in this industry are subject to many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical. Following are the material business risks which the Company believes are most important in the context of the Company's business.

Future funding needs

The Company is a resource exploration and development company with the Aurora Energy Metals Project in Oregon, USA. The operations of the Company will depend upon the availability of further investor funds. No assurance can be given that future investor funds as required will be made available on acceptable terms (if at all). If the Company is unable to obtain additional financing (whether equity or debt) as needed, it may be required to reduce the scope of its operations and may not be able to further develop its Project. It may further impact on the Company's ability to continue as a going concern.

Title to Mining Claims Areas

All the granted Mining Claims and staked areas are 100% held by the Company via its wholly-owned US subsidiary company. Maintenance of the Company's granted Mining Claims is subject to ongoing compliance with the terms governing the Mining Claims. There is no prescribed minimum annual expenditure condition nor any reporting requirement. If the Company fails to comply with the terms of the Mining claims, the Company may lose its rights to the Mining Claims.

The Company has access to the granted Mining Claims and there is no need for third party access agreements.

Exploration and Development

Mineral exploration and development is a speculative and high risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things:

- discovery and proving-up, or acquiring, an economically recoverable resource or reserve;
- access to adequate capital throughout the discovery and project development phases;
- securing and maintaining title to mineral projects;
- obtaining required development consents and approvals necessary for the mineral exploration, development and production phases; and
- accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants and employees.

The Company is a resource exploration and development company owning the Aurora Energy Metals Project. The Aurora Energy Metals Project is prospective for uranium and lithium with a JORC Code Measured, Indicated and Inferred Resource for uranium having been delineated on this Project. There can be no assurance that further exploration and development on the Project will result in an economically recoverable mineral resource.

The future exploration and development activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and other factors beyond the control of the Company.

Uranium and lithium price and exchange rates

The Company's Project is primarily prospective for uranium and lithium. Uranium and lithium and other commodity prices can fluctuate significantly and each of the uranium and lithium price is exposed to numerous factors beyond the control of the Company such as world demand for uranium and lithium, forward selling by producers and production cost levels in major producing regions. Other factors include expectations regarding inflation, the financial impact of movements in interest rates, commodity price forward curves, global economic trends and domestic and international fiscal, monetary and regulatory policy settings.

A significant decrease in the uranium and lithium price is likely to adversely affect sentiment and market support towards the Company.

If the Company achieves mining production, the Company's financial performance will be dependent in part on the uranium and/or lithium price (as the case may be) as well as the Australian dollar and US dollar exchange rate. International prices of various commodities are generally denominated in US dollars. The income and expenditure of the Company will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

Environmental risks and regulations

The Company's Project is subject to federal and state laws and regulations regarding environmental matters. The Governments and other authorities that administer and enforce environmental laws and regulations determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly, if the Company's activities result in mine development. The development of a Project involving uranium is a sensitive activity. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations and future permitting may limit the Company from being able to develop potentially economically viable mineral deposits.

In the event of a mining operation, the Company will need to comply with extensive laws and regulations including environmental compliance and rehabilitation, health and safety, waste disposal and protection of the environment. The Company will require permits from regulatory authorities. A significant delay in obtaining or failure to obtain a permit could have a material adverse impact on the Company developing its Project.

Dependence on key personnel

The Company's success depends in part on the core competencies of the Directors and management and the ability of the Company to retain these key executives. Loss of key personnel (such as the managing director) may have an adverse impact on the Company's performance.

Resource and Reserve estimates

Mineral Resource and Ore Reserve estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Mineral Resource and Ore Reserve estimation is an interpretive process based on available data and interpretations and thus estimations may prove to be inaccurate.

The actual quality and characteristics of ore deposits cannot be known until mining takes place and will almost always differ from the assumptions used to develop resources. Further, Ore Reserves are valued based on future costs and future prices and, consequently, the actual Mineral Resources and Ore Reserves may differ from those estimated, which may result in either a positive or negative effect on operations.

Results of Studies

Subject to the results of further exploration and testing programs to be undertaken, the Company may progressively undertake a number of studies in respect to the Project. These studies may include scoping, pre-feasibility, definitive feasibility and bankable feasibility studies.

These studies will be completed within parameters designed to determine the economic feasibility of the Project within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Project or the results of other studies undertaken by the Company (eg the results of a feasibility study may materially differ to the results of a scoping study).

Even if a study confirms the economic viability of the Project, there can be no guarantee that the Project will be successfully brought into production as assumed or within the estimated parameters in the feasibility study (eg operational costs and commodity prices) once production commences. Further, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

Climate Change risk

There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:

- a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

Remuneration Report – Audited

This Remuneration Report outlines the remuneration arrangements which were in place during the year and remain in place as at the date of this report, for the key management personnel of the Group. During the year the Company's Directors were the only key management personnel of the Group.

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

Principles of compensation

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders and conforms with market practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation;
- transparency; and
- capital management.

The Company has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design;
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracts and retains high calibre executives.

Alignment to program participants' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives. As executives gain seniority with the Company, the balance of this mix shifts to a higher proportion of "at risk" reward. Currently no remuneration consultants are used by the Company in formulating remuneration policies.

Role of the Remuneration Committee

The Remuneration Committee role has not been separately established and currently the functions of the committee are handled by the Board as a whole. Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company, this includes being primarily responsible for:

- Non-Executive Director Fees;
- Remuneration levels of the Managing Director and other key management personnel;
- The over-arching executive remuneration framework and operation of the incentive plan; and
- Key performance indicators and performance hurdles for the executive team.

Non-Executive Directors

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Chairman's fees are determined independently to the fees of Non-Executive Directors based on comparative roles in the external market.

On appointment to the Board, all Non-Executive Directors enter into an agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of Director. The current base remuneration including superannuation for Non-Executive Directors is summarised below and is effective since 1 December 2021.

Position	Annual fees (Inclusive of superannuation)
Chairman	75,000
Member	45,000

Executive pay

An executive's total remuneration comprises base pay and benefits, including superannuation, and long-term incentive through participation in the Aurora Energy Metals Employee Incentive Plan.

Base pay

Base pay is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executive's discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion. There are no guaranteed base pay increases included in any executives' contracts.

Long-term incentives

Long-term incentives are provided to certain Non-Executive Directors and executives under the Aurora Energy Metals Employee Incentive Plan.

Share trading policy

The trading of shares issued to participants under the Company's employee option plan is subject to, and conditional upon, compliance with the Company's employee share trading policy. Executives are prohibited from entering into and hedging arrangements over unvested options under the Company's employee option plan. The Company would consider a breach of this policy as gross misconduct which may lead to disciplinary action and potential dismissal.

Service contracts

On appointment to the Board, all Non-Executive Directors enter into an agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of Director.

The Company currently has the following executive agreement in place:

Gregory Cochran – Managing Director / CEO:

Base salary: \$275,000 plus superannuation

Term: On-going, with remuneration reviewed every twelve months

Termination benefit: Without notice for serious misconduct, in all other circumstances three months base salary

Director and Key Management Personnel remuneration

Details of the remuneration of the Directors and key management personnel of the Company (as defined in AASB 124 Related Party Disclosures) are set out in the following tables.

Key management personnel of the Company

	Cash salary	Superannuation	Annual / long service leave	Share based payments	Total	Performance based
	\$	\$	\$	\$	\$	%
2023						
Non-Executive Directors						
Peter Lester	67,873	7,127	-	-	75,000	-
Alasdair Cooke	45,000	-	-	-	45,000	-
Total non-executive director remuneration	112,873	7,127	-	-	120,000	-
Executive Directors						
Gregory Cochran	275,000	28,875	16,405	146,022	466,303	31%
Total executive directors and other KMPs	275,000	28,875	16,405	146,022	466,303	31%
Total KMP remuneration expensed	387,874	36,002	16,405	146,022	586,302	25%
2022	\$	\$	\$	\$	\$	%
Non-Executive Directors						
Peter Lester ¹	36,932	3,693	-	-	40,625	-
Alasdair Cooke	34,250	-	-	2,750	37,000	-
Gregory Fry ²	-	-	-	2,750	2,750	-
Steven Jackson ²	-	-	-	2,500	2,500	-
Total non-executive director remuneration	71,182	3,693	-	8,000	82,875	-
Executive Directors						
Gregory Cochran ³	160,416	16,042	11,265	109,277	297,000	37%
Total executive directors and other KMPs	160,416	16,042	11,265	109,277	297,000	37%
Total KMP remuneration expensed	231,598	19,735	11,265	117,277	379,875	29%

¹ Peter Lester was appointed as Non-Executive Chairman effective 14 December 2021.

² Gregory Fry and Steven Jackson resigned as Non-Executive Director effective 14 December 2021.

³ Gregory Cochran was appointed as Managing Director / CEO effective 1 December 2021.

Directors may participate in the Company's Employee Incentive Plan under which they will be offered equity incentives as performance-based remuneration.

Share-based compensation

Options

Options in the Company are granted under the Aurora Energy Metals Employee Incentive Plan. The Employee Incentive Plan is designed to provide long-term incentives for Directors and key management personnel to deliver long-term shareholder returns. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Options are granted under the plan for no consideration. Options granted under the plan carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share.

Options were issued prior to the Company completing its listing on the ASX and were issued under an exception in Chapter 2E of the Corporation's Act without shareholder approval.

During the prior year, a series of options were issued to Gregory Cochran, which are summarised below:

OPTIONS	Tranche A	Tranche B	Tranche C	Tranche D	Tranche E	Tranche F
Number of options	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Grant date	01-Dec-21	01-Dec-21	01-Dec-21	01-Dec-21	01-Dec-21	01-Dec-21
Issue price	-	-	-	-	-	-
Expiry date	30-Nov-25	30-Nov-25	30-Nov-25	30-Nov-25	30-Nov-25	30-Nov-25
Share price (cents)	10.57	10.57	10.57	10.57	10.57	10.57
Exercise price (cents)	20.00	20.00	20.00	20.00	20.00	20.00
Expected volatility	120%	120%	120%	120%	120%	120%
Option life (years)	4	4	4	4	4	4
Dividend yield	0%	0%	0%	0%	0%	0%
Risk-free interest rate	1.635%	1.635%	1.635%	1.635%	1.635%	1.635%
Fair value per option (cents)	7.38	7.38	7.38	7.30	7.13	6.93
Value per tranche \$	73,849	73,849	73,849	73,031	71,326	69,302
Vesting conditions	12 months continuous service	24 months continuous service	36 months continuous service	40c share price or higher for 10 consecutive days and 12 months continuous service	60c share price or higher for 10 consecutive days and 12 months continuous service	80c share price or higher for 10 consecutive days and 12 months continuous service

The value of options is expensed over the vesting period of the option, during the year \$146,022 was expensed (2022: \$109,277).

Shares in lieu of remuneration

During the prior year, the Company issued ordinary shares in consideration for accrued director fees valued at \$8,000. Shares were issued prior to the Company completing its listing on the ASX and were issued under an exception in Chapter 2E of the Corporation's Act without shareholder approval.

The number of securities and the fair value on the issue date is detailed below:

	1 December 2021	
	Shares received	Value of shares received
Alasdair Cooke	26,022	2,750
Gregory Fry	26,022	2,750
Steven Jackson	23,656	2,500
	75,700	8,000

*Equity instruments held by key management personnel
Share holdings*

	Balance at 1/07/2022	Acquisitions	Balance at 30/06/2023
Non-Executive Directors			
Peter Lester	100,000	-	100,000
Alasdair Cooke	19,888,053	-	19,888,053
Total non-executive directors	27,904,656	-	19,988,053
Executive Directors			
Gregory Cochran	801,564	223,436	1,025,000
Total KMPs	28,706,220	223,436	21,013,053

Options holdings

	Balance at 1/07/2022	Issued	Exercised	Balance at 30/06/2023	Vested and exercisable	Unvested Shares	Value yet to vest \$
Non-Executive Directors							
Peter Lester	-	-	-	-	-	-	-
Alasdair Cooke	-	-	-	-	-	-	-
Total non-executive directors	-	-	-	-	-	-	-
Executive Directors							
Gregory Cochran	6,000,000	-	-	6,000,000	1,000,000	5,000,000	179,807
Total KMPs	6,000,000	-	-	6,000,000	1,000,000	5,000,000	179,807

Loans to key management personnel

There were no loans made to key management personnel during the year ended 30 June 2023 (2022: nil).

Other transactions with related parties

The terms and conditions of the transactions with Directors, key executives and associates and their related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director related entities on an arm's length basis.

	Charges from:		Charges to:	
	2023 \$	2022 \$	2023 \$	2022 \$
Mitchell River Group Pty Ltd¹	148,609	88,278	-	-
Provision of a serviced office and admin staff				
EVE Health Group Ltd¹	1,470	-	-	-
Provision of admin staff				
Glenlaren Pty Ltd¹	774	-	-	-
Recharge of storage space				

¹ Companies associated with Mr Cooke.

Assets and liabilities arising from the above transactions

	2023 \$	2022 \$
Trade creditors	11,759	14,916

This is the end of the audited remuneration report.

Principal Activities

The principal activity of the Group during the financial year was mineral exploration.

There were no significant changes in the nature of the Group's principal activities during the financial year.

Operating Results

The operating loss of the Group attributable to equity holders of the Company for the year ended 30 June 2023 amounted to \$5,662,154 (2022: \$1,914,296).

Gain / Loss per Share

The basic loss per share for the Group for the year was 3.90 cents per share (2022: 1.84 cents per share).

Dividends Paid or Recommended

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

Events Since the End of the Financial Year

On 13 July 2023, the Company held a General Meeting to approve director participation in the Company's placement announced on 24 May 2023, as well as the issue of placement attaching options and adviser options. On 17 July 2023, the following securities were issued:

- 800,000 ordinary shares, at a placement price of 7.5 cents per share;
- 18,226,374 unlisted options exercisable at 15 cents expiring 30 June 2026 to placement participants; and
- 3,000,000 unlisted options exercisable at 15 cents expiring 30 June 2026 to Euroz Hartleys.

There are no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely Developments and Expected Results of Operations

The Group will continue pursue activities on its project in order to maximise shareholder returns.

Significant Changes in State of Affairs

In the opinion of the Directors, other than stated under Review of Operations, and Events Since the End of the Financial Year, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review and subsequent to the financial year end.

Corporate Governance Statement

The Company's Corporate Governance Statement for the year ended 30 June 2023 can be accessed from the Company's website at www.auroraenergymetals.com/corporate-governance.

Environmental Regulations

The Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes there are adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply.

The Group is not subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007.

Share Options/Rights

As at the date of this report, the following unlisted options were on issue:

Number of Options	Exercise Price (cents)	Expiry Date
6,000,000	20	30-Nov-25
2,852,220	30	11-May-25
21,226,374	15	30-Jun-26

Non-Audit Services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 14 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 14 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

	2023 \$	2022 \$
Audit services – BDO Audit (WA) Pty Ltd Audit or review of the financial statements	38,179	43,474
Other services – BDO Corporate Finance (WA) Pty Ltd Preparation of the Independent Limited Assurance Report	-	15,450
	38,179	58,924

Auditors Independence Declaration under Section 307c of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 42 and forms part of the Directors' Report for the year ended 30 June 2023.

Indemnifying Officers

The Group has paid insurance premiums in respect of Directors' and officers' liability, legal expenses and insurance contracts, for current Directors and Executives of the Group.

On behalf of the Board of Aurora Energy Metals Limited

Dated at Perth this 29 September 2023.

Signed in accordance with a resolution of the Directors.



Gregory Cochran
Managing Director

Directors' Declaration

AURORA ENERGY METALS AND ITS CONTROLLED ENTITIES

The Directors of the Company declare that:

- 1 The financial statements, comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and accompanying notes, are in accordance with the Corporations Act 2001; and
 - (a) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Consolidated Entity.
- 2 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.
- 3 In the Directors' opinion, the financial statements and notes are prepared in compliance with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board, as described in Note 1(a).
- 4 The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:



Gregory Cochran
Managing Director

Perth
29 September 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30th June 2023

	<i>Note</i>	2023 \$	2022 \$
Other income		-	-
Professional fees	3	(150,699)	(277,786)
Employee benefit expense	3	(449,290)	(273,988)
Exploration expenditure		(4,434,818)	(535,785)
Foreign exchange gain / (loss)		(535)	-
Share based payments expense	7	(146,035)	(477,213)
Other expenses	3	(480,777)	(349,524)
Loss before income tax		(5,662,154)	(1,914,296)
Income tax benefit / (expense)	8	-	-
Loss after income tax for the year		(5,662,154)	(1,914,296)
Loss is attributable to:			
Equity holders of the Company		(5,662,154)	(1,914,296)
Loss for the year		(5,662,154)	(1,914,296)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation reserve		43,529	(5,357)
Total other comprehensive loss for the year		43,529	(5,357)
Total comprehensive loss for the year		(5,618,625)	(1,919,653)
Loss per share for loss attributable to the ordinary equity holders of the Company:			
Basic and diluted earnings / (loss) per share (cents per share)	15	(3.90)	(1.84)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30th June 2023

	Note	2023 \$	2022 \$
Assets			
<i>Current assets</i>			
Cash and cash equivalents	4	3,553,657	7,317,279
Trade and other receivables		310,594	66,199
Total current assets		3,864,251	7,383,478
<i>Non-current Assets</i>			
Plant and equipment		419,285	2,376
Total non-current assets		419,285	2,376
Total assets		4,283,536	7,385,854
Liabilities			
<i>Current Liabilities</i>			
Trade and other payables	5	174,836	292,041
Total current liabilities		174,836	292,041
Total liabilities		174,836	292,041
Net assets		4,108,700	7,093,813
Equity			
Issued capital	6	13,983,556	11,496,079
Reserves		672,174	482,611
Accumulated losses		(10,547,030)	(4,884,877)
Total equity attributable to shareholders of the Company		4,108,700	7,093,813

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30th June 2023

	Contributed equity	Accumulated losses	Share-based payments reserve	Foreign currency translation reserve	Total equity
	\$	\$	\$	\$	\$
Total equity at 1 July 2022	11,496,079	(4,884,877)	477,213	5,398	7,093,813
Loss for the year	-	(5,662,154)	-	-	(5,662,154)
Foreign currency translation	-	-	-	43,529	43,529
Total comprehensive loss for the year	-	(5,662,154)	-	43,529	(5,618,625)
Transactions with owners in their capacity as owners:					
Share issue net of issue costs (see note 6)	2,487,477	-	-	-	2,487,477
Share based payments	-	-	146,035	-	146,035
	2,487,477	-	146,035	-	2,633,512
Total equity at 30 June 2023	13,983,556	(10,547,030)	623,248	48,926	4,108,700
	\$	\$		\$	\$
Total equity at 1 July 2021	3,068,678	(2,970,581)	-	10,755	108,852
Loss for the year	-	(1,914,296)	-	-	(1,914,296)
Foreign currency translation	-	-	-	(5,357)	(5,357)
Total comprehensive loss for the year	-	(1,914,296)	-	(5,357)	(1,919,653)
Transactions with owners in their capacity as owners:					
Share issue net of issue costs (see note 6)	8,427,401	-	-	-	8,427,401
Share based payments	-	-	477,213	-	477,213
	8,427,401	-	477,213	-	8,904,614
Total equity at 30 June 2022	11,496,079	(4,884,877)	477,213	5,398	7,093,813

The Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30th June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Cash paid to suppliers and employees		(1,132,847)	(757,792)
Payment for exploration and evaluation expenditure		(4,731,485)	(415,154)
Net cash used in operating activities	4	(5,864,333)	(1,172,946)
Cash flows from investing activities			
Purchase of property, plant and equipment		(418,479)	(2,878)
Net cash used in investing activities		(418,479)	(2,878)
Cash flows from financing activities			
Proceeds from the issue of share capital		2,673,956	8,801,500
Payment for share issue costs		(186,479)	(392,099)
Borrowings		-	10,000
Net cash provided by financing activities		2,487,477	8,419,401
Net increase in cash and cash equivalents		(3,795,335)	7,243,577
Cash and cash equivalents at beginning of year		7,317,279	79,059
Effect of exchange rates on cash holdings in foreign currencies		31,713	(5,357)
Cash and cash equivalents at 30 June	4	3,553,657	7,317,279

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

For the year ended 30th June 2023

1. Basis of preparation

a) Statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Interpretations) adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The financial report of the Company also complies with International Financial Reporting Standards ('IFRS') and interpretations as issued by the International Accounting Standards Board. Aurora Energy Metals Ltd is a for-profit entity for the purpose of preparing the financial statements.

b) New and amended standards adopted by the Group

There are no standard, interpretations or amendments to existing standards, issued by the Australian Accounting Standards Board ('AASB') that are effective for the first time for the financial year beginning 1 July 2022 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

c) Basis of measurement

The financial report is prepared on the historical cost basis, as modified by the revaluation of financial assets at fair value through the profit or loss.

d) Functional and presentation currency

The financial statements are presented in Australian dollars which is also the functional currency of the parent company. The Company's subsidiary has a United States dollars functional currency. For presentation purposes, the financial statements of the subsidiary is translated to Australian dollars at the closing rate on reporting date. Profit or loss items are translated on the prevailing rate on the date of transaction.

e) Going concern

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

For the year ended 30 June 2023 the Company recorded a loss from continuing operations of \$5,662,154 and had net cash outflows from operating activities of \$5,864,333. At 30 June 2023 the Company had working capital of \$3,689,415.

The Group's ability to continue as a going concern is dependent upon it maintaining sufficient funds for its operations and commitments. These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors consider the basis of going concern to be appropriate for the following reasons:

- the current cash balance of the Group relative to its fixed and discretionary commitments;
- given the Company's market capitalisation and the underlying prospects for the Group to raise further funds from the capital markets; and
- that further exploration activities may be slowed or suspended as part of the management of the Group's working capital.

The Directors are confident that the Group can continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis. Should the Company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

f) Use of significant estimates and judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 8 – Share-based payment arrangements – The Group measures the cost of equity settled share based payments at fair value at the grant date using either the Black-Scholes or Binomial option pricing model taking into account the exercise price, the term of the instrument, the impact of dilution, the share price at grant date, the expected volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the instrument. Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

2. Segment information

The Group operates only in one reportable segment, being exploration. Results are analysed as a whole by the chief operating decision maker. Consequently, revenue, profit net assets and total assets for the operating segment are reflected in this financial report.

3. Expenses from continuing operations

	2023 \$	2022 \$
Professional fees		
Audit fees	38,179	43,474
Tax consulting services	11,153	3,750
Legal costs	16,407	67,175
Corporate consultants	70,000	11,617
Other professional fees	14,960	151,770
	150,699	277,786
Employee benefit expense		
Wages	25,415	191,613
Directors fees	423,875	82,375
	449,290	273,988
Other expenses		
Corporate costs	279,671	142,767
Premises and insurance	112,217	55,624
Other operating expenses	29,655	69,911
	480,777	349,524

4. Cash and cash equivalents

	2023 \$	2022 \$
Cash at bank	3,553,657	7,317,279
	3,553,657	7,317,279

Reconciliation of profit or loss after income tax to net cash inflow from operating activities

	2023 \$	2022 \$
Profit / (loss) for the year	(5,662,154)	(1,914,296)
<i>Adjustments for:</i>		
Share based payment expense	146,035	477,213
Equity settled expenses	-	8,000
Depreciation expense	14,784	502
Operating loss before changes in working capital and provisions	(5,501,335)	(1,428,581)
(Increase)/decrease in trade and other receivables	(245,792)	(19,283)
(Decrease)/increase in trade and other payables	(117,205)	274,918
Net cash used in operating activities	(5,864,332)	(1,172,946)

Cash on hand and in banks and short-term deposits are stated at nominal value. For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within two working days, net of any outstanding bank overdrafts.

5. Trade and other payables

	2023 \$	2022 \$
Trade creditors	84,729	197,603
Other payables	90,107	94,438
	174,836	292,041

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group. The amounts are unsecured and are usually payable within 30 days of recognition.

6. Contributed equity

	2023 \$	2022 \$
Issued capital	14,562,134	11,888,178
Cost of share issue	(578,578)	(392,099)
	13,983,556	11,496,079

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in the proportion to the number and amount paid on the shares held.

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

Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Movement in share capital

2023		Number of shares	Issue price \$ cents	\$
01 Jul 2022	Opening Balance	142,610,990		11,496,079
01 Jun 2023	Placement	35,652,747	7.50	2,673,956
	Capital raising costs			(186,479)
30 June 2023	Closing balance	<u>178,263,737</u>		<u>13,983,556</u>
2022				
01 Jul 2021	Opening Balance	758,849,327		3,068,678
19 Nov 2021	Placement	15,253,594	1.32	201,500
25 Nov 2021	Placement	1,892,506	1.32	25,000
25 Nov 2021	Conversion of loan	757,002	1.32	10,000
01 Dec 2021	Conversion of accrued fees	605,603	1.32	8,000
24 Jan 2022	Placement	43,527,631	1.32	575,000
09 Feb 2022	Effect of 1-for-8 share consolidation	(718,274,673)	-	-
11 May 2022	Initial public offering	40,000,000	20.00	8,000,000
	Capital raising costs			(392,099)
30 June 2022	Closing balance	<u>142,610,990</u>		<u>11,496,079</u>

7. Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of a Black-Scholes or Binomial option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

	2023 \$	2022 \$
Employee options (a)	146,022	109,277
Lead manager options (b)	-	367,936
Shares in lieu (c)	-	8,000
	<u>146,022</u>	<u>485,213</u>

a) Employee options

The fair value of the options granted during the year as employee incentive options is nil (2022: \$435,206). The value is calculated based off the following inputs:

OPTIONS	Tranche A	Tranche B	Tranche C	Tranche D	Tranche E	Tranche F
Number of options	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Grant date	01-Dec-21	01-Dec-21	01-Dec-21	01-Dec-21	01-Dec-21	01-Dec-21
Issue price	-	-	-	-	-	-
Expiry date	30-Nov-25	30-Nov-25	30-Nov-25	30-Nov-25	30-Nov-25	30-Nov-25
Share price (cents)	10.57	10.57	10.57	10.57	10.57	10.57
Exercise price (cents)	20.00	20.00	20.00	20.00	20.00	20.00
Expected volatility	120%	120%	120%	120%	120%	120%
Option life (years)	4	4	4	4	4	4
Dividend yield	0%	0%	0%	0%	0%	0%
Risk-free interest rate	1.635%	1.635%	1.635%	1.635%	1.635%	1.635%

Fair value per option (cents)	7.38	7.38	7.38	7.30	7.13	6.93
Value per tranche \$	73,849	73,849	73,849	73,031	71,326	69,302
Vesting conditions	12 months continuous service	24 months continuous service	36 months continuous service	40c share price or higher for 10 consecutive days and 12 months continuous service	60c share price or higher for 10 consecutive days and 12 months continuous service	80c share price or higher for 10 consecutive days and 12 months continuous service

During the year \$146,022 (2022: \$109,277) of expense was recorded. The weighted average remaining contractual life of the options outstanding is 2.42 years (2022: 3.42 years). As at 30 June 2023, 1,000,000 employee options were vested and exercisable (2022: nil).

b) Broker options

No broker options were issued during the year. In May 2022, the Company issued 2,852,220 broker options in connection with the Company’s Initial Public Offering on the ASX. The fair value of the options was \$367,936. As options vested on issue, the entire \$367,936 was recorded as an expense in the period. The fair value of services received was unable to be measured reliably and consequently the fair value of instruments granted has been determined to reflect the value of services received.

The weighted average remaining contractual life of the options outstanding is 1.86 years (2022: 2.86 years).

c) Shares in lieu

No shares in lieu were issued during the year. On 1 December 2021, the Company issued ordinary shares in consideration for accrued director fees.

The number of securities (on a post-consolidation basis) and the fair value on the grant date is detailed below:

	1 December 2021	
	Shares received	Value of shares received
Alasdair Cooke	26,022	2,750
Gregory Fry	26,022	2,750
Steven Jackson	23,656	2,500
	75,700	8,000

Detailed remuneration disclosures are provided in the Directors’ Report on pages 16 - 21.

8. Income taxes

	2023	2022
Income tax expense / (benefit):	\$	\$
Current tax	-	-
Deferred tax	-	-
	-	-

Reconciliation of income tax expense/ (benefit) to prima facie income tax payable / (refundable):

Loss before income tax	
Prima facie income tax at 25%	
Tax effect of permanent differences	
Difference in overseas tax rates	
Movement in temporary differences	
Effect of tax loss not recognised as deferred tax assets	
Income tax expense / (benefit)	

2023	2022
\$	\$
(5,662,154)	(1,914,296)
(1,415,539)	(478,574)
39,366	148,400
(1,376,173)	(330,174)
(222,997)	(28,895)
(3,119)	(5,740)
1,602,289	364,809
-	-

Unrecognised net deferred tax assets (Domestic @ 25% & Foreign @ 30%):

Losses - revenue (Domestic)	
Losses - capital (Domestic)	
Losses - revenue (Foreign)	
Business Related Costs	
Provisions, accruals and other	

2023	2022
\$	\$
491,088	273,929
51,370	51,371
4,482,012	3,052,874
25,400	39,210
14,940	10,065
5,064,810	3,427,449

Unrecognised net deferred tax liabilities (Domestic @ 25% & Foreign @ 30%):

Prepayments (Domestic)	
------------------------	--

2023	2022
\$	\$
4,793	5,357
4,793	5,357

The tax benefits of the above deferred tax assets will only be obtained if:

- the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- the consolidated entity continues to comply with the conditions for deductibility imposed by law; and
- no changes in income tax legislation adversely affect the consolidated entity from utilising the benefits.

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

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

9. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed.

Risk management is carried out by the Company's CEO and financial controller under policies approved by the Board of Directors.

Foreign currency risk

The Group does not have significant foreign currency exposure; therefore, a percentage change in foreign currency exchange rates would not have a material impact on the results.

Interest rate risk

The Group does not have significant interest-bearing assets; therefore, a percentage change in interest rates would not have a material impact on the results.

Credit risk

The carrying amount of cash and cash equivalents, financial assets, trade and other receivables (excluding prepayments), represent the Group's maximum exposure to credit risk in relation to financial assets.

Cash and short term liquid investment are placed with reputable banks, so no significant credit risk is expected.

The Group does not have any material exposure to any single debtor or group of debtors, so no significant credit risk is expected.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit rates:

	2023 \$	2022 \$
Cash and cash equivalents A-1+	3,314,709	7,279,994
Cash and cash equivalents A-1	238,948	37,285
	<u>3,553,657</u>	<u>7,317,279</u>

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties. Surplus funds are only invested in instruments that are tradeable in highly liquid markets.

The table below analyses the Group's financial liabilities into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

Contractual maturities of financial liabilities

2023	Less than 6 months	6 - 12 months	Total contractual cash flows
Trade and other payables	174,836	-	174,836
	174,836	-	174,836
2022			
Trade and other payables	292,041	-	292,041
	292,041	-	292,041

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

10. Contingent assets and liabilities

There were no contingent liabilities or contingent assets at 30 June 2023.

11. Capital and other commitments

The Group was required to pay \$137,891 in August 2023 for the on-going renewal of claims at the Company's Aurora Energy Metals Project. The Group will be required to pay a similar amount in August 2024 and in further years should it wish to retain the existing claims.

There were no other commitments at 30 June 2023.

12. Events occurring after reporting date

On 13 July 2023, the Company held a General Meeting to approve director participation in the Company's placement announced on 24 May 2023, as well as the issue of placement attaching options and adviser options. On 17 July 2023, the following securities were issued:

- 800,000 ordinary shares, at a placement price of 7.5 cents per share;
- 18,226,374 unlisted options exercisable at 15 cents expiring 30 June 2026 to placement participants; and
- 3,000,000 unlisted options exercisable at 15 cents expiring 30 June 2026 to Euroz Hartleys.

There are no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

13. Related parties

a) Parent entity

The parent entity of the Group is Aurora Energy Metals Limited and is incorporated in Australia.

b) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described under note 17(a).

	Country of incorporation	Equity holding 30-Jun-23 %	Equity holding 30-Jun-22 %
Direct subsidiaries of the parent			
Oregon Energy LLC	USA	100	100

c) Key management personnel compensation

The totals of remuneration accrued to key management personnel of the Company and the Group during the year are as follows:

	2023 \$	2022 \$
Short-term employee benefits	404,279	242,863
Post-employment benefits	36,002	19,735
Equity compensation benefits	146,022	117,277
	586,302	379,875

d) Loans to key management personnel

There were no loans made to key management personnel during the year ended 30 June 2023 (2022: nil).

e) Other transactions with related parties

The terms and conditions of the transactions with Directors, key executives and associates and their related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director related entities on an arm's length basis.

	Charges from:		Charges to:	
	2023 \$	2022 \$	2023 \$	2022 \$
Mitchell River Group Pty Ltd¹	148,609	88,278	-	-
Provision of a serviced office and admin staff				
EVE Health Group Ltd¹	1,470	-	-	-
Provision of admin staff				
Glenlaren Pty Ltd¹	774	-		
Recharge of storage space				

¹ Companies associated with Mr Cooke.

f) Assets and liabilities arising from the above transactions

	2023 \$	2022 \$
Trade creditors	11,759	14,916

14. Remuneration of auditor

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

	2023 \$	2022 \$
Audit services – BDO Audit (WA) Pty Ltd		
Audit or review of the financial statements	38,179	43,474
Other services – BDO Corporate Finance (WA) Pty Ltd		
Preparation of the Independent Limited Assurance Report	-	15,450
	38,179	58,924

15. Earnings / loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary shareholders of \$5,662,154 (2022: \$1,914,296) and a weighted average number of ordinary shares outstanding during the financial year of 145,235,177 (2022: 104,107,017 on a post-consolidation basis) calculated as follows:

	2023 \$	2022 \$
Profit / (loss) attributable to ordinary shareholders		
Profit / (loss) for the year	(5,662,154)	(1,914,296)
Profit / (loss) attributable to ordinary shareholders	(5,662,154)	(1,914,296)
Basic profit / (loss) per share		
Basic loss per share (cents per share)	(3.90)	(1.84)
Diluted profit / (loss) per share		
Diluted profit / (loss) per share (cents per share)	n/a	n/a
Weighted average number of shares	145,235,177	104,107,017

Basic profit / loss per share

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

Diluted profit / loss per share

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

16. Parent company disclosures

	2023 \$	2022 \$
Current assets	3,864,251	7,271,162
Non-current assets	2,724	3,683
Total assets	3,866,975	7,274,845
Current liabilities	113,141	179,726
Total liabilities	113,141	179,726
Contributed equity	13,983,556	11,496,079
Reserves	623,248	477,213
Accumulated losses	(10,852,971)	(4,878,170)
Total equity	3,753,833	7,095,122
Loss for the year	(5,974,801)	(1,918,343)
Other comprehensive income / (loss) for the year	-	-
Total comprehensive loss for the year	(5,974,801)	(1,918,343)

No guarantees were entered into by the parent company during the year (2022: nil).

There were no commitments, contingent liabilities or contingent assets at the parent level at 30 June 2023 (2022: nil).

17. Significant accounting policies

a) Basis of consolidation

i. Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of a controlled entity of Aurora Energy Metals Limited ("Company" or "Parent Company") as at 30 June 2023 and the results of the controlled entity for the year then ended. Aurora Energy Metals Limited and its controlled entity together are referred to in this financial statement as the Group or the Consolidated Entity.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

ii. Transactions eliminated on consolidation

Intragroup balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

b) Foreign currency translation

i. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in the foreign currencies at the reporting date are translated to the functional currency at the foreign exchange ruling at that date. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Foreign exchange differences arising on the translation of monetary items are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

iii. Group Companies

The functional currency of the Company is Australian dollars and foreign operations in the Group have a functional currency of US Dollars.

The financial results and position of operations with a functional currency different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at exchange rates prevailing at the reporting date; and
- Income and expenses are translated at the exchange rates prevailing at the date of transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the Statement of Financial Position. These differences are recognised in the Statement of Profit or Loss and Other Comprehensive Income in the year the operation is disposed.

c) Impairment of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the

greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

d) Financial assets

The Group classifies its investments in the following categories: financial assets at cost, financial assets at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

i. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in the category if it is held principally for the purpose of selling in the short term. Assets in the category are classified as current assets.

ii. Impairment

The Group assesses at the end of each reporting year whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

e) Exploration and evaluation costs

The Group expenses exploration and evaluation expenditure as incurred in respect of each identifiable area of interest until a time where an asset is in development.

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area as well as the determination of the technical feasibility and commercial viability of extracting mineral resource.

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure.

f) Goods and services tax

Revenues, expenses and assets are recognised 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 which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

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 included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

g) Comparative figures

Prior year comparatives are for the year from 1 July 2021 to 30 June 2022.

h) New standards and interpretations not yet adopted

Australian Accounting Standards and Interpretations that have been recently issued or amended but are not yet effective have not been adopted by the Company for the annual reporting period ended 30 June 2023.

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Auditor's Independence Declaration



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DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF AURORA ENERGY METALS LIMITED

As lead auditor of Aurora Energy Metals Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Aurora Energy Metals Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Ashleigh Woodley', is written over a faint, large watermark that says 'For personal use only'.

Ashleigh Woodley
Director

BDO Audit (WA) Pty Ltd
Perth
29 September 2023

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Independent Auditor's Report



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INDEPENDENT AUDITOR'S REPORT

To the members of Aurora Energy Metals Limited

Report on the Audit of the Financial Report

Opinion

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

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

We 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.

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Material uncertainty related to going concern

We draw attention to Note 1(e) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Accuracy & Validity of Exploration and Evaluation Expenditure

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>During the year ended 30 June 2023, the Group incurred significant expenditure in relation to its exploration and evaluation activities as recognised within the consolidated statement of comprehensive income. Note 17(e) include related disclosures and associated accounting policies.</p> <p>This is a key audit matter due to the volume of transactions and significance of the exploration and evaluation expenditure incurred during the year.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining a schedule of tenements held by the Group and testing on a sample basis whether the rights to tenure to which expenditure relates remained current at balance date; • Testing on a sample basis, exploration and evaluation expenditure to supporting documentation considering the nature and the validity of expenditure; and • Assessing the adequacy of related disclosures within the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information contained in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 21 of the directors' report for the year ended 30 June 2023.

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

Responsibilities

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

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Ashleigh Woodley', is written over a faint, stylized 'BDO' logo.

Ashleigh Woodley

Director

Perth, 29 September 2023

ASX Additional Information

1. Exchange listing

Aurora Energy Metals Limited shares are listed on the Australian Securities Exchange. The Company's ASX code is 1AE.

2. Substantial shareholders (holding not less than 5%)

The following substantial shareholders have lodged relevant disclosures with the Company.

Name of Shareholder	Number of shares held
MR ALASDAIR COOKE	19,888,053
PARADICE INVESTMENT MANAGEMENT PTY LTD	11,399,031
TERRA METALLICA NOMINEES PTY LTD <TERRA METALLICA A/C>	10,836,353
MR LAURITZ BARNES	10,113,769
MR DANIEL DAVIS	9,150,543

3. Class of shares and voting rights

At 5 September 2023, there were 1,445 holders of 179,063,737 ordinary fully paid shares of the Company. The voting rights attaching to the ordinary shares are in accordance with the Company's Constitution being that:

- each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid Share held by them, or in respect of which they are appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares, shall, have such number of votes as bears the proportion which the paid amount (not credited) is of the total amounts paid and payable (excluding amounts credited).

4. Distribution of shareholders

Range	Securities	Number of holders	% IC
100,001 and Over	155,543,471	227	86.86
10,001 to 100,000	20,475,582	547	11.43
5,001 to 10,000	1,733,610	232	0.97
1,001 to 5,000	1,301,642	410	0.73
1 to 1,000	9,432	29	0.01
	179,063,737	1,445	100.00
Unmarketable Parcels	2,083,770	563	1.31

5. Unlisted securities

Securities	Number on issue	Number of holders	Holders with 20% or more	Number held
Unlisted options exercisable at 30 cents on or before 11/05/2025	2,852,220	1	ZENIX NOMINEES PTY LTD	2,852,220
Unlisted options exercisable at 20 cents on or before 30/11/2025	6,000,000	1	n/a	n/a
Unlisted options exercisable at 15 cents on or before 30/06/2026	21,226,374	81	n/a	n/a

6. Restricted securities

	Shares	Restriction Period	Number held
Escrowed Shares		16 May 2024	19,856,808
Options		16 May 2024	2,852,220
Options		30 November 2025	6,000,000

7. Use of funds

Since the time of listing on the ASX, the entity has used its cash and assets in a form readily converted to cash that it had at the time of admission to the official list of the ASX in a manner which is consistent with its business objectives.

8. Listing of 20 largest shareholders as at 5 September 2023

Rank	Name	Number of shares held	% IC
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	18,388,019	10.27
2	TERRA METALLICA NOMINEES PTY LTD <TERRA METALLICA A/C>	8,427,959	4.71
3	MR ALASDAIR CAMPBELL COOKE	7,503,428	4.19
4	UBS NOMINEES PTY LTD	6,750,000	3.77
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <GSCO CUSTOMERS A/C>	6,000,000	3.35
6	HARTREE PTY LTD	4,803,341	2.68
7	MR GREGORY FRY	4,469,227	2.50
8	GLENLAREN PTY LTD <GLENLAREN SUPER A/C>	3,541,667	1.98
9	GLENLAREN PTY LTD <GLENLAREN A/C>	3,505,550	1.96
10	CITICORP NOMINEES PTY LIMITED	3,470,565	1.94
11	MR DONAL PAUL WINDRIM	2,925,082	1.63
12	MR JOHN CAMPBELL SMYTH & DR ANN HOGARTH <SMYTH SUPER FUND A/C>	2,600,000	1.45
13	GEARED INVESTMENTS PTY LTD	2,545,230	1.42
14	MR STEVEN LUKE JACKSON	2,485,407	1.39
15	MR RAAJ SHAH	2,344,819	1.31
16	MR MIROSLAW JAN MARZEC & MRS BARBARA ANNE WISZNIEWSKI <MARZEC FAMILY S/FUND A/C>	2,050,000	1.14
17	MR STACEY RADFORD	2,021,896	1.13
18	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,599,779	0.89
19	MR BENEDICT JAMES ROHR	1,444,626	0.81
20	TREPANIER PTY LTD <BAYJE A/C>	1,396,559	0.78
		88,273,154	49.30

9. Buy-back

There is no current on-market buy-back of the Company's securities.

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