

For personal use only

TAITON
— RESOURCES LIMITED

ABN 41 062 284 084

Annual Report 2024

DIRECTORS: Datuk Siak Wei Low (Chairman)
Noel Kok Jin Ong
Chee Cheong (David) Low
Florence Drummond

COMPANY SECRETARY: Ian Gregory

REGISTERED OFFICE: Level 13, 200 Queen Street
Melbourne,
Victoria 3000

Tel: +61 (3) 8648 6431

AUDITORS: **William Buck**
Level 20, 181 William Street
Melbourne
Victoria 3000

SHARE REGISTRY: **Automic Group**
Level 5, 126 Phillip Street,
Sydney
NSW 2000
Tel: 1300 288 664 (within Australia)
Int: +61 (2) 96985414

This Annual Report covers the Group comprising Taiton Resources Limited and its subsidiaries. The functional currency of Taiton Resources Limited and its subsidiaries is Australian Dollars (\$). A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Directors' Report.

DIRECTORS' REPORT

The directors of Taiton Resources Limited ("**Taiton**", "**Parent Entity**" or "**Company**") present their report including the consolidated Annual Financial Report of the Company and its controlled entities ("**Group**") for the year ended 30 June 2024. The Company is a public company limited by shares, incorporated and domiciled in Australia.

DIRECTORS

The names of the directors of the Company in office at any time during or since the end of the financial year and up to the date of this Annual Financial Report are as follows:

Datuk Siak Wei Low
Noel Kok Jin Ong
David Chee Cheong Low
Mark William Strizek (resigned 1 February 2024)
Florence Athalia Drummond

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were mineral exploration and evaluation of mineral tenements. There were no significant changes in the nature of the principal activities of the Group during the financial year.

OPERATING RESULTS

The consolidated operating loss of the Group, after income tax expense, amounted to \$1,671,748 (2023: loss \$1,954,837).

REVIEW OF OPERATIONS

Taiton has a portfolio of projects across South Australia, New South Wales and Western Australia, comprising the following:

- (a) **Challenger West Project** – total tenement land holding of 997 sq km and application for additional 861 sq km of new tenement, both in South Australia ;
- (b) **Highway Project** – total tenement land holding of 2,930 sq km, located in South Australia;
- (c) **Kingsgate High Purity Quartz Project** – total tenement land holding of 294.1 sq km, located in New South Wales;
- (d) **Lake Barlee Project** – total tenement land holding of 668.7 sq km and application for additional 192.2 sq km of new tenement, both located in Western Australia.

Challenger West

The Challenger West Project measures approximately 997 sq km and is located within 40 km from the Challenger Gold Mine. During the financial year, the Company completed its maiden Ultrafine (UF) Soil Sampling program at the initial three prospects within Challenger West. The results of the UF soil sampling in Area 1 highlighted multi-element (including Au) anomalism across multiple targets with gold anomalism coincident with interpreted structures in a geological setting analogous to Challenger Mine Deposit. Area 1 in Figure 1 below is approximately 40 km from the Challenger Gold Mine.

Application was immediately made to the South Australian Department of Energy and Mining for additional 861 sq km tenement adjacent to the Challenger West Project. This would increase out footprint at Challenger West to 1,858 sq km.

DIRECTORS' REPORT

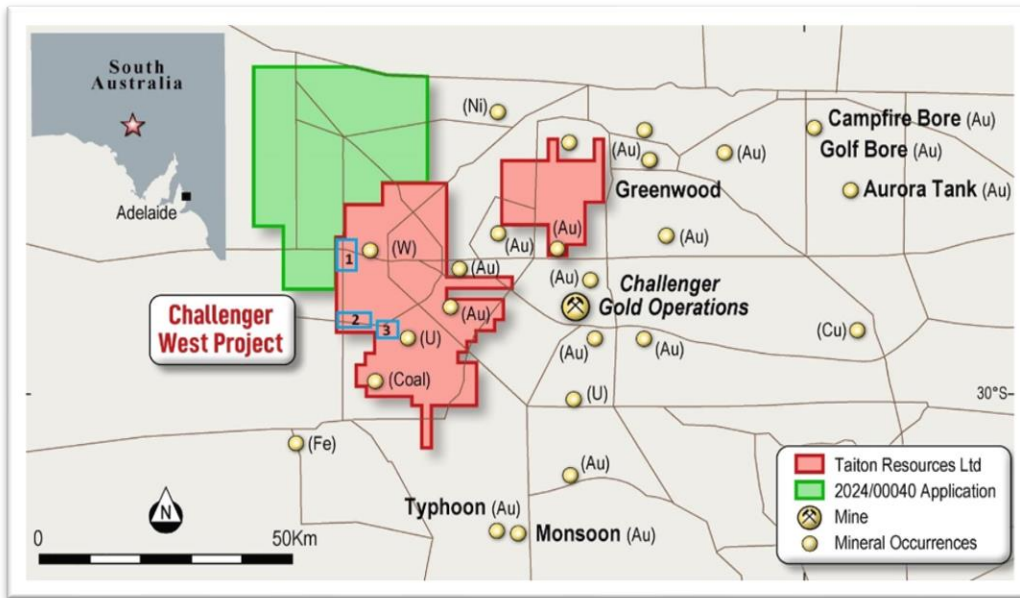


Figure 1 – UF soils sampling tests location and existing and new tenement application location

Highway Project

The Highway Project comprises of 4 tenements with total land holdings of 2,930 sq km and is situated approximately 590 km from the South Australian state capital of Adelaide and 186 km north of Port Augusta and is bisected by the Stuart Highway (A87).

During the financial year, the Company undertook 2 drilling programs at the Merino Prospect within the Highway Project for a total of 4,958 m across 38 reverse circulation (RC) drill holes. The drilling programs highlighted over 1,000m width of mineralisation with broad spaced low level (>100 ppm Mo) molybdenum mineralisation intersected over a strike >1km.

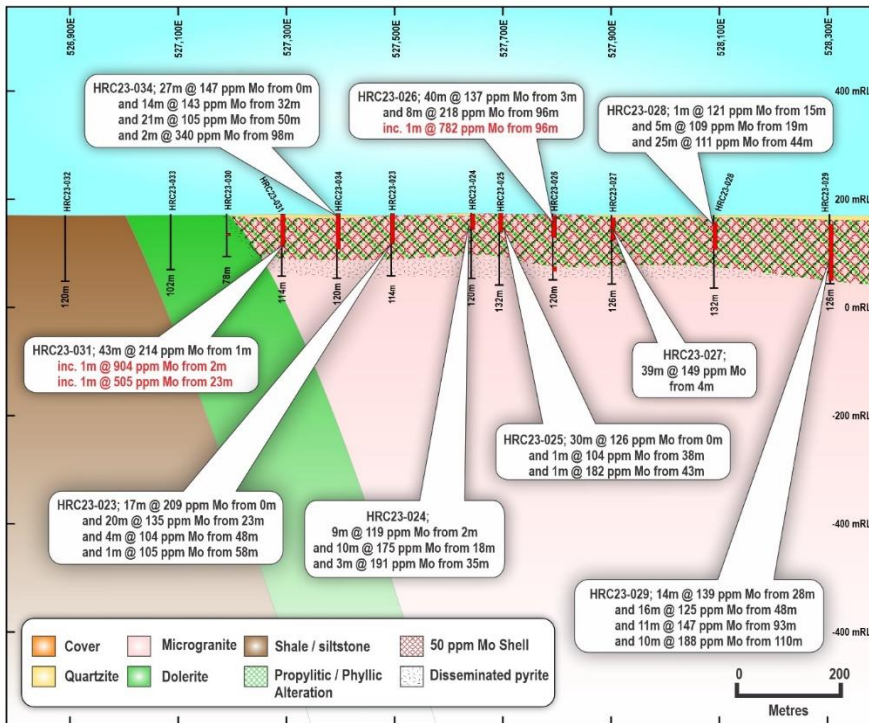


Figure 2. Merino cross section 6,621,300 N highlighting >100 ppm Mo drill hole intersects (red box's) within a broader envelope of anomalous molybdenum (>50 ppm Mo).

DIRECTORS' REPORT

Further reconnaissance exploration has identified the high priority Garfield prospect approximately 8km to the south-southeast of Merino whereby large scale UltraFine (UF) soil sampling program was undertaken across three prospects; Garfield, Snoopy and Pluto.

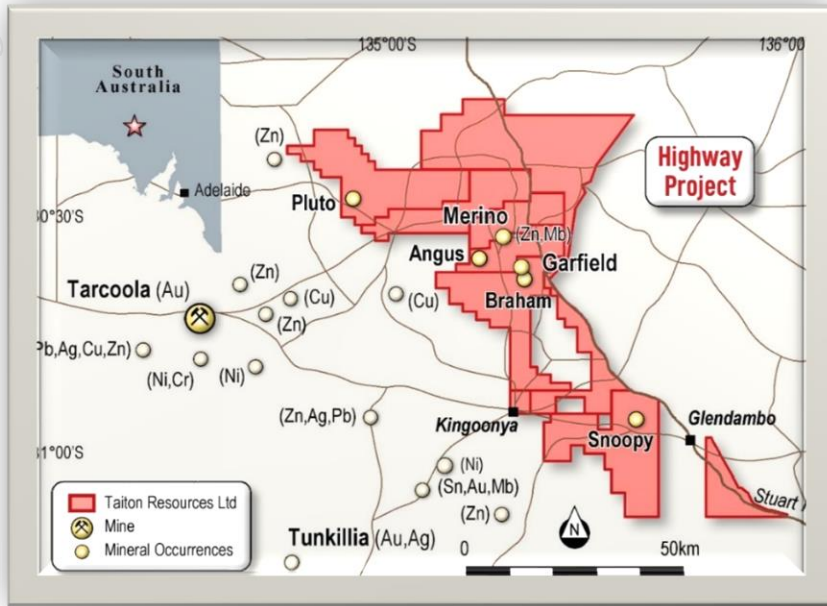


Figure 3. Location of prospects within Highway Project

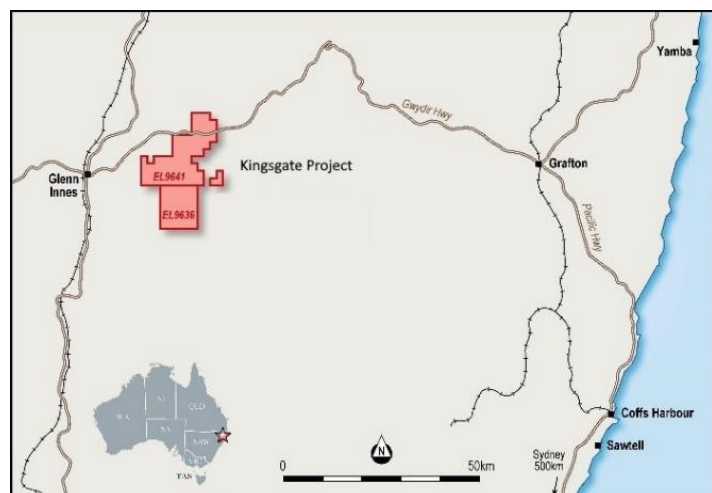
The program consisted of a total of 1,197 samples (ex QAQC samples) and was Taiton's first pass field-based assessment of selected prospects identified primarily from geophysical datasets.

The UF program was successful in identifying multi-element anomalism across the three prospects and provide further support for the various mineralisation styles Taiton is pursuing within the Highway project. A recent litho-structural interpretation of the Highway project highlighted the potential for multiple mineralisation styles derived from intrusive activity. These mineralisation styles include epithermal gold, molybdenum porphyry, and Iron-Oxide-Copper-Gold (IOCGs).

Kingsgate High Purity Quartz Project

During the financial year, the Company applied and received approval for Exploration Licence Application ELA6699 which is now EL 9636 (Figure 4) from Mining, Exploration and Geoscience - Department of Regional NSW. EL9636 measures 104.7 sq.km and is located approximately 20km east of Glen Innes (pop. 6,155), the main town in the Northern Highlands of New South Wales. Glen Innes is approximately 600km north of Sydney situated on a major highway between Sydney and Brisbane.

Figure 4: Location of the Kingsgate Project



DIRECTORS' REPORT

EL 9636 was identified as being prospective for high-grade Molybdenum and high-purity quartz. Historical data has been obtained and are now being processed. There has been extensive work by Auzex Resources Limited (**Auzex**) (ASX: AZX), between 2006 and 2010 and this has been released on the Australian Securities Exchange (**ASX**). Auzex is no longer listed on the ASX. According to reports by Auzex, there are almost 100 quartz pipes are known to exist (over 50 pipes having been production in the past).

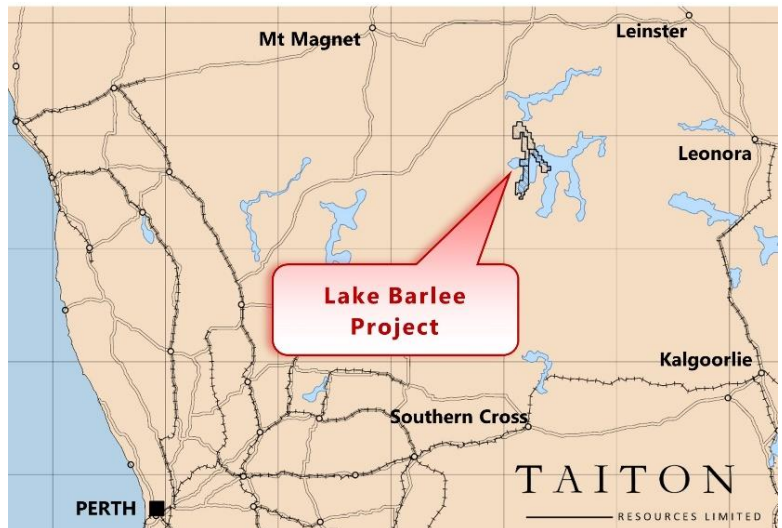
The Company is now awaiting signing of land access agreements in order to commence exploration of the Kingsgate Project.

Lake Barlee Project

Lake Barlee holds holds four large tenements that straddle Lake Barlee, which is located in the Yilgarn and lies approximately 65 km southeast of Youanmi and 293 km north of the mining town of Southern Cross.

The tenements consist of 4 adjoining tenements which together total about 668 square kilometres.

No further work has been undertaken pending heritage cultural clearance.



DIVIDENDS

No dividends have been paid or declared since the start of the financial year. The directors have recommended that no dividend be paid in respect of the year ended 30 June 2024.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year, there were no significant changes to the state of affairs of Taiton other than disclosed above in Review of Operations.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

In 2025, the Group intends to focus on the exploration of its Challenger Project, Highway Project, Kingsgate Project and Lake Barlee Project. The Group will also look for other opportunities that will create value for its shareholders.

SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to the financial year, the Company received the approval from the Department of Mines and Energy in South Australia for EL7012 (formerly ELA 2024/00040) for a total of 861 sq km. In addition, infill UltraFine sampling at Challenger West has defined multiple gold targets whilst the gravity survey completed at Pluto and Yogi-Garfield prospects has identified anomalism up to 6 mGal to support for IOCG targets at Highway Project. The Company also announced a capital raising exercise to raise up to \$4.5 million via placement of up to 30 million new shares at the issue of price of \$0.15 per share. Subject to approval of shareholders, the placees will receive 1 free option for every 3 new shares subscribed and the options carry an exercise price of \$0.20 per share and expires on 30 June 2027.

DIRECTORS' REPORT

MATERIAL RISKS AND UNCERTAINTIES

The Company, like all companies, faces risks inherent in its business and activities. These risks are both specific to the Group and also relate to general business and economic climate. The following is a list of risks which the Directors believe are or potentially will be material to the Group's business, however, this is not a complete list of all risks which the Group is or may be subject to.

Neither the Directors, the Company nor any person associated with the Company can guarantee the performance of the Company.

Group Specific Risks

Rights of First Nations People

In relation to the claims which the Group has an interest in or will in the future acquire such an interest, there may be areas over which certain native title, heritage or cultural rights exist. If rights do exist, the ability of the Group to gain access to the claims (through obtaining consent of any relevant landowner) or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Directors will closely monitor the potential effect of native and heritage/cultural matters involving claims in which the Group has or may have an interest.

Climate Risk

There are a number of climate-related factors that may affect the operations and proposed activities of the Group. The climate change risks particularly attributable to the Group 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 Group 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 Group and its profitability. While the Group will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Group will not be impacted by these occurrences; and
- (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Group, 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 Group operates.

Industry Specific Risks

Exploration Costs

The exploration budget of the Group is prepared based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely impact the Group's viability.

Resource and Reserves and Exploration Targets

The Group has identified a number of exploration targets based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. Insufficient data however, exists to provide certainty over the extent of the mineralisation. Whilst the Group intends to undertake additional exploratory work with the aim of defining a resource, no assurances can be given that additional exploration will result in the determination of a resource on any of the exploration targets identified. Even if a resource is identified no assurance can be provided that this can be economically extracted.

Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice.

DIRECTORS' REPORT

Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.

Grant of future authorisations to explore and mine

If the Group discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licence and permits before it will be able to mine the deposit. There is no guarantee that the Group will be able to obtain all required approvals, licenses and permits. To the extent that required authorisations are not obtained or are delayed, the Group's operational and financial performance may be materially adversely affected.

Mine Development

Possible future development of mining operations at the Projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Group commences production on one of the Projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Group. No assurance can be given that the Group will achieve commercial viability through the development of the Projects.

The risks associated with the development of a mine will be considered in full should the Projects reach that stage and will be managed with ongoing consideration of stakeholder interests.

Environmental

The operations and proposed activities of the Group are subject to the relevant local laws and regulations concerning the environment. As with most exploration projects and mining operations, the Group's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Group's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Group's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Group for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Group's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

Regulatory Compliance

The Group's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Group requires permits from regulatory authorities to authorise the Group's operations. These permits relate to exploration, development, production and rehabilitation activities.

DIRECTORS' REPORT

While the Group believes that it is in substantial compliance with all material current laws and regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Group or its properties, which could have a material adverse impact on the Group's current operations or planned development projects.

Obtaining necessary permits can be a time-consuming process and there is a risk that the Group will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Group from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Group's activities or forfeiture of one or more of the claims.

Reliance on Key Personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Group depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Group if one or more of these employees cease their employment.

The Group's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Group's business.

Additional requirements for Capital

The funds raised under its initial public offering are considered sufficient to meet the immediate objectives of the Group. Additional funding may be required in the event costs exceed the Group's estimates and to effectively implement its business and operational plans in the future to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Group may incur. If such events occur, additional funding will be required.

In addition, should the Group consider that its exploration results justify further expenditure, additional funding will be required to implement the Group's development plans, the quantum of which remain unknown at the date of this report. Following completion of the Public Offer, the Group may seek to raise further funds in the future through equity or debt financing, joint ventures, licensing arrangements, or other means. Failure to obtain sufficient financing for the Group's activities may result in delay and indefinite postponement of their activities and the Group's proposed expansion strategy. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to the Group and might involve substantial dilution to Shareholders.

Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Group, as well as on its ability to fund its operations. If activities cannot be funded, there is a risk that the Projects may have to be surrendered or not renewed. General economic conditions may also affect the value of the Group and its valuation regardless of its actual performance.

Competition Risk

The industry in which the Group will be involved is subject to domestic and global competition. Although the Group will undertake all reasonable due diligence in its business decisions and operations, the Group will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Group's projects and business.

Market Conditions

Share market conditions may affect the value of the Company's Shares regardless of the Group's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) introduction of tax reform or other new legislation;
- (c) interest rates and inflation rates;

DIRECTORS' REPORT

- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

The market price of Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Group nor the Directors warrant the future performance of the Group or any return on an investment in the Company.

Commodity Price Volatility

The Group's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to, general economic conditions including the performance of the Australian dollar on world markets, inflation rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-Group specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

The prices at which Shares trade may fluctuate in response to a number of factors.

Government Policy Changes

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Group. It is possible that the current system of exploration and mine permitting in Western Australia or South Australia may change, resulting in impairment of rights and possibly expropriation of the Group's properties without adequate compensation.

Insurance

The Group intends to insure its operations in accordance with industry practice. However, in certain circumstances the Group's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Group.

Insurance of all risks associated with is the Group's business may not always available and where available the costs can be prohibitive.

Force Majeure

The Group's projects now or in the future may be adversely affected by risks outside the control of the Group including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Litigation Risks

The Group is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Group may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Group's operations, reputation, financial performance and financial position. The Group is not currently engaged in any litigation.

Environmental impact

The exploration undertaken on the Group's combined tenements in Western Australia and South Australia to date has not created significant environmental issues. However, environmental issues will arise as and when the moves into development and production and these issues will be thoroughly assessed at the time any mining authority is sought.

DIRECTORS' REPORT

Measures are undertaken pre and post drilling to ensure that the environmental impact is minimised. The work undertaken to date has produced minimal impact on the environment. No issues regarding compliance were encountered during the reporting year.

INFORMATION ON DIRECTORS AND EXECUTIVES

Name: Datuk Siak Wei Low (Age 65)
Title: Non-Executive Chairman
Experience and expertise: Datuk Siak Wei Low is the Chief Executive Officer of Sepangar Bay Power Corporation Sdn Bhd, an independent power producer company which owns and operates a 100MW gas-fired power plant in Sabah, Malaysia. He is also President of several companies in Indonesia and Laos which are developing hydro power projects in Northern Sumatera and Laos with a total capacity of 1,680 MW.
Datuk Siak Wei Low is a Fellow of CPA Australia and alumni member of Harvard Business School.
Other current directorships: Nil
Former directorships (last 3 years): Nil
Interest in shares 24,211,896 shares (of which 5,050,000 are escrowed to 19 December 2024)
Interest in options 2,228,700 options which are escrowed to 19 December 2024

Name: Noel Ong (Age 54)
Title: Executive Director
Experience and expertise: Noel Ong is a geologist with over 30 years of experience in the resource industry. He has extensive mineral exploration and project management experience in the gold, lithium, iron ore (hematite and magnetite), tantalum and the diamond industry. Since 1992, Noel has worked predominantly in the goldfields of Western Australia, Pilbara iron ore fields and the Northern Territory. He has worked with Ashton Mining, Great Central Mines, and held management roles with API Management, Galaxy Resources, Citic Pacific Mining and Silver Lake Resources. Noel is a member of the AusIMM and the Australian Institute of Geoscientists.
Other current directorships: Nil
Former directorships (last 3 years): Nil
Interest in shares 4,255,513 shares (of which 3,980,000 are escrowed to 19 December 2024)
Interest in options 1,000,000 options which are escrowed to 19 December 2024 and 2,000,000 performance rights

Name: Chee Cheong (David) Low (Age 54)
Title: Executive Director
Experience and expertise: David Low is a CPA and was previously an investment banker in Asia for more than 10 years and had advised on various mergers and acquisitions, initial public offerings, fund raising (both debt and equity) and during the Asian Financial Crisis, corporate and debt restructuring.
David Low is currently director of JCL Capital Pty Ltd, a boutique corporate advisory house specialising in cross border corporate finance activities and bridging Australia and Asia.
Other current directorships: Nil
Former directorships (last 3 years): VIP Gloves Ltd
Interest in shares 4,168,000 shares (of which 4,067,560 are escrowed to 19 December 2024)
Interest in options 1,000,000 options which are escrowed to 19 December 2024 and 2,000,000 performance rights

DIRECTORS' REPORT

Name: Florence Drummond (Age 40)
Title: Non-Executive Director
Experience and expertise: Florence Drummond leads Innova Consultancy, specialising in stakeholder engagement across the minerals value chain. Recognised as an influential woman in the mining industry, Florence is an entrepreneur, thought leader, international speaker, and industry advisor. She has contributed to Indigenous stakeholder engagement and value chain efficiency and have significantly impacted the mining and resources sector.

Florence serves on the boards of the Centre for Australia India Relations and the Australian Saudi Business Forum. Her work in the areas of ESG, Sustainable Development Goals, and United Nations agendas emphasises the integration of global mechanisms with local solutions, reinforcing her commitment to sustainability and Indigenous leadership within the minerals industry.

Other current directorships: Nil
Former directorships (last 3 years): Nil
Interest in shares: Nil
Interest in options: 300,000 options which are escrowed to 19 December 2024

"**Other Current Directorships**" quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

"**Former Directorships in The Last Three Years**" quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

IAN GREGORY B.BUS, FGIA, FCG, MAICD

COMPANY SECRETARY
APPOINTED: 21 MAY 2009

Ian Gregory has over 30 years' experience in the provision of company secretarial and business administration services to listed and unlisted companies. Companies for which Ian has acted as Company Secretary include Iluka Resources Limited, IJB Australia Bank Limited and the Griffin Coal Mining Group of companies. He currently consults on secretarial and governance matters to a number of listed and unlisted companies. Ian is a past member and Chairman of the Western Australian Branch Council of Governance Institute of Australia (GIA) and has also served on the National Council of GIA.

KAH HUI TAN B.COMM (HONS)

CHIEF FINANCIAL OFFICER
APPOINTED: 19 DECEMBER 2022

Mr Tan has over 25 years' experience as a Chartered Accountant having previously managed his own chartered accounting practice providing management, accounting and taxation advice to a wide range of clients. He graduated from UWA with a B.Comm (Hons).

He has served as a company director and company secretary on several listed companies engaged in the mining and resources sector in Australia, including Mt Kersey Mining NL and Johnson's Well Mining NL. He was formerly the Executive Director of Siburan Resources Limited (ASX: SBU).

DIRECTORS' REPORT

DIRECTORS' MEETINGS

The number of meetings of directors held during the financial year and the number of meetings attended by each director were as follows:

| | Number eligible to attend | Number attended |
|--------------------|---------------------------|-----------------|
| Datuk Siak Wei Low | 3 | 3 |
| Noel Ong | 3 | 3 |
| David Low | 3 | 3 |
| Mark Strizek | 2 | 2 |
| Florence Drummond | 3 | 3 |

Number eligible to attend represents the number of meetings held during the time the director held office.

COMPENSATION OPTIONS: GRANTED AND VESTED

No options were granted during the year. As at 30 June 2024, there are a total of 5,600,00 Options over unissued shares and 6,000,000 Performance Rights issued by the Company to Board and Management under the Company's Employee Securities Incentive Plan. The Employee Securities Incentive Plan and Options and Performance Rights were approved by the shareholders of the Company at a general meeting held on 5 August 2022. The options are exercisable at \$0.25 per share and expires on 9 December 2024 whilst the Performance Rights expires on 11 December 2027.

REMUNERATION REPORT (AUDITED)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

Remuneration Policy

The board policy is to remunerate directors at market rates for time, commitment, experience and responsibilities. Due to the small size of the Group there is no separate remuneration committee, with these functions undertaken by the Board. In this capacity, the Board determines payments to the directors and reviews their remuneration annually, based on market price, duties and accountability. Independent external advice is sought when required. No advice was sought during the financial year.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

DIRECTORS' REPORT

Non-executive Director's remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

In accordance with the Constitution, the total maximum remuneration of non-executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum is made by the Board having regard to the inputs and value to the Group of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has three components:

- base pay and non-monetary benefits
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or others where it does not create any additional costs to the Group and provides additional value to the executive.

Use of remuneration consultants

During the current and prior financial period, the Group did not employ the services of a remuneration consultant.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following directors and chief financial officer of Taiton Resources Limited :-

- Datuk Siak Wei Low
- Noel Kok Jin Ong
- Chee Cheong (David) Low
- Mark Strizek (Resigned 1 February 2024)
- Florence Drummond
- Kah Hui Tan

DIRECTORS' REPORT

Details of the nature and amount of each element of the remuneration of each Key Management Personnel ("KMP") of Taiton Resources Limited are shown in the table below:

| 2024 | Short Term Benefits | | Post Employment Benefits | Long-term benefits | Share based payments | Total |
|----------------------------------|----------------------|-----------------------|--------------------------|--------------------|----------------------------|-----------|
| | Cash Salary and Fees | Non-monetary benefits | # Super-annuation | Long Service Leave | Options/Performance Rights | |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| <i>Non-Executive Directors</i> | | | | | | |
| Datuk Siak Wei Low | 60,000 | - | 6,600 | - | - | 66,600 |
| Mark Strizek ^c | 24,500 | - | 2,695 | - | - | 27,195 |
| Florence Drummond | 42,000 | - | - | - | - | 42,000 |
| <i>Executive Directors</i> | | | | | | |
| Noel Kok Jin Ong* ^{a b} | 262,250 | - | 19,800 | - | 127,543 | 409,593 |
| Chee Cheong (David) Low* | 180,000 | - | 6,600 | - | 127,543 | 314,143 |
| <i>Management</i> | | | | | | |
| Kah Hui Tan * | 123,256 | - | 13,200 | - | 127,542 | 263,998 |
| | 692,006 | - | 48,895 | - | 382,628 | 1,123,529 |

* Please note that equity-settled component of remuneration is a non-cash transaction

a – includes fees paid for investor and media promotion work of \$61,000 and \$21,250 for hire of his Ute & Camper by the company

b - \$90,000 of cash salaries and fees were capitalised to exploration and evaluation

c – Up to 1 February 2024.

- Superannuation are paid in whereby there is pay as you go (PAYG) withholding

| 2023 | Short Term Benefits | | Post Employment Benefits | Long-term benefits | Share based payments | Total |
|----------------------------------|----------------------|-----------------------|--------------------------|--------------------|----------------------------|-----------|
| | Cash Salary and Fees | Non-monetary benefits | # Super-annuation | Long Service Leave | Options/Performance Rights | |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| <i>Non-Executive Directors</i> | | | | | | |
| Datuk Siak Wei Low | 32,097 | - | 3,371 | - | 104,160 | 139,628 |
| Mark Strizek | 22,468 | - | 2,359 | - | 26,040 | 50,867 |
| Florence Drummond | 22,468 | - | - | - | 26,040 | 48,508 |
| <i>Executive Directors</i> | | | | | | |
| Noel Kok Jin Ong* ^{c d} | 172,187 | - | - | - | 241,397 | 413,584 |
| Chee Cheong (David) Low* | 132,565 | - | 7,179 | - | 241,397 | 381,141 |
| <i>Management</i> | | | | | | |
| Kah Hui Tan * | 96,977 | - | 6,740 | - | 241,397 | 345,114 |
| | 478,762 | - | 19,649 | - | 880,431 | 1,378,842 |

* Please note that equity-settled component of remuneration is a non-cash transaction

c- includes fees paid for investor and media promotion work of \$35,000 and \$40,897 for rent of his property by the company

d- \$45,000 of cash salaries and fees were capitalised to exploration and evaluation

- Superannuation are paid in whereby there is pay as you go (PAYG) withholding

DIRECTORS' REPORT

The proportion of remuneration linked to performance and the fixed proportion are as follows:

| Name | Fixed Remuneration 2024 | Equity Settled Remuneration 2024 | Fixed Remuneration 2023 | Equity Settled Remuneration 2023 |
|--------------------------------|-------------------------------|--|-------------------------------|--|
| <i>Non-Executive Directors</i> | | | | |
| Datuk Siak Wei Low | 100% | - | 25% | 75% |
| Mark Strizek | 100% | - | 49% | 51% |
| Florence Drummond | 100% | - | 46% | 54% |
| <i>Executive Directors</i> | | | | |
| Noel Kok Jin Ong | 69% | 31% | 42% | 58% |
| Chee Cheong (David) Low | 59% | 41% | 37% | 63% |
| <i>Management</i> | | | | |
| Kah Hui Tan | 52% | 48% | 30% | 70% |

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Noel Kok Jin Ong
 Title: Executive Director
 Agreement commenced: 19 December 2022 (upon listing on the ASX)
 Details: \$180,000 per annum. 6 months' termination notice

Name: Chee Cheong (David) Low
 Title: Executive Director
 Agreement commenced: 19 December 2022 (upon listing on the ASX)
 Details: \$180,000 per annum. 6 months' termination notice.

Name: Datuk Siak Wei Low
 Title: Non-Executive Chairman
 Agreement commenced: 19 December 2022 (upon listing on the ASX)
 Details: \$60,000 per annum.

Name: Mark Strizek
 Title: Non-Executive Director
 Agreement commenced: 19 December 2022 (upon listing on the ASX)
 Details: \$42,000 per annum.

Name: Florence Drummond
 Title: Non-Executive Director
 Agreement commenced: 19 December 2022 (upon listing on the ASX)
 Details: \$42,000 per annum.

Name: Kah Hui Tan
 Title: Chief Financial Officer
 Agreement commenced: 19 December 2022 (upon listing on the ASX)
 Details: \$120,000 per annum. 3 months' termination notice.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2024.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

DIRECTORS' REPORT

| Name | Number of options granted | Grant Date | Vesting Date and Exercisable Date | Expiry Date | Exercise Price | Fair Value per Option At Grant Date |
|-------------------------|---------------------------|------------------|-----------------------------------|-----------------|----------------|-------------------------------------|
| Datuk Siak Wei Low | 1,200,000 | 12 December 2022 | 12 December 2022 | 9 December 2024 | \$0.25 | \$0.0868 |
| Mark Strizek | 300,000 | 12 December 2022 | 12 December 2022 | 9 December 2024 | \$0.25 | \$0.0868 |
| Florence Drummond | 300,000 | 12 December 2022 | 12 December 2022 | 9 December 2024 | \$0.25 | \$0.0868 |
| Noel Kok Jin Ong | 1,000,000 | 12 December 2022 | 12 December 2022 | 9 December 2024 | \$0.25 | \$0.0868 |
| Chee Cheong (David) Low | 1,000,000 | 12 December 2022 | 12 December 2022 | 9 December 2024 | \$0.25 | \$0.0868 |
| Kah Hui Tan | 1,000,000 | 12 December 2022 | 12 December 2022 | 9 December 2024 | \$0.25 | \$0.0868 |

Options granted carry no dividend or voting rights and does not have any vesting conditions.

| Name | Number of Performance Rights granted | Grant Date | Expiry Date | Fair Value per Performance Rights At Grant Date |
|-------------------------|--------------------------------------|------------------------------|------------------|---|
| Noel Kok Jin Ong | 1,000,000 | Tranche A – 12 December 2022 | 11 December 2027 | \$0.1454 |
| | 1,000,000 | Tranche B – 12 December 2022 | 11 December 2027 | \$0.1368 |
| Chee Cheong (David) Low | 1,000,000 | Tranche A – 12 December 2022 | 11 December 2027 | \$0.1454 |
| | 1,000,000 | Tranche B – 12 December 2022 | 11 December 2027 | \$0.1368 |
| Kah Hui Tan | 1,000,000 | Tranche A – 12 December 2022 | 11 December 2027 | \$0.1454 |
| | 1,000,000 | Tranche B – 12 December 2022 | 11 December 2027 | \$0.1368 |

The Performance Rights were issued on 12 December 2022 for nil consideration and each right entitles the holder to one fully paid ordinary share of the Company. The Performance Rights will vest in equal tranches subject to the Company's market capitalisation (calculated by multiplying the 20-day VWAP market price by the number of shares on issue) meeting or exceeding 150% (Tranche A) and 250% (Tranche B) of the market capitalisation value of the Company. Upon vesting, the Performance Rights are exercisable at a nil consideration price within 5 years of the issue date of the Performance Rights.

Option holding

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

| Options over ordinary shares | Balance at the start of period | Granted | Exercised | Expired/ Forfeited/Others | Balance at the end of period |
|------------------------------|--------------------------------|----------|-----------|---------------------------|------------------------------|
| Datuk Siak Wei Low | 1,200,000 | - | - | - | 1,200,000 |
| Mark Strizek | 300,000 | - | - | - | 300,000 |
| Florence Drummond | 300,000 | - | - | - | 300,000 |
| Noel Kok Jin Ong | 1,000,000 | - | - | - | 1,000,000 |
| Chee Cheong (David) Low | 1,000,000 | - | - | - | 1,000,000 |
| Kah Hui Tan | 1,000,000 | - | - | - | 1,000,000 |
| | <u>4,800,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,800,000</u> |

Other transactions with key management personnel and their related parties

During the year ended 30 June 2024 the following related party transactions occurred:

Samsco Pty Ltd, a related entity of Noel Ong, was paid \$61,000 (excluding GST) for media and investor relation services and \$21,250 was paid to Samsco Pty Ltd for hire of Ute and Camper it owned.

This concludes the remuneration report, which has been audited.

DIRECTORS' REPORT

ADDITIONAL INFORMATION

Shares Under Option

The unissued ordinary shares of the Company under option as at the date of this report are as follows:-

| Options | Grant date | Expiry date | Exercise Price | Number of Options |
|------------------------------|------------------|-----------------|----------------|-------------------|
| Priority Options | 12 December 2022 | 9 December 2026 | \$0.25 | 3,142,397 |
| Underwriters Options | 12 December 2022 | 9 December 2026 | \$0.25 | 3,000,000 |
| Board and Management Options | 12 December 2022 | 9 December 2024 | \$0.25 | 5,600,000 |
| Lead Manager Options | 12 December 2022 | 9 December 2026 | \$0.25 | 518,771 |
| Total Options on issue | | | | <u>12,261,168</u> |

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

Performance rights

Unissued ordinary shares of Taiton Resources Limited under performance rights at the date of this report are as follows:

| Grant Date | Expiry Date | Exercise Price | Number |
|------------------|------------------|----------------|-----------|
| 12 December 2022 | 11 December 2027 | \$0.00 | 6,000,000 |

PROCEEDINGS ON BEHALF OF THE COMPANY

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

INDEMNIFYING AND INSURING DIRECTORS, OFFICERS OR AUDITOR

Directors' and officers' liability insurance and indemnity insurance premiums paid during or since the end of the financial year for any person who is or has been an officer of the Group totalled \$30,188 (2023: \$28,927). The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

The auditor is not indemnified under any circumstance.

NON-AUDIT SERVICES

The Board is responsible for the maintenance of audit independence, whereby the independence of the auditor is maintained by:

- limiting the scope and nature of non-audit services that may be provided; and
- requiring that permitted non-audit services must be pre-approved by the Executive Directors.

During the year William Buck, the Group's auditor, has performed certain other services in addition to the audit and review of the financial statements. The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Committee to ensure they do not impact the integrity and objectivity of the auditor; and

DIRECTORS' REPORT

- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) as they did not involve reviewing or auditing the auditors own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Group, William Buck, for audit and non-audit services provided during the year are set out in note 20.

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the Corporations Act 2001 section 307C the auditors of the Company, William Buck, have provided a signed Auditor's Independence Declaration to the directors in relation to the year ended 30 June 2024. This declaration has been included on page 20 and forms part of this report.

There are no officers of the Company who were former partners of William Buck (Vic) Pty Ltd.

Signed in accordance with a resolution of the directors.



Datuk Siak Wei Low

Chairman

27 September 2024

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Taiton Resources Limited

As lead auditor for the audit of Taiton Resources Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Taiton Resources Limited and the entities it controlled during the year.



William Buck Audit (Vic) Pty Ltd

ABN 59 116 151 136



J. C. Luckins

Director

Melbourne, 27 September 2024

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

| | | Group | |
|--|------|--------------------|--------------------|
| | Note | 2024 \$ | 2023 \$ |
| Interest received | | 77,110 | 79,642 |
| Other Income | | 8,570 | 14,348 |
| Employment and consulting expenses | 4(a) | (832,011) | (360,213) |
| Corporate expenses | 4(b) | (504,782) | (554,139) |
| Depreciation | | (38,007) | (16,440) |
| Interest expense | | - | (54,940) |
| IPO transaction costs | | - | (113,223) |
| Share-based payments expense | | (382,628) | (949,872) |
| (LOSS)/PROFIT BEFORE INCOME TAX (EXPENSE)/BENEFIT | | (1,671,748) | (1,954,837) |
| Income tax (expense)/benefit | | - | - |
| (LOSS)/PROFIT AFTER INCOME TAX (EXPENSE)/BENEFIT | | (1,671,748) | (1,954,837) |
| Other comprehensive income | | - | - |
| TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE PERIOD | | (1,671,748) | (1,954,837) |
| (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS | | | |
| BASIC AND DILUTED LOSS)/EARNINGS PER SHARE (CENTS PER SHARE) | 5 | <u>(2.29)</u> | <u>(3.88)</u> |

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

| | Note | 2024 \$ | Group | 2023 \$ |
|--|------|------------------|-------|------------------|
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | | 1,160,267 | | 4,627,236 |
| Trade and other receivables | | 20,229 | | 34,983 |
| Accrued interest receivable | | 4,027 | | 60,882 |
| Other Assets | | 58,469 | | 13,869 |
| TOTAL CURRENT ASSETS | | 1,242,992 | | 4,736,970 |
| NON-CURRENT ASSETS | | | | |
| Property, Plant and equipment | 6 | 113,422 | | 70,338 |
| Capitalised exploration and evaluation | 7 | 4,029,679 | | 1,863,308 |
| TOTAL NON-CURRENT ASSETS | | 4,143,101 | | 1,933,646 |
| TOTAL ASSETS | | 5,386,093 | | 6,670,616 |
| CURRENT LIABILITIES | | | | |
| Trade and other payables | 8 | 186,169 | | 192,903 |
| Accrued interest payable | | 13,860 | | 14,245 |
| Provision for annual leave | | 19,845 | | 8,129 |
| TOTAL CURRENT LIABILITIES | | 219,874 | | 215,277 |
| TOTAL LIABILITIES | | 219,874 | | 215,277 |
| NET ASSETS | | 5,166,219 | | 6,455,339 |
| EQUITY | | | | |
| Issued capital | 9 | 44,177,486 | | 44,177,486 |
| Share-based payment reserve | 10 | 1,768,828 | | 1,386,200 |
| Accumulated losses | | (40,780,095) | | (39,108,347) |
| TOTAL EQUITY | | 5,166,219 | | 6,455,339 |

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024**

| | Note | 2024 \$ | Group | 2023 \$ |
|--|------|--------------------|-------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Payments to suppliers and employees | | (1,275,714) | | (914,214) |
| Interest paid | | (385) | | (155,357) |
| Interest received | | 133,965 | | 18,760 |
| Other income received | | 8,570 | | 14,348 |
| NET CASH USED IN OPERATING ACTIVITIES | 11 | (1,133,564) | | (1,036,463) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Purchase of plant and equipment | | (81,091) | | (29,008) |
| Payments for capitalised exploration and evaluation | | (2,222,314) | | (868,756) |
| NET CASH USED IN INVESTING ACTIVITIES | | (2,303,405) | | (897,764) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Proceeds from issue of shares | | - | | 7,004,000 |
| Payments for share issue costs | | (30,000) | | (814,255) |
| Proceeds from Borrowings -Related Party | | - | | 50,000 |
| Proceeds from Borrowings – Third Party | | - | | 50,000 |
| Repayment of Borrowings – Related Party | | - | | (50,000) |
| NET CASH FROM FINANCING ACTIVITIES | | (30,000) | | 6,239,745 |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS HELD | | (3,466,969) | | 4,305,518 |
| Cash and cash equivalents at beginning of year | | 4,627,236 | | 321,718 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | | 1,160,267 | | 4,627,236 |

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

| | Issued Capital \$ | Share-based Payment Reserve \$ | Accumulated Losses \$ | Total Equity \$ |
|---|----------------------|--------------------------------------|-----------------------------|--------------------|
| AT 1 JULY 2023 | 44,177,486 | 1,386,200 | (39,108,347) | 6,455,339 |
| LOSS FOR THE YEAR | - | - | (1,671,748) | (1,671,748) |
| TOTAL COMPREHENSIVE LOSS FOR THE YEAR | - | - | (1,671,748) | (1,671,748) |
| TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS: | | | | |
| SHARE-BASED PAYMENT ISSUE OF PERFORMANCE SHARES TO DIRECTORS AND MANAGEMENT (NOTE 9) | - | 382,628 | - | 382,628 |
| AT 30 JUNE 2024 | 44,177,486 | 1,768,828 | (40,780,095) | 5,166,219 |
| AT 1 JULY 2022 | 36,689,571 | - | (37,235,628) | (546,057) |
| Loss for the year | - | - | (1,954,837) | (1,954,837) |
| Total comprehensive loss for the year | - | - | (1,954,837) | (1,954,837) |
| Transactions with owners in their capacity as owners: | | | | |
| Contributions of equity net of transaction costs – (Note 9) | 8,006,361 | - | - | 8,006,361 |
| Adjustment-Transfer of IPO transaction costs from prior year previously expensed | (82,118) | - | 82,118 | - |
| Share-based payment issue of performance shares to directors and management (Note 9) | - | 463,792 | - | 463,792 |
| Share-based payment issue of options to directors and management (Note 9) | - | 486,080 | - | 486,080 |
| Share-based payment issue of options to Lead manager and Underwriters (Note 9) | (436,328) | 436,328 | - | - |
| AT 30 JUNE 2023 | 44,177,486 | 1,386,200 | (39,108,347) | 6,455,339 |

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. BASIS OF PREPARATION OF THE FINANCIAL REPORT

Corporate Information

The Financial Report of Taiton Resources Limited ACN 062 284 084 ("**Parent Entity**" or "**Company**") and its controlled entities ("**Group**") for the year ended 30 June 2024 was authorised for issue in accordance with board of directors resolution dated 26 September 2024.

Taiton Resources Limited is a for-profit company limited by shares incorporated in Australia. The nature of the operations and principal activities of the Group are described in the Directors' Report.

Basis of Preparation of Accounts

The Financial Report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards ("AASBs") and other authoritative pronouncements adopted by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs and is presented in Australian dollars

Statement of Compliance

The Financial Report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board.

New or amended accounting standards and interpretations adopted

During the year the Company applied all new mandatory Standards and Interpretations as promulgated by the Australian Accounting Standards Board (AASB), that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION

a. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Taiton Resources Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 14.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

b. Going concern

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

For the year ended 30 June 2024, the Company incurred a net loss of \$1,671,748, net cash outflows from operating activities of \$1,133,564 and net cash outflows from investing activities of \$2,303,405, and had a cash balance as at 30 June 2024 of \$1,160,267. The Directors have assessed that these conditions indicate that a material uncertainty exists that may cast significant doubt on the entity'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. Subsequent to the financial year, the Company has announced that it is undertaking a capital raising to raise up to \$4.5 million via placement of new shares at \$0.15 per share.

NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**Going concern (continued)**

Notwithstanding the above, the Directors determined that the use of the going concern basis of accounting is appropriate in preparing the financial report. The assessment of the going concern assumption is based on the Company's cash flow projections and application of a number of judgements and estimates, resulting in the conclusion of a range of reasonably possible scenarios. Included in the Directors going concern cash flow assessment is that sufficient funds can be secured if required by a combination of capital raisings and deferment of forecast payments for exploration.

Accordingly, the financial report has been prepared on the basis that the Group can continue normal business activities and meet its commitments as and when they fall due, and the realisation of assets and liabilities in the ordinary course of business.

c. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g., in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

d. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less.

e. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

f. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**g. Exploration and Evaluation Assets**

Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised which expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Impairment of exploration and evaluation costs

The Group assesses impairment of exploration and evaluation costs at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. There were no indicators for impairment on the Group's areas of interest during the financial year.

h. Share-based payments

Provision is made for the Group's liability from employee benefits arising from services rendered by employees to balance date. Liabilities for wages and salaries, annual leave, and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Other employee benefits payable later than 1 year are measured at the present value of the estimated future cash outflows to be made for those benefits.

Share-based payments

Equity -settled transactions are awards of shares or rights over shares, options over shares, that are provided to employees, directors and/or brokers in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is determined using either the Black Scholes model or Geometric Brownian model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the recipient become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit and loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether that market condition has been met, provided all other conditions are satisfied.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

i. Issued Capital

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

j. **Earnings per share**

Basic earnings per share

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

Diluted earnings per share

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

k. **Property, Plant and Equipment**

Each class of plant and equipment is carried at cost as indicated less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

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

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Depreciation on other assets is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Class of asset

| | |
|---------------------|---------|
| Office equipment | 4 years |
| Plant and equipment | 4 years |
| Motor vehicle | 5 years |

l. **Comparative Figures**

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

m. **Key estimates**

In the process of applying the Group's accounting policies, management has made judgements, estimates and assumptions that affect the reported amounts in the financial statements. The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. directors consider there to be no material key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses, Management bases its judgements and estimates and assumptions on historical experience and on other factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

a. **Deferred tax assets not recognized**

The Company has potential deferred tax assets arising from both timing differences and carry-forward losses. Presently the directors have not recognised any of these potential deferred tax assets due to uncertainty as to when the Company will earn assessable tax income to which it will be able to apply those potential tax assets.

b. **Exploration and evaluation costs**

Exploration and evaluation costs relating to acquisition of tenements have been capitalised and are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

c. **Share-based payment transactions**

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Black Scholes model or the Geometric Brownian model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Any service or non-market performance condition is not reflected in the grant-date fair value of the share-based payment. Instead, an estimate is made of the number of equity instruments for which the service and non-market performance conditions are expected to be satisfied. Subsequent to initial recognition and measurement, the estimate of the number of equity instruments for which the service and non-market performance conditions are expected to be satisfied is revised during the vesting period.

d. **Mine Rehabilitation provision**

The Group has considered whether a provision for rehabilitation of any tenements is required. The directors do not consider that such a provision is necessary due to the fact that rehabilitation is being undertaken on a progressive basis. Whilst the Group is in an exploration phase, it cannot reliably estimate the scope and costs of rehabilitation work that will need to be undertaken.

NOTES TO THE FINANCIAL STATEMENTS

| | 2024 | Group | 2023 |
|---|----------------|-------|----------------|
| | \$ | | \$ |
| NOTE 4 (a). EMPLOYMENT AND CONSULTING EXPENSES | | | |
| Employee benefit expenses (salaries and fees) | 595,733 | | 360,213 |
| Project consulting fees | 236,278 | | - |
| Total | 832,011 | | 360,213 |

| | 2024 | Group | 2023 |
|---|----------------|-------|----------------|
| | \$ | | \$ |
| NOTE 4 (a/b). CORPORATE EXPENSES | | | |
| Investor relations and promotion | 163,001 | | 188,716 |
| Legal & professional Fees | 67,744 | | 126,297 |
| Listing and share registry costs | 43,766 | | 18,934 |
| Travel and accommodation | 68,673 | | 88,058 |
| Tenement applications and expenses | 35,654 | | - |
| IT and communication | 17,082 | | 18,166 |
| Vehicle Ute | 15,240 | | 8,936 |
| Other | 93,622 | | 105,032 |
| TOTAL | 504,782 | | 554,139 |

NOTE 5. EARNINGS PER SHARE

| | | |
|---|-------------|-------------|
| Profit/(loss) from continuing operations used in the calculation of basic and diluted earnings/(loss) per share | (1,671,748) | (1,954,837) |
| Profit/(loss) used in the calculation of basic and diluted earnings/loss per share | (1,671,748) | (1,954,837) |
| Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted earnings/loss per share | 73,009,544 | 50,412,612 |
| As at 30 June 2024, there are no financial instruments or contingently issuable share capital that would impact the diluted earnings per share. | | |
| Basic and diluted earnings/(loss) per share (cents per share) | (2.29) | (3.99) |

The performance rights and options on issue have not been included in the weighted average number of shares used for calculating the diluted loss per share as they do not meet the requirements for inclusion under AASB 133 'Earnings per share as they are anti dilutive'.

NOTE 6. PLANT AND EQUIPMENT

| | | |
|--|----------------|---------------|
| At cost | 173,675 | 92,583 |
| Accumulated depreciation | (60,253) | (22,245) |
| Net book value | 113,422 | 70,338 |
| Movements in the carrying value | | |
| Carrying amount at the beginning of the year | 70,338 | 57,770 |
| Additions | 81,091 | 29,008 |
| (Disposals) | - | - |
| Depreciation expenses | (38,007) | (16,440) |
| AT THE END OF THE FINANCIAL YEAR | 113,422 | 70,338 |

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. CAPITALISED EXPLORATION AND EVALUATION

| Non-current assets | Group | |
|---|-----------|-----------|
| | 2024 | 2023 |
| | \$ | \$ |
| Exploration and evaluation – Highway Project | 2,836,367 | 1,235,532 |
| Exploration and evaluation - Challenger West Project | 315,438 | 64,427 |
| Exploration and evaluation – Lake Barlee Project | 796,312 | 563,349 |
| Exploration and evaluation – Kingsgate Project | 81,562 | - |
| TOTAL | 4,029,679 | 1,863,308 |
| | 2024 | 2023 |
| | \$ | \$ |
| Highway Project | | |
| Balance at beginning of the year | 1,235,532 | 181,566 |
| Exploration expenditure capitalised | 1,600,836 | 653,966 |
| Shares issued as part of consideration ^(a) | - | 400,000 |
| Balance at end of the year | 2,836,368 | 1,235,532 |
| Challenger West Project | | |
| Balance at beginning of the year | 64,427 | 18,627 |
| Exploration expenditure capitalised | 251,011 | 45,800 |
| Balance at end of the year | 315,438 | 64,427 |
| Lake Barlee Project | | |
| Balance at beginning of the year | 563,349 | 324,079 |
| Exploration expenditure capitalised | 232,963 | 239,270 |
| Balance at end of the year | 796,312 | 563,349 |
| Kingsgate Project | | |
| Balance at beginning of the year | - | - |
| Exploration expenditure capitalised | 81,562 | - |
| Balance at end of the year | 81,562 | - |
| TOTAL | 4,029,680 | 1,863,308 |

(a) The acquisition of EL 6658 and EL 6706 was completed by the issue of 2,000,000 shares in Taiton for \$400,000 on 13 December 2022 on the Company's ASX listing and reflected as capitalised exploration and evaluation in the Highway Project.

NOTE 8. TRADE AND OTHER PAYABLES

| | Group | |
|--|---------|---------|
| | 2024 | 2023 |
| | \$ | \$ |
| Trade payables | 45,194 | 97,625 |
| Accrued expenses | 102,300 | 41,300 |
| Other payables- PAYG and Super | 38,675 | 23,978 |
| Other payables- related party ^(a) | - | 30,000 |
| AT THE END OF THE FINANCIAL YEAR | 186,169 | 192,903 |

(a) Being the balance of underwriting fees owing to AsiaPacific Businesslink Sdn Bhd, a related party of the Chairman, for acting as one of the underwriters to the IPO.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. SHARE CAPITAL

----- 2024 ----- ----- 2023 -----

| | Number of Shares | \$ | Number of Shares | \$ |
|--|---------------------|-------------------|---------------------|-------------------|
| At the beginning of the year | 73,009,544 | 44,177,486 | 22,889,542 | 36,689,571 |
| Issue of shares- acquisition of Highway tenements ^(a) | - | - | 2,000,000 | 400,000 |
| Conversion of loans to shares ^(b) | - | - | 13,100,000 | 1,310,000 |
| Issue of shares – IPO ^(c) | - | - | 35,020,002 | 7,004,000 |
| Transaction costs - IPO | - | - | - | (1,226,085) |
| At the end of the year | 73,009,544 | 44,177,486 | 73,009,544 | 44,177,486 |

(a) 2,000,000 shares at \$0.20 per share were issued to the vendor to complete the acquisition of Highway tenements EL6785 and EL 6706.

(b) 13,100,000 shares at \$0.10 per share were issued for the conversion of \$1.31 million of debts into shares.

(c) 35,020,002 shares at \$0.20 per share were issued on the listing of the Company on the ASX.

Group

OPTIONS TO PURCHASE ORDINARY SHARES

| | 2024 | 2023 |
|--|-------------------|-------------------|
| | Options | Options |
| Balance at the beginning of the year | 12,261,168 | - |
| Issue of Directors and Management options ^(a) | - | 5,600,000 |
| Issue of Lead manager options ^(b) | - | 518,771 |
| Issue of Underwriters options ^(c) | - | 3,000,000 |
| Issue of shareholders options ^(d) | - | 3,142,397 |
| Balance at the end of the year | 12,261,168 | 12,261,168 |

PERFORMANCE RIGHTS

| | 2024 | 2023 |
|---|------------------|------------------|
| | Rights | Rights |
| Balance at the beginning of the year | 6,000,000 | - |
| Issue of Performance Rights – Employee Securities Incentive Plan ^(e) | - | 6,000,000 |
| Balance at the end of the period | 6,000,000 | 6,000,000 |

The following unquoted securities were issued on 12 December 2022:

- (a) 5,600,000 options were issued to Directors and Management in accordance with shareholder approval at the Company general meeting on 5 August 2022, exercisable for \$0.25 each, expiring 2 years from the date of issue. These options do not carry any vesting date and are exercisable immediately.
- (b) 518,771 options were issued to the Lead Manager of the IPO, exercisable for \$0.25 each, expiring 4 years from the date of issue.
- (c) 3,000,000 options were issued to the Underwriters of the IPO, exercisable for \$0.25 each, expiring 4 years from the date of issue.
- (d) 3,142,397 attaching options were issued to priority shareholders pursuant to the IPO, exercisable for \$0.25 each, expiring 4 years from the date of issue. There is no fair value due to the nature of being free attaching options.
- (e) The 6,000,000 Performance Rights issued to Directors and Management are unlisted, non-transferable and subject to vesting conditions linked to the market capitalisation performance of the company. The Performance Rights were issued for nil consideration and each right entitles the holder to one fully paid ordinary share of the Company. The Performance Rights will vest in equal tranches subject to the Company's market capitalisation (calculated by multiplying the 20-day VWAP market price by the number of shares on issue) meeting or exceeding 150% (Tranche A) and 250% (Tranche B) of the market capitalisation value of the Company. Upon vesting, the Performance Rights are exercisable at a nil consideration price within 5 years of the issue date of the Performance Rights.
- (f) There have been no further options or Performance Rights granted or issued and none have been exercised, forfeited, or expired during the year ended 30 June 2024.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. SHARE-BASED PAYMENT RESERVE

| | Group | |
|-----------------------------|--------------------|--------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Share-based payment reserve | 1,768,828 | 1,386,200 |
| | \$1,768,828 | \$1,386,200 |

Movement in reserve during the year are set out below:

| | 2024 | 2023 |
|---|--------------------|--------------------|
| Balance at the beginning of the year | 1,386,200 | - |
| Vesting expense of performance rights issued to directors and management ^(a) | 382,628 | 463,792 |
| Options issued to directors and management | - | 486,080 |
| Options issued to Lead manager | - | 64,328 |
| Options issued to Underwriters | - | 372,000 |
| Balance at the end of the year | \$1,768,828 | \$1,386,200 |

Share-based payments in relation to the Performance Rights during the year ended 30 June 2024 were recognised as follows:

- (a) The options do not carry any vesting date and are exercisable immediately.
- (b) The total of the Share-based payment is recognised over a period of 1 year from the date of issue of the Performance Rights on 12 December 2022. As a result, an amount of \$382,628 was recognised in relation to Performance Rights as share-based payments expense in the Consolidated Statement of Profit and Loss for the year ended 30 June 2024.

The fair value of performance rights still vesting has been calculated on the basis of a Geometric Brownian Motion model using the following key assumptions.

| Grant of performance rights | Date issued | Number of performance rights | Underlying share price on issue date | Risk free rate | Expiry date | Volatility Rate | Fair value |
|------------------------------|-------------|------------------------------|--------------------------------------|----------------|-------------|-----------------|------------------|
| Performance Rights Tranche A | 12/12/2022 | 3,000,000 | \$0.20 | 3.173% | 11/12/2027 | 100% | \$436,200 |
| Performance Rights Tranche B | 12/12/2022 | 3,000,000 | \$0.20 | 3.173% | 11/12/2027 | 100% | \$410,400 |
| | | <u>6,000,000</u> | | | | | <u>\$846,600</u> |

The Performance Rights will vest in equal tranches subject to the Company's market capitalisation (calculated by multiplying the 20-day VWAP market price by the number of shares on issue) meeting or exceeding 150% (Tranche A) and 250% (Tranche B) of the market capitalisation value of the Company.

The weighted average remaining contractual life of performance rights outstanding at 30 June 2024 was 3.45 years (2023 4.45 years).

Given a nil exercise price of the Performance Rights, adopting different volatility assumptions does not have an impact on the Performance Rights' valuation.

| Performance Rights | Grant date | Expiry date | Exercise price | Balance at start of the year | Granted | Exercised | Expired/forfeited/other | Balance at the end of the year |
|---------------------------------|------------|-------------|----------------|------------------------------|---------|-----------|-------------------------|--------------------------------|
| Tranche A | 12/12/2022 | 11/12/2027 | Nil | 3,000,000 | Nil | Nil | Nil | 3,000,000 |
| Tranche B | 12/12/2022 | 11/12/2027 | Nil | 3,000,000 | Nil | Nil | Nil | 3,000,000 |
| | | | | <u>6,000,000</u> | | | | <u>6,000,000</u> |
| Weighted average exercise price | | | | <u>\$0</u> | \$0 | \$0 | \$0 | <u>\$0</u> |

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11. CASH FLOW INFORMATION

| | Group | |
|--|--------------------|--------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH LOSS AFTER INCOME TAX | | |
| Profit/(Loss) after tax | (1,671,748) | (1,954,837) |
| <i>Non-cash flows in (gain)/loss</i> | | |
| Loan interest accrued | (385) | (100,417) |
| Accrued interest income | 56,855 | (60,882) |
| Depreciation | 38,007 | 16,440 |
| Share-based payments | 382,628 | 949,872 |
| IPO Listing costs | - | 113,222 |
| <i>Changes in assets and liabilities</i> | | |
| Decrease/(increase) in trade and other receivables | (11,110) | (39,425) |
| Increase/(decrease) in trade and other payables | 72,189 | 39,564 |
| NET CASH USED IN OPERATING ACTIVITIES | (1,133,564) | (1,036,463) |

NOTE 12. TRANSACTIONS AND BALANCES RELATING TO KEY MANAGEMENT PERSONNEL AND RELATED PARTIES

The names and positions of key management personnel of the Company and of the Group who have held office during the financial year are:

Directors

Datuk Siak Wei Low
 Noel Ong
 Chee Cheong (David) Low
 Mark Strizek (resigned 1 February 2024)
 Florence Drummond

Management

Kah Hui Tan (CFO)

Disclosures relating to key management personnel are set out in Note 12 and the remuneration report included in the directors' report.

A) Compensation of Key Management Personnel

| | 2024 | 2023 |
|--------------------------------|------------------|------------------|
| | \$ | \$ |
| COMPENSATION BY CATEGORY | | |
| Short term employment benefits | 692,006 | 478,762 |
| Post employment benefits | 48,895 | 19,649 |
| Share-based payments | 382,628 | 880,431 |
| TOTAL | 1,123,529 | 1,378,842 |

B) Loans to/from Key Management Personnel and related parties

- There were no loans made to any key management personnel or related parties during the year ended 30 June 2024 (2023: Nil).

- AsiaPacific Businesslink Sdn Bhd, a related party of the Chairman, acted as one of the underwriters to the IPO in 2023 for a total of \$120,000 in underwriting fees and was paid the balance of \$30,000 owed in underwriting fees (refer note 8).

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12. TRANSACTIONS AND BALANCES RELATING TO KEY MANAGEMENT PERSONNEL AND RELATED PARTIES (CONTINUED)

C) OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND RELATED PARTIES

There were no other transactions with key management personnel and their related entities during the year ended 30 June 2024 other than the following:-

- (a) The Company leased a property on arm's length terms, from the Executive Director Noel Ong, for use as an office at \$750 per week for a fixed 12-month period commencing 6 July 2022 and expiring on 5 July 2023. The total amount of rent paid for 2024 was nil (2023: \$40,897). The lease was not renewed.
- (b) The Company engaged Samsco Pty Ltd, a related party of the Executive Director, Noel Ong, for investor and media promotion work for a fee of \$5,000 per month (excluding GST) considered to be on normal commercial terms. The total amount of fees paid was \$61,000 (2023: \$35,000).
- (c) During the year, the Company hired a Ute and Camper from Samsco Pty Ltd, a related party of the Executive Director, Noel Ong on normal commercial terms of \$250 per day. The total amount of hire paid was \$21,250 (2023: nil).

NOTE 13. SEGMENT INFORMATION

During the financial years ended 30 June 2024 and 30 June 2023, the Group was engaged only in one segment, namely in mineral exploration and operated only in Australia.

Management monitors the operating results of its projects separately for the purposes of making decisions about resource allocation and performance assessment.

NOTE 14. INVESTMENTS IN CONTROLLED ENTITIES

Taiton Resources Limited is the parent and ultimate holding company of its 100% owned subsidiary, Lake Barlee Gold Pty Ltd, a company incorporated in Western Australia which holds several exploration licenses in Western Australia.

NOTE 15. FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, trade and other payables, borrowings.

Financial Risk Management Policies

The Board of Directors monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. The Group is not exposed to material financial risks of changes in foreign currency exchange rates or credit risk. It also reviews the effectiveness of internal controls relating to liquidity risk and interest rate risk.

The Board's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are liquidity risk and market risk consisting of interest rate risk. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its financial obligations as they fall due.

All financial liabilities were payable within 60 day terms or less.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 15. FINANCIAL RISK MANAGEMENT (CONTINUED)

b. Market risk

(i) Interest rate risk

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

The financial instruments that primarily expose the Group to interest rate risk are borrowings.

Interest rate risk can be managed using a mix of fixed and floating rate debt. At 30 June 2024, There were no debts by the Company (2023: nil). Interest outstanding at year end amounted to \$13,860 (2023: \$14,245).

As interest rates are fixed for borrowings, there was no material exposure to changes in interest rates as at year end (2023: nil):

FAIR VALUES

The aggregate net fair value of the Group's financial assets and financial liabilities approximates their carrying amounts in the financial statements. Cash assets are carried at amounts approximating fair value because of their short-term nature to maturity. Payables are carried at amounts approximating fair value. Financial assets held for trading are restated to fair value at year end.

NOTE 16. DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial year.

NOTE 17. EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to the financial year, the Company received the approval from the Department of Mines and Energy in South Australia for EL7012 (formerly ELA 2024/00040) for a total of 861 sq km. In addition, infill UltraFine sampling at Challenger West has defined multiple gold targets whilst the gravity survey completed at Pluto and Yogi-Garfield prospects has identified anomalism up to 6 mGal to support for IOCG targets at Highway Project. The Company also announced a capital raising exercise to raise up to \$4.5 million via placement of up to 30 million new shares at the issue of price of \$0.15 per share. Subject to approval of shareholders, the placees will receive 1 free option for every 3 new shares subscribed and the options carry an exercise price of \$0.20 per share and expires on 30 June 2027. Other than the foregoing, there are no events subsequent to the financial year ended 30 June 2024 other than disclosed in these financial statements.

NOTE 18. COMMITMENTS AND CONTINGENCIES

The Group has minimum expenditure requirements on its mineral tenements held which cover the following 12-month period from year end, amounting to \$741,375 (2023: \$510,708). Outstanding exploration commitments are as follows:

| | 2024 | Group 2023 |
|--|------------------|------------------|
| Within 1 year | \$ 741,375 | \$ 510,708 |
| Later than 1 year but not later than 5 years | 1,443,875 | 2,159,000 |
| Later than 5 years | - | 26,250 |
| | <u>2,185,250</u> | <u>2,695,958</u> |

There are no other contractual commitments or contingent liabilities at 30 June 2024 (2023: Nil).

NOTES TO THE FINANCIAL STATEMENTS

NOTE 19. PARENT COMPANY DISCLOSURES

| Financial position | Group | |
|------------------------------|---------------------|---------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Assets | | |
| Current assets | 1,242,578 | 4,733,081 |
| Non-current assets | 4,151,607 | 1,942,897 |
| Total assets | 5,394,185 | 6,675,978 |
| Liabilities | | |
| Current liabilities | 219,873 | 215,276 |
| Non-current liabilities | - | - |
| Total liabilities | 219,873 | 215,276 |
| Net Assets | 5,174,312 | 6,460,702 |
| Equity | | |
| Issued capital | 44,177,486 | 44,177,486 |
| Share-based payments reserve | 1,768,828 | 1,386,200 |
| Retained earnings | (40,772,002) | (39,102,984) |
| Total equity | 5,174,312 | 6,460,702 |
| Financial performance | | |
| | Year ended | Year ended |
| | 30 June 2024 | 30 June 2023 |
| | \$ | \$ |
| Profit/(Loss) for the year | (1,669,019) | (1,954,558) |
| Other comprehensive loss | - | - |
| Total comprehensive loss | (1,669,019) | (1,954,558) |

The Company has not provided guarantees in relation to the debts of its subsidiaries.

NOTE 20. REMUNERATION OF AUDITOR

During the year the following fees were paid or payable for services provided by the auditor of the Company and Group:

| | 2024 | 2023 |
|--|---------------|---------------|
| | \$ | \$ |
| Audit or review of financial reports | 31,000 | 31,000 |
| Other- Preparation of Independent Limited Assurance Report for IPO | - | 15,000 |
| Non-audit services – tax compliance | 7,250 | 13,000 |
| Total remuneration | 38,250 | 59,000 |

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

CONSOLIDATED ENTITY DISCLOSURE STATEMENT AS AT 30 JUNE 2024

| ENTITY NAME | ENTITY TYPE | Trustee, partner or participant in joint venture | Country of incorporation | % of share capital held | Tax residency | Foreign tax jurisdiction of foreign residents |
|--|----------------|--|--------------------------|-------------------------|---------------|---|
| Taiton Resources Limited (ACN 062 284 084) | Body Corporate | N/A | Australia | N/A | Australia | N/A |
| Lake Barlee Gold Pty Ltd (ACN 641 937 797) | Body Corporate | N/A | Australia | 100% | Australia | N/A |

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the Group at the end of the financial year.

Determination of Tax Residency

Section 295(3A) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Group has applied the following interpretations:

Australian tax residency

The Group has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the Group has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

Partnerships and Trusts

None of the entities noted above were trustees of trusts within the Group, partners in a partnership within the Group or participants in a joint venture within the Group.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Taiton Resources Limited ACN 062 284 084 ("Company"), I state that:

1) In the opinion of the directors:

- (a) The financial statements, notes and the additional disclosures included in the Directors' Report designated as audited, of the Group are in accordance with the Corporations Act 2001, including:
 - i) Complying with Accounting Standards and the Corporations Regulations 2001;
 - ii) Giving a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the Group; and
 - iii) the information disclosed in the attached consolidated entity disclosure statement is true and correct
- (b) Subject to achievement of the matters set out in Note 1 to the Financial Report, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2024.

On behalf of the board of directors.



Datuk Siak Wei Low
Chairman
27 September 2024

Independent auditor's report to the members of Taiton Resources Limited

Report on the audit of the financial report

Our opinion on the financial report

In our opinion, the accompanying financial report of Taiton Resources Limited (the Company) and its controlled entities (together, the Group) is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What was audited?

We have audited the financial report of the Group, which comprises:

- the consolidated statement of financial position as at 30 June 2024,
- the consolidated statement of profit or loss and other comprehensive income for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information,
- the consolidated entity disclosure statement, and
- the directors' declaration.

Basis for opinion

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

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

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Group for the year ended 30 June 2024 incurred a net loss of \$1,671,748, net operating cash outflows of \$1,133,564, net investing cash outflows of \$2,303,405 & a cash balance of \$1,160,267 as at 30 June 2024. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. 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.

1. Capitalisation of exploration and evaluation costs

Area of focus (refer also to notes 2, 7)

The Group has incurred exploration and evaluation costs for exploration projects in Australia of \$2,166,371 for the year ended 30 June 2024 and has elected to capitalise all these costs as a non-current asset in the Statement of Financial Position in accordance with the Group accounting policies.

There is a risk that the Group may lose or relinquish its rights to explore and evaluate those areas of interest and therefore amounts capitalised to the Statement of Financial Position from the current and historical periods, be no longer recoverable.

During the year no impairment charge was recognised in relation to capitalised exploration and evaluation assets.

The assessment of the non-current assets for impairment requires significant judgement involved and as such, has been deemed to be a key audit matter.

How our audit addressed the key audit matter

Our audit procedures included:

- Understanding and vouching the underlying contractual entitlement to explore and evaluate each are of interest;
- Examining project spend per each area of interest and comparing this spend to the minimum expenditure requirements set out in the underlying exploration expenditure plan;
- Testing a sample of project expenditure incurred to each area of interest to assess that it is directly attributable to that area of interest;
- Comparing the market capitalisation of the group to the net carrying value of its assets on the statement of Financial Position to identify any other additional indicators of impairments.

We also assessed the appropriateness of disclosures relating to these items in the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website 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



Our opinion on the Remuneration Report

In our opinion, the Remuneration Report of Taiton Resources Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

What was audited?

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

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.

William Buck Audit (Vic) Pty Ltd

ABN 59 116 151 136

J. C. Luckins

Director

Melbourne, 27 September 2024

AUSTRALIAN SECURITIES EXCHANGE (ASX) ADDITIONAL INFORMATION

Additional Information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Corporate Governance Statement

The company's corporate governance statement is located at the company's website:

<https://www.taiton.com.au/>

The shareholder information was applicable as at 25 September 2024

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

| Holding Ranges | Holders | Total Units | % Issued Share Capital |
|--|--------------|-------------------|------------------------|
| above 0 up to and including 1,000 | 795 | 205,555 | 0.28% |
| above 1,000 up to and including 5,000 | 195 | 494,770 | 0.68% |
| above 5,000 up to and including 10,000 | 189 | 1,761,857 | 2.41% |
| above 10,000 up to and including 100,000 | 97 | 2,769,153 | 3.79% |
| above 100,000 | 40 | 67,778,209 | 92.83% |
| Totals | 1,316 | 73,009,544 | 100.00% |

Based on the share price of \$0.165 per share, there were 940 holders of less than a marketable parcel of ordinary shares holding 485,560 shares.

AUSTRALIAN SECURITIES EXCHANGE (ASX) ADDITIONAL INFORMATION

Equity Security Holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted ordinary shares are listed below:

| | Holder Name | Holding | % IC |
|----|--|-------------------|----------------|
| 1 | ASIAPACIFIC BUSINESSLINK SDN BHD | 21,329,966 | 29.22% |
| 2 | GLOBAL BRIDGE GROUP LTD | 14,040,355 | 19.23% |
| 3 | PARAMOUNT PINANG SDN BHD | 3,023,570 | 4.14% |
| 4 | SIK WEI LOW | 2,881,930 | 3.95% |
| 5 | RANTAU SELANGIT SDN BHD | 2,500,000 | 3.42% |
| 6 | JCL CAPITAL PTY LTD | 2,088,000 | 2.86% |
| 7 | SILVER CAPITAL PTY LTD < NOEL & SANDRA ONG S/F A/C> | 2,030,000 | 2.78% |
| 8 | YIN CHU LAI | 2,018,344 | 2.76% |
| 9 | SAMSO PTY LTD | 2,000,000 | 2.74% |
| 9 | MR KAH HUI TAN & MRS IRENE SOI KHIM TAN <K& I TAN SUPER A/C> | 2,000,000 | 2.74% |
| 9 | TUNGSTEN W PTY LTD <KLCC SUPER FUND> | 2,000,000 | 2.74% |
| 10 | CANNARD FAMILY SUPER P/L <CANNARD FAMILY SUPER A/C> | 1,600,000 | 2.19% |
| 11 | MR AIK HONG TEO | 1,128,916 | 1.55% |
| 12 | RANTAU SELANGIT SDN BHD | 1,010,000 | 1.38% |
| 13 | IRENE SOI KHIM TAN | 1,000,000 | 1.37% |
| 13 | KAH HUI TAN | 1,000,000 | 1.37% |
| 14 | TEO AIK HONG | 635,000 | 0.87% |
| 15 | MS LAI YIN CHU | 551,680 | 0.76% |
| 16 | MUNCHA CRUNCHA PTY LTD | 409,270 | 0.56% |
| 17 | SWANN & JENKINS PTY LTD | 395,500 | 0.54% |
| 18 | NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C> | 365,412 | 0.50% |
| 19 | MS SIHOL MARITO GULTOM | 283,300 | 0.39% |
| 20 | PARAMOUNT PINANG SDN BHD | 269,500 | 0.37% |
| | Totals | 64,560,743 | 88.43% |
| | Total Issued Capital | 73,009,544 | 100.00% |

Unquoted equity securities

| | Number on Issue | Number of Holders |
|-------------------------------------|-----------------|-------------------|
| Options over ordinary shares issued | 12,261,168 | 41 |

No holder hold 20% or more of the above unquoted equity securities in the Company.

Unquoted equity securities

| | Number on Issue | Number of Holders |
|--------------------|-----------------|-------------------|
| Performance Rights | 6,000,000 | 3 |

The 6,000,000 Performance rights are held by :

- Noel Kok Jin Ong – 2,000,000 Performance rights (33.33%)
- Chee Cheong (David) Low – 2,000,000 Performance rights (33.33%)
- Kah Hui Tan – 2,000,000 Performance rights (33.33%)

AUSTRALIAN SECURITIES EXCHANGE (ASX) ADDITIONAL INFORMATION

On-Market Buy Back

There is no current on-market buy back.

(a) Substantial shareholders

The number of shares held by substantial shareholders and their associates are set out below:

| Shareholder | Number held | Percentage |
|-------------------------|-------------|------------|
| Datuk Siak Wei Low | 24,211,896 | 33.16% |
| Global Bridge Group Ltd | 14,040,355 | 19.23% |
| Noel Kok Jin Ong | 4,255,513 | 5.83% |
| Chee Cheong (David) Low | 4,168,000 | 5.71% |
| Kah Hui Tan | 4,000,000 | 5.48% |

(b) Voting rights

Ordinary shares

On a show of hands every member present at a meeting of shall have one vote and, upon a poll, each share shall have one vote.

Options

There are 12,261,168 no voting rights attached to the options.

Performance Rights

There are 6,000,000 no voting rights attached to the Performance Rights.

(c) Restricted securities

Of the 73,009,544 ordinary shares on issue:

- 19,235,000 shares are escrowed until 18 December 2024

Of the 12,261,168 options on issue:

- 1,787,997 options expire on 9 December 2026 and escrowed until 9 December 2023
- 4,873,171 options expire on 9 December 2026 and escrowed until 19 December 2024
- 4,800,000 options expire on 9 December 2024 and escrowed until 19 December 2024
- 800,000 options expire on 9 December 2024

The 6,000,000 Performance Rights on issue expires on 11 December 2027 and escrowed until 19 December 2024:

AUSTRALIAN SECURITIES EXCHANGE (ASX) ADDITIONAL INFORMATION

ASX Listing Rule 4.10.19 Disclosure

The Company has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.

Tenements

| Registered Holder | Tenement No. | Location | Project | Area (Sq km) | Total (Sq km) | Interest as at 30 June 2024 |
|--------------------------|--------------|----------|-----------------|---------------|------------------------|-----------------------------|
| Lake Barlee Gold Pty Ltd | E77/2700 | WA | Lake Barlee | 191.54 | | 100% |
| Lake Barlee Gold Pty Ltd | E57/1158 | WA | Lake Barlee | 204.26 | | 100% |
| Lake Barlee Gold Pty Ltd | E77/2715 | WA | Lake Barlee | 131.93 | | 100% |
| Lake Barlee Gold Pty Ltd | E57/1168 | WA | Lake Barlee | <u>141.00</u> | | 100% |
| | | | | | 668.7 | |
| Taiton Resources Limited | EL6658 | SA | Highway | 972.00 | | 100% |
| Taiton Resources Limited | EL6706 | SA | Highway | 160.00 | | 100% |
| Taiton Resources Limited | EL6784 | SA | Highway | 884.00 | | 100% |
| Taiton Resources Limited | EL6857 | SA | Highway | <u>914.00</u> | | 100% |
| | | | | | 2,930.0 | |
| Taiton Resources Limited | EL6785 | SA | Challenger West | 997.00 | | 100% |
| Taiton Resources Limited | EL7012 | SA | Challenger West | <u>861.00</u> | | 100% |
| | | | | | 1,858.0 | |
| Taiton Resources Limited | EL9636 | NSW | Kingsgate | 104.70 | | 100% |
| Taiton Resources Limited | EL9641 | NSW | Kingsgate | <u>189.40</u> | | 100% |
| | | | | | <u>294.10</u> | |
| | | | | | <u>5,750.80</u> | |