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THOMSON

Resources Ltd

ASX:TMZ | thomsonresources.com.au

2023

Annual Report

For the Year Ended 30th June 2023

CONTENTS & CORPORATE DIRECTORY

| | |
|--|----|
| Review of Operations | 1 |
| Tenement Schedule | 2 |
| Directors' Report | 3 |
| Auditor's Independence Declaration | 11 |
| Consolidated Statement of Comprehensive Income | 13 |
| Consolidated Statement of Financial Position | 14 |
| Consolidated Statement of Cash Flows | 15 |
| Consolidated Statement of Changes in Equity | 16 |
| Consolidated Notes to the Financial Statements | 17 |
| Directors' Declaration | 41 |
| Independent Auditor's Report | 42 |
| ASX Additional Information | 46 |

BOARD OF DIRECTORS

| | |
|----------------|---|
| Michael Povey | Executive Chairman |
| Kevin Lynn | Executive Director, CFO & Company Secretary |
| John Featherby | Non-Executive Director |

COMPANY SECRETARY

Kevin Lynn

PRINCIPAL AND REGISTERED OFFICE

63 Sinclair Street

Wollstonecraft, NSW 2065

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E: info@thomsonresources.com.au

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ASX SHARE REGISTER

Boardroom Pty Limited

T: 1300 737 760 (in Australia) / +61 2 9290 9600 (International)

W: www.boardroomlimited.com.au

SECURITIES EXCHANGE LISTING

Australian Securities Exchange

ASX Code: TMZ

AUDITOR

BDJ Partners

Level 8, 124 Walker Street

North Sydney, NSW 2060

REVIEW OF OPERATIONS

PROJECT ACTIVITIES

Thomson Operations 2022-23

The year 2022-2023 has been a challenging year for Thomson Resources Ltd. Thomson's focus had been its "New England Fold Belt Hub and Spoke" consolidation and development strategy in NSW and Queensland border region. The strategy was designed to create a precious, base and technology metal (silver, gold, zinc, copper, lead, tin) resource hub that would be developed and centrally processed. The key projects underpinning this strategy include the Webbs and Conrad Silver Projects, Texas Silver Project, and the earn-in agreement on the Mt Carrington Silver-Gold-base metal Project.

As part of the Hub and Spoke project the results of the Central Processing Pathway Study were released in October 2022 indicating potential indicative net cashflows (before capital expenditure and capital costs) over an 8-year project life with the Webbs, Conrad and Mt Carrington deposits, leaving the Texas resources aside due to low silver grades. Further engineering studies and metallurgical test work are required to establish the actual operating and capital costs for the project.

With Texas excluded from the Hub and Spoke project, and with excessive water management costs at the site through the 2021-22 La Nina event, the decision was made to sell the project with the sale occurring on December 6th, 2022.

Similar to Texas, a large environmental surety increase was requested by the State Government for Mt Carrington. Negotiations to postpone or reduce the proposed bond were unsuccessful and this prompted Thomson to withdraw from the Mt Carrington joint venture, effective in May 2023.

This leaves Thomson's Hub and Spoke project with two 100% owned projects with resources to JORC 2012 standard – Conrad¹ and Webbs². The current total expressed in silver equivalent is 35 million ounces at a silver equivalent grade of 200 g/t Ageq. Both projects have potential for resource expansion.

Thomson also has good exploration potential at its Lachlan Fold Belt Gold Project which consists of eight exploration licences, all with promising prospects. The lead prospect is "Harry Smith" near Narrandera which has seen some thick gold intercepts in drilling so far e.g. HSRC04- 57m at 0.9g/t Au from 6m and HSRC09- 9m at 9.2 g/t Au from 38m depth³; HSRC18- 87m at 0.9 g/t Au from 22m depth⁴; and HSRC27- 55m at 0.8 g/t Au from 56m depth⁵. The mineralisation is open at depth and along strike.

Excessive costs associated with the two relinquished projects – Texas and Mt Carrington – necessitated the sale of several projects during the year that were judged to be non-core. These included Bygoo Tin, Cannington Silver, Chillagoe Gold and Mt Paynter Tin-Tungsten.

Thomson has been working on a capital raising to enable TMZ to recommence active exploration activity and trading on the ASX. The Company is currently in advanced discussions with a number of parties regarding a capital raising which it is expected will be announced in the short term.

1 ASX Release 11 August 2021: Thomson Announces 20.7 Moz Silver Equivalent Indicated And Inferred Mineral Resource Estimate For Conrad

2 ASX Release 9 June 2022: Thomson Delivers 14 Moz Silver Equivalent Indicated and Inferred Mineral Resource Estimate for Webbs Deposit

3 ASX Release 29 January 2019: Further Gold Intersections at Harry Smith Prospect

4 ASX Release 21 January 2021: Large Gold System Confirmed At Harry Smith

5 ASX Release 28 April 2021: Further Wide Gold Intercepts at Harry Smith

Competent Person Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Eoin Rothery, (MSc), who is a member of the Australian Institute of Geoscientists. Mr Rothery is a part-time employee of Thomson Resources Ltd. Mr Rothery has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Rothery consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

SCHEDULE OF TENEMENTS

AS AT 27 SEPTEMBER 2024

| Name | Title | Owens | Note | Holder at 27 September 2024 |
|------------------------------|-----------|-------|--|-----------------------------|
| <i>Lachlan Fold Belt NSW</i> | | | | |
| Barellan | EL7896 | 100% | | Thomson Resources Ltd |
| Toburra | EL8011 | 100% | Sale underway to a private investor | Thomson Resources Ltd |
| Wilga Downs | EL8136 | 100% | Sale underway to a private investor | Thomson Resources Ltd |
| Harry Smith | EL8531 | 100% | Is subject to a "Right of First Refusal and Offtake Agreement" for tin with a private investor | Thomson Resources Ltd |
| Yalgogrin | EL8684 | 100% | | Thomson Resources Ltd |
| Gibsonvale | EL8946 | 100% | | Thomson Resources Ltd |
| Four Mile | EL9067 | 100% | | Thomson Resources Ltd |
| Buggajool | EL9112 | 100% | | Thomson Resources Ltd |
| Kildary | EL9187 | 100% | | Thomson Resources Ltd |
| Buddigower | EL9208 | 100% | | Thomson Resources Ltd |
| <i>New England Fold Belt</i> | | | | |
| Webbs | EL5674 | 100% | | Webbs Resources PL |
| Conrad | EL5977 | 100% | | Conrad Resources PL |
| | EPL1050 | 100% | | Conrad Resources PL |
| | ML5992 | 100% | | Conrad Resources PL |
| | ML6040 | 100% | | Conrad Resources PL |
| | ML6041 | 100% | | Conrad Resources PL |
| <i>Texas Project</i> | | | | |
| MacDonald | EPM 27843 | 0% | Sale agreed to a private investor | Thomson Resources Ltd |
| Arcot | EPM 27844 | 0% | Sale agreed to a private investor | Thomson Resources Ltd |
| Texas – Mt Gunyan | EPM 8854 | 0% | Sale agreed to a private investor | Thomson Resources Ltd |
| Texas - Dumaresq | EPM 11455 | 0% | Sale agreed to a private investor | Thomson Resources Ltd |
| Texas - Oakey Creek | EPM 12858 | 0% | Sale agreed to a private investor | Thomson Resources Ltd |
| Texas – Clover Corner | EPM 18950 | 0% | Sale agreed to a private investor | Thomson Resources Ltd |
| Texas - Glengunyah | EPM 26275 | 0% | Sale agreed to a private investor | Thomson Resources Ltd |
| Texas – Silver Spur | ML 5932 | 0% | Sale agreed to a private investor | Thomson Resources Ltd |
| Texas – Twin Hills | ML 100106 | 0% | Sale agreed to a private investor | Thomson Resources Ltd |

| | | |
|---------------------------------------|---------------------------------------|-----------------------------------|
| EL = Exploration Licence | ELA = Exploration Licence Application | EPM = Exploration Permit Minerals |
| EPL = Exploration Prospecting Licence | ML = Mining Licence | |

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DIRECTORS' REPORT

Your Directors submit their report for the year ended 30 June 2023.

DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless stated.

| Director | Qualifications and Experience |
|---|---|
| Michael Povey Executive Chairman | <p><i>Appointed 11 August 2023</i></p> <p>Michael Povey is a mining engineer with over 45 years' of worldwide experience in the mining and resource sector. This experience has encompassed a wide range of commodities and included senior management positions in surface and underground mining operations in Africa, North America and Australia, including employment with Rio Tinto, Anglo American and Australian resource and mining service companies.</p> <p>Michael Povey is a Chartered Engineer and a Member of the Australian Institute of Mining and Metallurgy and hold a number of Certificates of Competency, including a West Australian Mine Managers Certificate.</p> <p>During the past three years Michael has also served as a director of the following listed company:</p> <ul style="list-style-type: none">• Surefire Resources NL – appointed 12 October 2017• Volcanic Gold Mines Inc – appointed 11 May 2020• Gold Basin Resources Corporation (formerly known as Fiorentina Minerals Inc) – appointed 10 July 2020 (<i>resigned 9 January 2023</i>) |
| John Featherby Non- Executive Director | <p><i>Appointed 16 November 2023</i></p> <p>John has extensive experience in the stockbroking and wealth management industry. Mr Featherby joined Hartley Poynton (now EurozHartleys) in 1987, and his skills in securing finance, corporate relations and business development will be integral to the Company's future development.</p> <p>During the past three years John has also served as a director of the following listed company:</p> <ul style="list-style-type: none">• XTC Lithium Limited appointed 10 October 2022 |
| Kevin Lynn Executive Director, Chief Financial Officer & Company Secretary | <p><i>Appointed 13 October 2023</i></p> <p>Kevin Lynn is a Chartered Accountant (ACA) with a Master of Finance. Mr. Lynn is also Fellow of FINSIA (F.FIN) and Institute of Company Directors (FAICD) with over 35 years' experience in private and public listed companies, particularly in mining and oil and gas, whilst acting in various roles including Director, CFO and Company Secretary.</p> <p>During the past three years Kevin has also served as a director of the following listed company:</p> <ul style="list-style-type: none">• XTC Lithium Limited appointed 14 February 2023 |

DIRECTORS' REPORT

| | |
|--|--|
| <p>Richard Willson B.Acc, FCPA, FAICD</p> <p>Non-Executive Chairman & Company Secretary</p> | <p><i>Appointed 31 July 2019 (Non-Executive Chairman from 15 February 2023), resigned 13 October 2023</i></p> <p>Richard Willson is an experienced, Non-Executive Director, Company Secretary and CFO with more than 20 years' experience with both publicly listed and private companies. Richard has a Bachelor of Accounting from the University of South Australia, is a Fellow of CPA Australia, and a Fellow of the Australian Institute of Company Directors.</p> <p>He is a Non-Executive Director of Titomic Limited (ASX:TTT), Clara Resources Limited (ASX:C7A), Thomson Resources Ltd (ASX:TMZ), MedTec Holdings Limited, and Unity Housing Company Ltd; and Company Secretary of a number of ASX Listed Companies. Richard is the Chairman of the Audit Committee of Titomic Limited, Clara Resources Limited, and Unity Housing Company, and is the Chairman of the Remuneration & Nomination Committee of Titomic Limited.</p> <p>During the past three years Richard has also served as a director of the following listed companies:</p> <ul style="list-style-type: none"> • PNX Metals Limited – appointed 18 June 2021 (<i>resigned April 2023</i>) • Titomic Limited – appointed 27 May 2017 • Clara Resources Limited (<i>formerly known as Aus Tin Mining Limited</i>) – appointed 18 January 2013 • 1414 Degrees Limited – appointed 1 July 2020 (<i>resigned May 2021</i>) • Lanyon Investment Company Limited (<i>formerly known as 8IP Emerging Companies Limited</i>) – appointed 1 April 2021 (<i>resigned May 2022</i>) |
| <p>Eoin Rothery MSc MAIG, RPGeo</p> <p>Technical Director</p> | <p><i>Appointed 8 July 2010, resigned 2 April 2024</i></p> <p>Eoin Rothery is a geologist from Trinity College, Dublin, Ireland and spent 10 years in the resources industry there exploring for copper, zinc, uranium, gold and silver, before emigrating to Australia in 1989.</p> <p>Near-mine exploration followed at the major base metal deposits of Broken Hill and Macarthur River. Moving to WA in 1997, Eoin supervised the drill out and resource estimation of the first million ounce underground gold resource at Jundee Gold Mine.</p> <p>At Consolidated Minerals from 2001 Eoin was in charge of the successful manganese exploration at Woodie, that discovered 15 million tons of ore, increasing both the mine life and resource base 4-fold, as well as managing successful iron ore, chromite and nickel exploration. Eoin has been with Thomson Resources from 2009.</p> <p>During the past three years Eoin has not served as a director of any other listed companies.</p> |
| <p>James Fox</p> <p>Non-Executive Director</p> | <p><i>Appointed 22 May 2023, resigned 13 October 2023</i></p> <p>James Fox, BSc (Hons), has over 25 years' experience in the mining industry through the full cycle of mine development, including the last 10 in MD, CEO, and NED roles.</p> <p>Prior to that, Mr. Fox held various senior processing positions and has been intimately involved during construction, commissioning, and operations of mineral processing plants in copper, nickel and cobalt, and worked in the UK, Cyprus, Uganda and Australia.</p> <p>During the past three years James has also served as a director of the following listed company:</p> <ul style="list-style-type: none"> • PNX Metals Limited – appointed November 2014 |

DIRECTORS' REPORT

| | |
|--|---|
| <p>David Williams</p> <p>Executive Chairman</p> | <p><i>Appointed 31 July 2019, resigned 15 February 2023</i></p> <p>David Williams is an experienced executive, having been the Managing Director of Marmota Limited, a gold, copper and uranium explorer in SA, the former Chairman of Lithex Resources Limited, a graphite and nickel explorer, and former President of Heathgate Resources Pty Ltd, the owner and operator of the Beverley uranium mine in South Australia.</p> <p>During the past three years David has also served as a director of the following listed companies:</p> <ul style="list-style-type: none"> Indiana Resources Limited – appointed 2 November 2020 (<i>resigned 1 June 2021</i>) |
| <p>Craig Sharpe</p> <p>Non-Executive Director</p> | <p><i>Appointed 15 February 2023, Resigned 7 March 2023</i></p> <p>Craig Sharpe is an investment professional with over 25 years' experience. He holds a Bachelor of Commerce specialising in Economics and Finance. In 2005, he completed a MBA at Monash University.</p> <p>During the past three years Craig has also served as a director of the following listed companies:</p> <ul style="list-style-type: none"> Lightning Minerals Limited (<i>formerly known as Nickel 1 Ltd</i>) – appointed 8 April 2022 |

COMPANY SECRETARY

| | |
|-------------------------------|---|
| <p>Kevin Lynn</p> | <p><i>Appointed 13 October 2023</i></p> <p>Experience and qualifications included in table above.</p> |
| <p>Richard Willson</p> | <p><i>Resigned 13 October 2023</i></p> <p>Experience and qualifications included in table above.</p> |

DIRECTORS' INTERESTS IN SHARES AND OPTIONS

As at the date of this report, the interests of the Directors in the shares and options of the Company were:

| | Shares directly and indirectly held | Options | Performance Rights |
|-------------|-------------------------------------|---------|--------------------|
| R Willson | 2,000,000 | 500,000 | 8,750,000 |
| E Rothery | 5,316,667 | 281,250 | 11,750,000 |
| J Fox | - | - | - |
| M Povey | - | - | - |
| D Williams* | 2,333,333 | 500,000 | 13,750,000 |
| C Sharpe* | - | - | - |

* At the time of resignation

PRINCIPAL ACTIVITIES

Thomson Resources holds a diverse portfolio of minerals tenements across technology and base minerals, gold, and silver in New South Wales. In line with Thomson's technology, base and precious metals interests, Thomson will continue to review business opportunities in the technology, base and precious metals spaces.

RESULTS

The net result of operations of the consolidated entity after applicable income tax expense was a loss of \$20,299,773 (2022: loss \$2,887,014).

DIVIDENDS

No dividends were paid or proposed during the period.

DIRECTORS' REPORT

REVIEW OF OPERATIONS

A review of the operations of the Company during the financial period and the results of those operations commence on page 1 of this annual report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Directors are not aware of any significant changes in the state of affairs of the Group occurring during the financial period, other than as disclosed in this report.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Since 30 June 2023 to the date of this report, the Company has:

- Appointed Mr. Michael Povey as Non-Executive Director on the 11 August 2023 (see ASX announcement dated 11 August 2023)
- Issued 106,252,656 shares (see ASX announcement dated 2 September 2023, released 4 September 2023)
- Appointed Mr. John Featherby as a non-executive director and Mr. Kevin Lynn was appointed as a Director, CFO and Company Secretary, the Company is now in compliance with section 201A(2) of the Corporations Act 2001 (Cth). Mr Michael Povey is acting as Executive Chairman.
- Due to Warwick Gold Holdings (WGH) failing to satisfy all of the conditions precedent, the agreement was terminated. The Group resumed operational management of the Texas Project.
- Negotiated a fund-raising Mandate totalling \$6.0 million.
- Re-negotiation with major creditors for payment of outstanding amounts for a total saving of approximately \$966,263.
- Re-negotiation with past Directors and employees resulting in saving of \$349,462.
- Completed negotiations related to the impending sale of Texas project which will reduce the Company's ongoing operating costs and debt commitments saving the company \$1,063,961 owing on Bonds to the Queensland Department of Mines.
- Negotiated access to debt funding to meet its commitments until such time as it completes its contemplated future share raising.
- Commitments from current Directors of up to \$250,000 each to meet the Company's obligation until such time as it completes its contemplated future share raising.
- Commenced a full review of the Company's tenement package.

There are no other matters or circumstances that have arisen since the balance date that may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

As the Company's areas of interest are at an early stage of exploration, it is not possible to postulate likely developments and any expected results. The Company is aiming to establish resources from some of its current prospects and to identify further base and precious metal targets to test.

DIRECTORS' REPORT

SHARES UNDER OPTION OR ISSUED ON EXERCISE OF OPTIONS

Details of unissued shares or interests under option for Thomson Resources Ltd as at the date of this report are:

| No. shares under option | Class of share | Exercise price of options | Expiry date of options |
|-------------------------|----------------|---------------------------|------------------------|
| 6,862,204 | Ordinary | \$0.10 | 25 Nov 2023 |
| 1,500,000 | Ordinary | \$0.20 | 29 Mar 2024 |
| 32,567,916 | Ordinary | \$0.20 | 29 Mar 2024 |
| 57,500,000 | Ordinary | \$0.124 | 30 Mar 2024 |
| 303,018,289 | Ordinary | \$0.115 | 28 Oct 2024 |
| 250,000 | Ordinary | \$0.25 | 7 Dec 2024 |
| 1,500,000 | Ordinary | \$0.25 | 10 Jun 2025 |
| 250,000 | Ordinary | \$0.45 | 7 Dec 2025 |
| 51,136,363 | Ordinary | \$0.036 | 7 Dec 2026 |
| <u>454,584,772</u> | | | |

The holders of these options do not have the right, by virtue of the option, to participate in any share issue of the Company or of any other body corporate or registered scheme.

Refer to Note 13 to the financial statements for details of options and performance rights issued during the year.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Indemnification

The Company has, except as may be prohibited by the Corporations Act 2001, every officer or agent of the Company shall be indemnified out of the property of the entity against any liability incurred by him or her in their capacity as officer or agent of the Company or any related corporation in respect of any act or omission whatsoever occurring or in defending any proceedings, whether civil or criminal.

Insurance Premiums

During the financial period the Company has paid premiums to insure each of the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

The premiums paid are not disclosed as such disclosure is prohibited under the terms of the contract.

ENVIRONMENTAL PERFORMANCE

Thomson Resources holds exploration and mining licences issued by New South Wales Department of Industry – Resources and Energy and Queensland Department of Resources, which specify guidelines for environmental impacts in relation to exploration activities.

The licence conditions provide for the full rehabilitation of the areas of exploration in accordance with the Department's guidelines and standards. There have been no significant known breaches of the licence conditions.

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2023 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

DIRECTORS' REPORT

Details of Key Management Personnel (KMP)

Details of KMP including the top five remunerated executives of the Group are set out below.

| Directors | |
|--------------------------------|--|
| R Willson | Non-Executive Chairman and Company Secretary (Non-Executive Director to 15 February 2023) |
| E Rothery | Technical Director |
| J Fox | Non-Executive Director (appointed 22 May 2023) |
| M Povey | Non-Executive Director (appointed 11 August 2023) |
| D Williams | Executive Chairman (resigned 15 February 2023) |
| C Sharpe | Non-Executive Director (appointed 15 February 2023)(resigned 7 March 2023) |
| Other Key Management Personnel | |
| G Skelton | General Manager – Operations (resigned 13 June 2023) |
| M Bennett | General Manager – Exploration (resigned 12 June 2023) |

Remuneration Philosophy

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. The Board believes that executive remuneration satisfies the following key criteria:

- Competitiveness and reasonableness.
- Acceptability to shareholders.
- Performance linkage/alignment of executive compensation.
- Transparency.
- Capital management.

These criteria result in a framework which can be used to provide a mix of fixed and variable remuneration, and a blend of short and long-term incentives in line with the Company's limited financial resources.

Fees and payments to the Company's Non-Executive Directors and Senior Executives reflect the demands which are made on, and the responsibilities of, the Directors and the senior management. Such fees and payments are reviewed annually by the Board. The Company's Executive and Non-Executive Directors, Senior Executives and Officers are entitled to receive options under the Company's Employee Share Option Scheme.

Non-Executive Director (NED) Remuneration Arrangements

Directors are entitled to remuneration out of the funds of the Company but the remuneration of the Non-Executive Directors may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The aggregate remuneration of the Non-Executive Directors has been fixed at a maximum of \$250,000 per annum to be apportioned among the Non-Executive Directors in such a manner as the Board determines. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as Directors.

The Chairman's fee is set at \$250,000 p.a. and NED fees at \$50,000 p.a. In addition, the NED who serves as Company Secretary receives an additional \$60,000 p.a. for performing the functions of the Company Secretary. At present, no Committee fees are paid to Directors.

DIRECTORS' REPORT

Service Agreements

Remuneration and other terms of employment for key management personnel are formalised in employment contracts and contractors agreements. Details of these agreements are set out below.

Non-Executive Chairman and Company Secretary – Richard Willson

Mr Willson's current contract is on a non-fixed term basis and is entitled to a remuneration of \$250,000 p.a. for Chairman duties and \$60,000 p.a. for Company Secretary duties plus statutory superannuation.

Technical Director – Eoin Rothery

Mr Rothery's current contract is on a non-fixed term basis and is entitled to a remuneration of \$250,000 p.a. plus statutory superannuation. Termination notice is 3 months by Mr Rothery and 6 months by the Company.

Non-Executive Director – James Fox

Mr Fox's current contract is on a non-fixed term basis and is entitled to a remuneration of \$50,000 p.a. plus statutory superannuation.

Non-Executive Director – Michael Povey

Mr Povey's current contract is on a non-fixed term basis and is entitled to a remuneration of \$50,000 p.a. plus statutory superannuation.

Executive Chairman – David Williams (resigned 15 February 2023)

Mr Williams' contract was on a non-fixed term basis and is entitled to remuneration of \$200,000 p.a. plus statutory superannuation. Termination notice is 3 months by Mr Williams and 6 months by the Company.

Non-Executive Director – Craig Sharpe (resigned 7 March 2023)

Mr Sharpe's contract was on a non-fixed term basis and is entitled to a remuneration of \$50,000 p.a. plus statutory superannuation.

General Manager - Operations – Graeme Skelton (resigned 13 June 2023)

Mr Skelton's contract was on a non-fixed term basis and is entitled to a remuneration of \$200,000 p.a. plus statutory superannuation. Termination notice is 2 months by Mr Skelton or the Company.

General Manager - Exploration – Martin Bennett (resigned 12 June 2023)

Mr Bennett's contract was on a non-fixed term basis and is entitled to a remuneration of \$225,000 p.a. plus statutory superannuation. Termination notice is 2 months by Mr Bennett or the Company.

DIRECTORS' REPORT

Directors and Key Management Personnel Remuneration for the Year Ended 30 June 2023

| | Short-term benefits | Post employment | Share-based payments | | |
|---------------------------------------|----------------------|-----------------|----------------------------|----------------|----------------------|
| | Cash salary and fees | Superannuation | Performance rights/Options | Total | Share-based payments |
| | \$ | \$ | \$ | \$ | % |
| Directors | | | | | |
| R Willson | 16,666 | 1,750 | - | 18,416 | - |
| E Rothery | 33,333 | 3,500 | - | 36,833 | - |
| J Fox | - | - | - | - | - |
| M Povey | - | - | - | - | - |
| D Williams | 33,333 | 3,500 | - | 36,833 | - |
| C Sharpe | - | - | - | - | - |
| | 83,332 | 8,750 | - | 92,082 | - |
| Other Key Management Personnel | | | | | |
| G Skelton | 184,133 | 19,250 | - | 203,383 | - |
| M Bennett | 209,646 | 21,656 | - | 231,302 | - |
| | 393,799 | 40,906 | - | 434,685 | - |
| Total | 477,111 | 49,656 | - | 526,767 | - |

A total of \$637,483 in Directors' fees and superannuation was accrued at 30 June 2023. These accrued amounts have not been included in the above remuneration.

Directors and Key Management Personnel Remuneration for the Year Ended 30 June 2022

| | Short-term benefits | Post employment | Share-based payments | | |
|---------------------------------------|----------------------|-----------------|----------------------------|------------------|----------------------|
| | Cash salary and fees | Superannuation | Performance rights/Options | Total | Share-based payments |
| | \$ | \$ | \$ | \$ | % |
| Directors | | | | | |
| R Willson | 66,667 | 6,667 | 83,091 | 156,425 | 53 |
| E Rothery | 123,853 | 12,385 | 115,213 | 251,451 | 46 |
| D Williams | 133,333 | 13,333 | 149,091 | 295,757 | 50 |
| | 323,853 | 32,385 | 347,395 | 703,633 | 49 |
| Other Key Management Personnel | | | | | |
| G Skelton | 206,307 | 19,887 | - | 226,194 | - |
| M Bennett | 100,478 | 9,798 | - | 110,276 | - |
| | 306,785 | 29,685 | - | 336,470 | - |
| Total | 630,638 | 62,010 | 347,395 | 1,040,103 | 33 |

A total of \$188,333 in Directors' fees and superannuation was accrued at 30 June 2022. These accrued amounts have not been included in the above remuneration.

Compensation Options: Granted and Vested during the Year

Share based payments totalling \$nil (2022: \$347,395) were granted to Directors and Key Management personal during the financial year.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. There were no forfeitures during the period.

Auditor's Independence Declaration

To the directors of Thomson Resources Ltd

As engagement partner for the audit of Thomson Resources Ltd for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

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

BDJ Partners

Greg Cliffe
Partner

26 September 2024

Tax

Accounting

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Advice**

Super

Audit

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Liability limited by a
scheme approved
under Professional
Standards Legislation.
Please refer to the
website for our
standard terms of
engagement.

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DIRECTORS' REPORT

MEETINGS OF DIRECTORS

The following table sets out the number of Directors' meetings (including meetings of Committees of Directors) held during the financial year and the number of meetings attended by each director:

| | Board of Directors | | Audit Committee | |
|------------|--------------------|----------|-----------------|----------|
| | Held | Attended | Held | Attended |
| R Willson | 3 | 3 | - | - |
| E Rothery | 3 | 3 | - | - |
| J Fox | - | - | - | - |
| M Povey | - | - | - | - |
| D Williams | 3 | 3 | - | - |
| C Sharpe | - | - | - | - |

NON-AUDIT SERVICES

The Company's auditor, BDJ Partners did not provide non-audit services during the year ended 30 June 2023 (2022: nil). The Directors are satisfied that the provision of any non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Signed at Sydney this 27th day of September 2024 in accordance with a resolution of the Directors.



Michael Povey
Executive Chairman

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

| | Note | 2023 \$ | 2022 \$ |
|---|------|--------------|-------------|
| Income | 3 | 375,556 | 289,850 |
| ASX and ASIC fees | | (59,758) | (73,262) |
| Audit fees | 17 | (73,000) | (83,500) |
| Contract administration services | | (224,551) | (237,523) |
| Depreciation expense | | (65,518) | (57,395) |
| Employee costs (net of costs recharged to exploration projects) | | (595,124) | (669,445) |
| Exploration expenditure expensed | | (18,795,273) | - |
| Insurance | | (84,692) | (38,443) |
| Marketing and Public Relations | | (172,134) | (777,439) |
| Rent | | (14,230) | (29,400) |
| Share based payments | | - | (427,822) |
| Loss on the disposal of assets | | (341,921) | - |
| Other expenses from ordinary activities | | (249,128) | (782,635) |
| Profit/(loss) before income tax expense | | (20,299,773) | (2,887,014) |
| Income tax expense | 4 | - | - |
| Profit/(loss) after income tax expense | 12 | (20,299,773) | (2,887,014) |
| Other comprehensive income | | | |
| Other comprehensive income for the period, net of tax | | - | - |
| Other comprehensive income | | - | - |
| Total comprehensive income/(loss) attributable to members of Thomson Resources Ltd | | (20,299,773) | (2,887,014) |
| Basic earnings/(loss) per share (cents per share) | 14 | (2.52) | (0.52) |
| Diluted earnings/(loss) per share (cents per share) | 14 | (2.52) | (0.52) |

The Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

| | Note | 2023 \$ | 2022 \$ |
|---|------|-------------------|-------------------|
| Current assets | | | |
| Cash and cash equivalents | 5 | 99,730 | 149,751 |
| Receivables | 6 | 36,246 | 211,677 |
| Total current assets | | 135,976 | 361,428 |
| Non-current assets | | | |
| Tenement security deposits | 7 | 6,321,917 | 6,447,217 |
| Plant and equipment | | 44,408 | 349,528 |
| Motor Vehicles | | 86,834 | 111,704 |
| Deferred exploration and evaluation expenditure | 8 | 18,106,709 | 34,936,935 |
| Total non-current assets | | 24,559,868 | 41,845,384 |
| Total assets | | 24,695,844 | 42,206,812 |
| Liabilities | | | |
| Payables | 9 | 5,338,456 | 5,818,540 |
| Provisions | 10 | 202,660 | 239,544 |
| Total current liabilities | | 5,541,116 | 6,058,084 |
| Non-current liabilities | | | |
| Provisions | 10 | 6,314,417 | 5,971,587 |
| Total non-current liabilities | | 6,314,417 | 5,971,587 |
| Total liabilities | | 11,855,533 | 12,029,671 |
| Net assets | | 12,840,311 | 30,177,141 |
| Equity | | | |
| Contributed equity | 11 | 38,529,823 | 35,566,881 |
| Accumulated losses | 12 | (31,521,950) | (12,448,678) |
| Reserves | 13 | 5,832,438 | 7,058,938 |
| Total equity | | 12,840,311 | 30,177,141 |

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

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

| | Note | 2023 \$ | 2022 \$ |
|--|------|-------------|--------------|
| Cash flows from operating activities | | | |
| Payment to suppliers and employees | | (143,462) | (1,757,786) |
| Interest Received | | 114 | 7 |
| Other income received | | 8,229 | - |
| Proceeds from R&D tax claim | | 207,213 | - |
| Net cash flows (used in) operating activities | 24 | 72,094 | (1,757,779) |
| Cash flows from investing activities | | | |
| Expenditure on mining interests (exploration) | | (3,308,007) | (10,952,131) |
| Proceeds from sale of shares | | - | 289,843 |
| Proceeds from sale of exploration tenement and royalty rights | | 160,000 | - |
| Purchase of plant and equipment | | - | (253,425) |
| Tenement security deposits (paid)/refunded | | 77,800 | (3,326,117) |
| Net cash flows (used in) investing activities | | (3,070,207) | (14,241,830) |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares/share applications net of raising expenses | | 2,948,092 | 9,441,909 |
| Net cash flows from financing activities | | 2,948,092 | 9,441,909 |
| Net increase/(decrease) in cash held | | (50,021) | (6,557,700) |
| Add opening cash brought forward | | 149,751 | 6,707,451 |
| Closing cash carried forward | 5 | 99,730 | 149,751 |

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

| | Note | Issued capital \$ | Accumulated losses \$ | Reserves \$ | Total equity \$ |
|---|------|----------------------|--------------------------|------------------|--------------------|
| At 1 July 2021 | | 24,191,773 | (9,729,762) | 6,767,188 | 21,229,199 |
| Profit/(loss) for the period | | - | (2,887,014) | - | (2,887,014) |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive income/(loss) for the period | | - | (2,887,014) | - | (2,887,014) |
| Transactions with owners in their capacity as owners: | | | | | |
| Issue of share capital, net of transaction costs | | 11,281,148 | - | - | 11,281,148 |
| Performance rights vested | | 93,960 | - | (93,960) | - |
| Share based payments | | - | - | 553,808 | 553,808 |
| Expired/exercised option value transferred to Accumulated Losses | | - | 168,098 | (168,098) | - |
| At 30 June 2022 | | 35,566,881 | (12,448,678) | 7,058,938 | 30,177,141 |
| At 1 July 2022 | | 35,566,881 | (12,448,678) | 7,058,938 | 30,177,141 |
| Profit/(loss) for the period | | - | (20,299,773) | - | (20,299,773) |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive income/(loss) for the period | | - | (20,299,773) | - | (20,299,773) |
| Transactions with owners in their capacity as owners: | | | | | |
| Issue of share capital, net of transaction costs | | 2,962,942 | - | - | 2,962,942 |
| Expired/exercised option/performance rights value transferred to Accumulated Losses | | - | 1,226,501 | (1,226,501) | - |
| At 30 June 2023 | | 38,529,823 | (31,521,950) | 5,832,438 | 12,840,311 |

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1. CORPORATE INFORMATION

The financial report of Thomson Resources Ltd (the Company) for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the Directors on 27 September 2024.

Thomson Resources Ltd (the parent) is a company limited by shares, incorporated on 17 July 2009 and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange Ltd using the ASX code TMZ.

The consolidated financial statements comprise the financial statements of Thomson Resources Ltd and its subsidiaries (the Group or Consolidated Entity).

The nature of the operations and principal activities of the Company are described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards. The financial report has been prepared on a historical cost basis. All amounts are presented in Australian dollars.

Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (IFRS).

Going Concern

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

As disclosed in the financial statements, the Group incurred a net loss of \$20,299,773 and had net cash inflows from operating activities and outflows used in investing activities of \$72,094 and \$3,070,207 respectively for the year ended 30 June 2023. The Group's current liabilities exceeded current assets by \$5,405,140 as at 30 June 2023.

The ability of the Group to continue as a going concern is dependent on it being able to successfully raise further debt or capital funding in the next 12 months, to pursue its current exploration strategy and meet operating commitments including repayment outstanding amounts. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern.

Management will continue to explore the tenements, and the Directors are confident that the Group will be able to continue as a going concern and meet its current liabilities when they fall due in the next 12 months. Specifically, the Directors' conclusion is supported by the following:

- Successful capital and debt raisings during the 30 June 2023 financial year and signing of a fund-raising Mandate totalling \$6.0 million.
- Successful re-negotiation with major creditors for payment of outstanding amounts for a total saving of approximately \$996,283 in cash.
- Successful re-negotiation with past Directors and employees resulting in saving of \$349,462 in cash.
- Successful negotiations related to the impending sale of Texas project which will reduce the Company's ongoing operating costs and debt commitments saving the company \$1,063,961 owing on Bonds to the Queensland Department of Mines.
- The Company has negotiated access to debt funding to meet its commitments until such time as it completes its contemplated future share raising.
- The Directors have each pledged \$250,000 each to meet the Company's obligation until such time as it completes its contemplated future share raising.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

- The Company's ability to reduce exploration expenditures accordingly should the need arise through the ongoing close monitoring of cash reserves.

On this basis, no adjustments have been made to the financial report that might be necessary should the Group not continue as a going concern.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of Thomson Resources Ltd (Thomson or the Company) and its subsidiaries (collectively, the Group) as at 30 June each year.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Non-controlling interests are allocated their share of profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent. Losses are attributable to the non-controlling interest even if that results in a deficit balance.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. At this date, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate.

Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- Property, plant and equipment – 5-10 years
- Motor Vehicle – 5 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

An item of plant and equipment is derecognised upon disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred.

Interest in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Using the equity method of accounting, the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the joint venture. In addition, the Group's share of the profit or loss and other comprehensive income of the joint venture is included in the consolidated financial statements.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

Recoverable Amount of Assets

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

Financial Instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- Amortised cost
- Fair value through profit or loss - FVTPL
- Fair value through other comprehensive income - equity instrument (FVOCI - equity)
- Fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised Cost

Assets measured at amortised cost are financial assets where:

- The business model is to hold assets to collect contractual cash flows; and
- The contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair Value through other Comprehensive Income

The Company does not hold any assets measured at fair value through other comprehensive income.

Financial Assets through Profit or Loss

The Company does not hold any assets measured at fair value through profit or loss.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Impairment of Financial Assets

Receivables

Impairment of receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

Other Financial Assets Measured at Amortised Cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial Liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade and other payables.

Exploration, Evaluation, Development and Restoration Costs

Exploration and Evaluation

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest.

Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

- Such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale.
- Exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated within costs of development.

Exploration and Evaluation – Impairment

The Directors assess at each reporting date whether there is an indication that an asset has been impaired and for exploration and evaluation cost whether the above carry-forward criteria are met.

Accumulated costs in respect of areas of interest are written off or a provision made in the income statement when the above criteria do not apply or when the Directors assess that the carrying value may exceed the recoverable amount.

The costs of productive areas are amortised over the life of the area of interest to which such costs relate on the production output basis, provisions would be reviewed and if appropriate, written back.

Development

Development expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the directors. Such expenditure comprises net direct costs and, in the same manner as for exploration and evaluation expenditure, an appropriate portion of related overhead expenditure having a specific connection with the development property.

All expenditure incurred prior to the commencement of commercial levels of production from each development property is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development property, or from the sale of that property, is reasonably assured.

No amortisation is provided in respect of development properties until a decision has been made to commence mining. After this decision, the costs are amortised over the life of the area of interest to which such costs relate on a production output basis.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Cash and Cash Equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of one year or less. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts, if any.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for rehabilitation and restoration

A provision for rehabilitation and restoration is provided by the Group where there is a present obligation as a result of exploration, development and/or production activities having been undertaken, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The estimated future obligations represent expected costs to restoring affected areas once exploration, development and/or production activities has ceased or abandoned. Restoration liabilities are discounted to its present value and capitalised as a component of deferred exploration and evaluation expenditure. The capitalised costs are amortised over the life of development assets from the commencement of production.

Any changes in the estimate are reflected in the present value of the restoration provision at reporting date, with a corresponding change in the cost of the associated asset. In the event the restoration provision is reduced, the cost of the related asset is reduced by an amount not exceeding its carrying value.

If the decrease in restoration provision exceeds the carrying amount of the asset, the excess is recognised immediately in the statement of comprehensive income.

Estimation of rehabilitation and restoration costs

The provision for restoration recognised by the Group at reporting date represents the cost to restore tenement areas held by the Group. Most of the events required to be performed are expected to occur in future years and the precise requirements that will have to be met when the event occurs are uncertain. Technology and costs associated with the restoration activities required are constantly changing, as are political, environmental, safety and public expectations. The timing and amounts of future cash flows are subject to significant uncertainty and estimation is required in determining the amounts of provisions to be required.

The Group's restoration obligations are based on compliance with the requirements of relevant regulations which vary for different jurisdictions and are often non-prescriptive.

Employee Entitlements

Provision is made for the Group's employee benefits liability arising from services rendered by employees to the end of the reporting period. These benefits include wages, salaries, annual leave and long service leave. Where these benefits are expected to be settled within 12 months of the reporting date, they are measured at the amounts expected to be paid when the liabilities are settled.

Expenses for non-vesting personal leave are recognised when the leave is taken and are measured at the rates paid or payable. Liabilities for long service leave and annual leave that is not expected to be taken wholly before 12 months after the end of the reporting period in which the employee rendered the related service, are recognised and measured as the present value of the estimated future cash outflows to be made in respect of employees' services up to the reporting date.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

The obligation is calculated using expected future wage and salary rates and periods of service. The estimated future payments have been discounted using Australian corporate bond rates. The obligations are presented as current liabilities in the statement of financial position if the Group does not have the unconditional right to defer settlement for at least 12 months after reporting date, regardless of when the actual settlement is expected to occur.

Share-Based Payments

In addition to salaries, the Group provides benefits to certain employees (including Directors and Key Management personnel) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions").

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value of the options is determined by using the generally accepted valuation methodologies. In valuing transactions settled by way of issue of options, no account is taken of any vesting limits or hurdles, or the fact that the options are not transferable. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

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

If the terms of an equity-settled award are modified, at a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification. If an equity-settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised is recognised immediately.

However, if a new award is substituted for the cancelled award and designated a replacement award on the date it is granted, the cancelled and the new award are treated as if there was a modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share except where such dilution would serve to reduce a loss per share.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- Except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- Except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables are stated with the amount of GST included.

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

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

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

Currency

Both the functional and presentation currency is Australian dollars (A\$).

Investment in Controlled Entities

The Company's investment in its controlled entities is accounted for under the equity method of accounting in the Company's financial statements.

Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Significant Accounting Judgements, Estimates and Assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The 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 are:

Share-Based Payment Transactions

The Group measures the cost of share-based payments at fair value at the grant date using generally accepted valuation methodologies taking into account the terms and conditions upon which the instruments were granted, as detailed in Note 13.

Capitalisation and Write-Off of Capitalised Exploration Costs

The determination of when to capitalise and write-off exploration expenditure requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions.

Contributed equity

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

Earnings Per Share

Basic earnings per share is calculated as net profit attributable to members of the Group, adjusted to exclude any costs of servicing equity divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit attributable to members of the Group, adjusted for:

- Costs of servicing equity.
- The after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses.
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares.
- Divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Accounting Standards Issued but Not Yet Effective

Australian Accounting Standards and interpretations that have been issued or amended but are not yet effective have not been adopted by the Consolidated Entity for the year ended 30 June 2023. The Consolidated Entity plans to adopt these standards at their application dates.

It is anticipated that the application of these standards will not have a material effect on the Group's results or financial reports in future periods.

The Director's assessment of the impact of all other new standards and interpretations is that they will not have a material impact on the financial report of the Company.

3. INCOME

| | 2023 \$ | 2022 \$ |
|--|----------------|----------------|
| Proceeds from sale of exploration tenements and future royalties | 160,000 | - |
| Proceeds from sale of investment | - | 289,843 |
| Research and development tax incentive | 207,213 | - |
| Interest received | 114 | 7 |
| Other income | 8,229 | - |
| | 375,556 | 289,850 |

4. INCOME TAX

| | 2023 \$ | 2022 \$ |
|---|-------------|------------|
| Prima facie income tax (credit) on operating profit/(loss) at 25% (2021: 27.5%) | (5,074,943) | (721,753) |
| Deferred income tax in respect of carried forward tax losses – not recognised | (5,074,943) | (721,753) |
| Income tax expense | - | - |

No provision for income tax is considered necessary in respect of the Company for the period 30 June 2023 (2022: nil).

Tax benefits of 25% (2022: 25%) of approximately \$26,041,925 (2022: \$5,742,152) associated with the tax losses carried forward will only be obtained if:

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

5. CASH AND CASH EQUIVALENTS

| | 2023 \$ | 2022 \$ |
|--------------|---------------|----------------|
| Cash at bank | 99,730 | 149,751 |
| | 99,730 | 149,751 |

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

6. RECEIVABLES

| | 2023 \$ | 2022 \$ |
|---------------------------------------|---------------|----------------|
| Current | | |
| Trade debtors | 7,291 | - |
| GST receivables | - | 70,024 |
| Prepayments | - | 10,941 |
| Deposits | 15,000 | 18,893 |
| Amounts receivable from shares issued | - | 108,517 |
| Other debtors | 13,955 | 3,302 |
| | 36,246 | 211,677 |

7. TENEMENT SECURITY DEPOSITS

| | 2023 \$ | 2022 \$ |
|-------------|------------------|------------------|
| Current | - | - |
| Non-Current | 6,321,917 | 6,447,217 |
| | 6,321,917 | 6,447,217 |

These deposits are restricted so that they are available for any rehabilitation that may be required on exploration tenements (Refer to Note 20). The bank deposits are interest bearing.

8. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

| | 2023 \$ | 2022 \$ |
|---|-------------------|-------------------|
| Costs brought forward | 34,936,935 | 13,991,671 |
| Costs incurred during the period | 2,661,127 | 13,357,987 |
| Share issue for acquisition of exploration projects | - | 1,648,500 |
| Restoration | - | 5,938,777 |
| Disposal of Texas related tenements | (12,064,948) | - |
| Expenditure written off during period | (7,426,405) | - |
| Costs carried forward | 18,106,710 | 34,936,935 |

The above amounts represent costs of areas of interest carried forward as an asset in accordance with the accounting policy set out in Note 2. The ultimate recoupment of deferred exploration and evaluation expenditure in respect of an area of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value. Amortisation, in respect of the relevant area of interest, is not charged until a mining operation has commenced.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

9. CURRENT LIABILITIES – PAYABLES

| | 2023 \$ | 2022 \$ |
|------------------|------------------|------------------|
| Trade creditors | 4,577,016 | 5,147,678 |
| Accrued expenses | 761,440 | 670,862 |
| | 5,338,456 | 5,818,540 |

10. LIABILITIES – PROVISIONS

| | 2023 \$ | 2022 \$ |
|--------------------|----------------|----------------|
| Current | | |
| Annual leave | 139,600 | 193,004 |
| Long Service Leave | 63,060 | 46,540 |
| | 202,660 | 239,544 |

| | 2023 \$ | 2022 \$ |
|--------------------|------------------|------------------|
| Non-Current | | |
| Long Service Leave | - | 32,810 |
| Restoration | 6,314,417 | 5,938,777 |
| | 6,314,417 | 5,971,587 |

The provision for restoration represents areas held by the Group previously disturbed during exploration and other mining related activities up to the reporting date, but not yet rehabilitated. The provision represents the estimated costs and future obligations to restore the affected areas at reporting date. Restoration activities are expected to occur in future periods and over 12 months from the reporting date and as a result been recognised as non-current in the financial statements. There is also uncertainty associated with the precise requirements that will have to be met and associated cash outflows when restoration events occur.

11. CONTRIBUTED EQUITY

| | 2023 \$ | 2022 \$ |
|---|-------------------|-------------------|
| Share capital | | |
| 869,951,038 fully paid ordinary shares (2022: 703,666,912) Fully paid ordinary shares carry one vote per share and carry the right to dividends. | 45,968,254 | 42,355,730 |
| Share issue costs | (7,438,431) | (6,788,849) |
| | 38,529,823 | 35,566,881 |

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

| | Number | \$ |
|--|-------------|------------|
| Movements in ordinary shares on issue | | |
| At 1 July 2021 | 463,177,510 | 28,653,390 |
| Shares issued | 240,489,402 | 13,702,340 |
| At 30 June 2022 | 703,666,912 | 42,355,730 |
| Shares issued | 166,284,126 | 3,612,524 |
| At 30 June 2023 | 869,951,038 | 45,968,254 |

Shares issued during the year ended 30 June 2023:

- In July 2022 the Company issued 1,400,000 shares at \$0.021 to a service provider for consulting services.
- In August 2022 the Company issued 80,000,000 shares at \$0.028 in a share placement.
- In September 2022 the Company issued 1,300,000 shares at \$0.021 to a service provider for consulting services.
- In October 2022 the Company issued 20,000,000 shares at \$0.02 in a share placement.
- In November 2022 the Company issued 48,959 shares at \$0.03 for the conversion of options to shares.
- In December 2022 the Company issued 568,500 shares at \$0.03 for the conversion of options to shares.
- In December 2022 the Company issued 20,000,000 shares at \$0.018 in a share placement.
- In December 2022 the Company issued 1,300,000 shares at \$0.021 to a service provider for consulting services.
- In January 2023 the Company issued 15,000,000 shares at \$0.0267 in a share placement.
- In January 2023 the Company issued 26,666,667 shares at \$0.0037 in a share placement.

Terms and Conditions of Contributed Equity

Ordinary Shares

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

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Options

Options do not carry voting rights or rights to dividends until options are exercised.

12. ACCUMULATED LOSSES

| | 2023 \$ | 2022 \$ |
|---|--------------|--------------|
| Balance at the beginning of year | (12,448,678) | (9,729,762) |
| Expired option/performance rights value transferred to Accumulated Losses | 1,226,501 | 168,098 |
| Operating gain/(loss) after income tax expense | (20,299,773) | (2,887,014) |
| Balance at 30 June | (31,521,950) | (12,448,678) |

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

13. RESERVES/SHARE-BASED PAYMENTS

Reserves

| | 2023 \$ | 2022 \$ |
|--|------------------|------------------|
| Balance at 1 July | 7,058,938 | 6,767,188 |
| Expired/exercised option value transferred to Accumulated Losses | (1,007,501) | (168,098) |
| Expired/exercised performance rights value transferred to Accumulated Losses | (219,000) | - |
| Performance Rights Issued | - | 303,600 |
| Performance Rights vested transferred to issued capital | - | (93,960) |
| Issue of options | | 250,208 |
| Balance at 30 June | 5,832,438 | 7,058,938 |

Share-Based Payments

The Company has established the Thomson Resources Ltd Employee Share Option Plan ("ESOP") to assist in the attraction, retention and motivation of employees of the Company. There have been no cancellations or modifications to any of the plans during 2023.

Summary of Options Granted Under ESOP

| | 2023 no. | 2022 no. |
|--|------------------|------------------|
| Outstanding at the beginning of the year | 1,047,917 | 2,300,000 |
| Granted during the year | - | 1,281,250 |
| Exercised during the year | - | (333,333) |
| Forfeited/cancelled during the year | - | (2,200,000) |
| Expired during the year | - | - |
| Outstanding at the end of the year | 1,047,917 | 1,047,917 |

The outstanding balance as at 30 June 2023 is represented by options exercisable at \$0.115 with an expiry of 28 October 2024.

Option Pricing Model and Terms of Options

The following table lists the inputs to the options model and the terms of granted options:

| Grant date | Number of options granted | Exercise price | Expiry date | Expected volatility | Risk-free rate | Expected life years | Estimated fair value | Model used | |
|--------------|---------------------------|----------------|-------------|---------------------|----------------|---------------------|----------------------|------------|-----|
| Nov 20 | 20,000,000 | \$0.10 | 25 Nov 23 | 100.00% | 1.00% | 3 | \$0.0470 | Blk&Sch | (a) |
| Mar 21 | 50,000,000 | \$0.20 | 29 Mar 24 | 100.00% | 1.00% | 3 | \$0.0590 | Blk&Sch | (b) |
| Mar 21 | 10,276,250 | \$0.20 | 29 Mar 24 | 100.00% | 1.00% | 3 | \$0.0586 | Blk&Sch | (c) |
| Mar 21 | 7,500,000 | \$0.20 | 29 Mar 24 | 100.00% | 1.00% | 3 | \$0.0586 | Blk&Sch | (d) |
| Apr 21 | 22,291,666 | \$0.20 | 29 Mar 24 | 100.00% | 1.00% | 3 | \$0.0586 | Blk&Sch | (e) |
| Nov 21 | 9,662,500 | \$0.20 | 28 Oct 24 | 37.1% | 1.00% | 3 | \$0.0130 | Blk&Sch | (f) |
| Dec 21 | 1,500,000 | \$0.20 | 29 Mar 24 | 104.64% | 2.90% | 2.31 | \$0.0202 | Blk&Sch | (g) |
| Dec 21 | 1,500,000 | \$0.25 | 10 Jun 25 | 104.64% | 2.90% | 3.51 | \$0.0268 | Blk&Sch | (g) |
| Dec 21 | 250,000 | \$0.25 | 7 Dec 24 | 104.64% | 2.90% | 3 | \$0.0231 | Blk&Sch | (g) |
| Dec 21 | 250,000 | \$0.45 | 7 Dec 24 | 104.64% | 2.90% | 3 | \$0.0166 | Blk&Sch | (g) |
| Feb 22 | 1,281,250 | \$0.115 | 28 Oct 24 | 105.35% | 2.90% | 2.7 | \$0.0342 | Blk&Sch | (h) |
| Total | 124,511,666 | | | | | | | | |

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

- (a) 20,000,000 options were issued to the Lead Manager as part of a capital raising success fee.
- (b) 50,000,000 options were issued for the Webbs and Conrad acquisition.
- (c) 10,276,250 options were issued as part payment of a capital raising fee.
- (d) 7,500,000 options were issued as part of a capital raising success fee.
- (e) 22,291,666 options were issued in a private placement to various shareholders.
- (f) 9,662,500 options were issued as part payment of a capital raising fee.
- (g) 3,500,000 options were issued as part of payments for services received.
- (h) 1,281,250 options were issued to Directors as part of their remuneration.

Weighted Average Disclosures on Options

| | 2023 | 2022 |
|--|---------------|---------------|
| Weighted average exercise price of options at 1 July | \$0.16 | \$0.15 |
| Weighted average exercise price of options granted during period | - | \$0.20 |
| Weighted average exercise price of options exercised during period | - | \$0.46 |
| Weighted average exercise price of options outstanding at 30 June | \$0.18 | \$0.16 |
| Weighted average exercise price of options exercisable at 30 June | \$0.18 | \$0.16 |
| Weighted average contractual life | 2.99 years | 2.8 years |
| Range of exercise price | \$0.10-\$0.45 | \$0.03-\$0.45 |

Performance Rights

Pricing Model and Terms of Rights

The following table lists the inputs to the rights model and the terms for granted performance rights as at 30 June 2023:

| Grant date | Number of rights granted | Exercise price | Expiry date | Estimated fair value | Model used |
|------------|--------------------------|----------------|-------------|----------------------|--------------|
| Nov 20 | 3,000,000 | \$0.30 | 26 Oct 23 | \$0.0031 | Monte (a) |
| Apr 21 | 3,000,000 | \$0.45 | 12 Apr 24 | \$0.0752 | Monte (b) |
| Jan 22 | 4,000,000 | - | 30 Jan 23 | \$0.0132 | Blk&Scho (c) |
| Jan 22 | 8,000,000 | - | 30 Jan 24 | \$0.0132 | Blk&Scho (c) |
| Jan 22 | 5,500,000 | - | 30 Jan 24 | \$0.0132 | Blk&Scho (c) |
| Jan 22 | 5,500,000 | - | 30 Jan 24 | \$0.0132 | Blk&Scho (c) |

- (a) In November 2020 a total of 3,000,000 performance rights were issued to the Directors, vesting upon the share price achieving a 20 day VWAP of \$0.30 at any time before 26 October 2023
- (b) In April 2021 a total of 3,000,000 performance rights were issued to the Directors, vesting upon the share price achieving a 20 day VWAP of \$0.45 at any time before 12 April 2024
- (c) In January 2022 a total of 23,000,000 performance rights were issued to the Directors, vesting upon:
 - Raising capital in 2022 of at least \$20,000,000 (4,000,000 performance rights). Performance rights have lapsed as at 30 June 2023.
 - Producing an aggregate of Resources/Reserves defined by the Company in all New England Fold Belt Projects of at least 100 million ounces Silver Equivalent (8,000,000 performance rights)
 - Producing an aggregate of Resources/Reserves defined by the Company in all Lauchlan Fold Belt Projects of at least 10,000 tonnes of contained tin (5,500,000 performance rights)
 - A transaction or transactions in relation to the projects held by the Company other than the New England Fold Belt Projects which presents additional material value to shareholders (5,500,000 performance rights)

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

14. EARNINGS PER SHARE

| | 2023 | 2022 |
|---|------------------------|------------------------|
| Net profit/(loss) used in calculating basic and diluted gain/(loss) per share | (20,299,773) | (2,887,014) |
| | Number | Number |
| Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS | 805,211,240 | 556,854,071 |
| | Cents per share | Cents per share |
| Basic earnings (loss) per share | (2.52) | (0.52) |
| Diluted earnings (loss) per share | (2.52) | (0.52) |

In accordance with AASB 133 Earnings per Share, potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings/(losses) per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings/(losses) per share.

15. KEY MANAGEMENT PERSONNEL

Key Management Personnel Compensation

The aggregate compensation made to key management personnel of the Group is set out below:

| | 2023 \$ | 2022 \$ |
|------------------------------|----------------|------------------|
| Short-term employee benefits | 477,111 | 630,638 |
| Post-employment benefits | 40,906 | 62,070 |
| Share-based payments | - | 347,395 |
| | 526,767 | 1,040,103 |

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Shareholdings of Key Management Personnel

Fully paid ordinary shares held in Thomson Resources Ltd

| | Balance at 1 July no. | Issued in lieu of directors fees no. | Issued in share purchase plan/rights issue no. | Performance rights issue no. | Net other change (purchased/ sold on market) no. | Balance at 30 June no. |
|------------------------------|-----------------------------|---|---|---------------------------------------|---|------------------------------|
| 2023 | | | | | | |
| R Willson | 2,000,000 | - | - | - | - | 2,000,000 |
| E Rothery | 5,316,667 | - | - | - | - | 5,316,667 |
| J Fox | - | - | - | - | - | - |
| D Williams* | 2,333,333 | - | - | - | - | 2,333,333 |
| C Sharpe* | - | - | - | - | - | - |
| G Skelton* | - | - | - | - | - | - |
| M Bennett* | - | - | - | - | - | - |
| | <u>9,650,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>9,650,000</u> |
| * At the time of resignation | | | | | | |
| 2022 | | | | | | |
| R Willson | 2,000,000 | - | - | - | - | 2,000,000 |
| E Rothery | 4,290,000 | - | - | - | 1,026,667 | 5,316,667 |
| D Williams | 2,000,000 | - | - | - | 333,333 | 2,333,333 |
| G Skelton | - | - | - | - | - | - |
| M Bennett | - | - | - | - | - | - |
| | <u>8,290,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,360,000</u> | <u>9,650,000</u> |

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Option Holdings of Key Management Personnel

Share Options held in Thomson Resources Ltd

| | Balance at 1 July no. | Granted as compensation no. | Exercised no. | Net other change no. | Balance at 30 June no. | Balance vested at 30 June no. | Vested but not exercisable no. | Vested and exercisable no. | Options vested during year no. |
|------------------------------|-----------------------------|-----------------------------------|--------------------|----------------------------|------------------------------|--|---|-------------------------------------|--|
| 2023 | | | | | | | | | |
| R Willson | 833,333 | - | - | (333,333) | 500,000 | 500,000 | - | 500,000 | 500,000 |
| E Rothery | 281,250 | - | - | - | 281,250 | 281,250 | - | 281,250 | 281,250 |
| J Fox | - | - | - | - | - | - | - | - | - |
| D Williams* | 500,000 | - | - | - | 500,000 | 500,000 | - | 500,000 | 500,000 |
| C Sharpe* | - | - | - | - | - | - | - | - | - |
| G Skelton | - | - | - | - | - | - | - | - | - |
| M Bennett | - | - | - | - | - | - | - | - | - |
| | 1,614,583 | | | (333,333) | 1,281,250 | 1,281,250 | - | 1,281,250 | 1,281,250 |
| * At the time of resignation | | | | | | | | | |
| 2022 | | | | | | | | | |
| R Willson | 333,333 | 500,000 | - | - | 833,333 | 833,333 | - | 833,333 | 833,333 |
| E Rothery | 5,333,333 | 281,250 | (1,151,667) | (4,181,666) | 281,250 | 281,250 | - | 281,250 | 281,250 |
| D Williams | 333,333 | 500,000 | (333,333) | - | 500,000 | 500,000 | - | 500,000 | 500,000 |
| G Skelton | - | - | - | - | - | - | - | - | - |
| M Bennett | - | - | - | - | - | - | - | - | - |
| | 5,999,999 | 1,281,250 | (1,485,000) | (4,181,666) | 1,614,583 | 1,614,583 | - | 1,614,583 | 1,614,583 |

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Performance Rights Holdings of Key Management Personnel

Performance Rights held in Thomson Resources Ltd

| | Balance at 1 July no. | Granted as compensation no. | Vested no. | Net other change no. | Balance at 30 June no. | Balance vested at 30 June no. |
|------------------------------|-----------------------------|-----------------------------------|---------------|-------------------------|------------------------------|-------------------------------------|
| 2023 | | | | | | |
| R Willson | 8,750,000 | - | - | - | 8,750,000 | - |
| E Rothery | 11,750,000 | - | - | - | 11,750,000 | - |
| J Fox | - | - | - | - | - | - |
| D Williams* | 13,750,000 | - | - | -* | 13,750,000 | - |
| C Sharpe* | - | - | - | - | - | - |
| G Skelton | - | - | - | - | - | - |
| R Willson | - | - | - | - | - | - |
| | 34,250,000 | - | - | - | 34,250,000 | - |
| * At the time of resignation | | | | | | |
| 2022 | | | | | | |
| R Willson | 3,750,000 | 5,000,000 | - | - | 8,750,000 | - |
| E Rothery | 3,750,000 | 8,000,000 | - | - | 11,750,000 | - |
| D Williams | 3,750,000 | 10,000,000 | - | - | 13,750,000 | - |
| G Skelton | - | - | - | - | - | - |
| M Bennett | - | - | - | - | - | - |
| | 11,250,000 | 23,000,000 | - | - | 34,250,000 | - |

16. RELATED PARTY DISCLOSURES

Subsidiaries

The consolidated financial statements include the financial statements of Thomson Resources Ltd (the Parent Entity) and the following subsidiaries:

| Name and Country of Incorporation | % Equity interest | |
|---------------------------------------|-------------------|------|
| | 2023 | 2022 |
| Lassiter Resources Pty Ltd, Australia | 100 | 100 |
| Webb's Resources Pty Ltd, Australia | 100 | 100 |
| Conrad Resources Pty Ltd, Australia | 100 | 100 |
| Riverston Tin Pty Ltd, Australia | - * | 100 |
| Caesar Resources Pty Ltd, Australia | - * | 100 |

* Subsidiaries were disposed to third parties during the year ended 30 June 2023.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

17. AUDITORS' REMUNERATION

| 2023 \$ | 2022 \$ |
|--|------------|
| Total amounts receivable by the current auditors of the Company for: | |
| Audit of the Company's accounts | 83,500 |
| Other services | - |
| 73,000 | 83,500 |

Total amounts receivable by the current auditors of the Company for:

Audit of the Company's accounts

Other services

18. JOINT ARRANGEMENTS

The Group is a party to a number of exploration joint arrangement agreements to explore for copper, gold, zinc and lead. Under the terms of the agreements the Group will be required to contribute towards the exploration and other costs if it wishes to maintain or increase its percentage holdings. The joint arrangements are not separate legal entities. There are contractual arrangements between the participants for sharing costs and future revenues in the event of exploration success. There are no assets and liabilities attributable to the Group at the balance date resulting from these joint arrangements other than exploration expenditure costs carried forward as detailed in Note 8.

Costs are accounted for in accordance with the terms of joint arrangement agreements and in accordance with Note 2.

19. SEGMENT INFORMATION

The operating segments identified by management are as follows:

Exploration projects funded directly by Thomson Resources Ltd ("Exploration")

Regarding the Exploration segment, the Chief Operating Decision Maker (the Board of directors) receives information on the exploration expenditure incurred. This information is disclosed in Note 8 of this financial report. No segment revenues are disclosed as each exploration tenement is not at a stage where revenues have been earned. Furthermore, no segment costs are disclosed as all segment expenditure is capitalised, with the exception of expenditure written off which is disclosed in Note 8.

Financial information about each of these tenements is reported to the Chief Executive Officer on an ongoing basis.

Corporate office activities are not allocated to operating segments as they are not considered part of the core operations of any segment and comprise of the following:

- Interest revenue.
- Corporate costs.
- Depreciation and amortisation of non-project specific property, plant and equipment.

20. CONTINGENT ASSETS AND LIABILITIES

Contingent Liabilities

The Group has provided guarantees totalling \$6,321,917 (2022: \$6,447,217) in respect of exploration tenements and mining properties in NSW and Queensland as at 30 June 2023. These guarantees in respect of exploration tenements are secured against term deposits with a banking institution and cash held by the NSW Department of Planning and Environment – Resources and Energy and the Queensland Treasury. The Company does not expect to incur any material liability in respect of the guarantees except for the \$6,314,417 (2022: \$5,938,777) restoration provision in Note 10.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

21. FINANCIAL INSTRUMENTS

The Board as a whole is responsible for reviewing the Company's policies on risk oversight and management and satisfying itself that Senior Management have developed and implemented a sound system of risk management and internal control. The Company's risk management policy has been designed to identify, assess, monitor and manage material business risks to ensure effective management of risk. These policies are reviewed regularly to reflect material changes in market conditions and the Company's risk profile.

The main risks identified in the Company's financial instruments are capital risk, credit risk, liquidity risk, interest rate risk and commodity price risk. Summarised below is information about the Company's exposure to each of these risks, their objectives, policies and processes for measuring and managing risk, the management of capital and financial instruments.

Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the Company. In order to achieve this objective, the Company seeks to maintain a sufficient funding base to enable the Company to meet its working capital and strategic investment needs.

The Board ensures costs are not incurred in excess of available funds and will seek to raise additional funding through the issue of shares for the continuation of the Company's operations when required.

The Company considers its capital to comprise of its ordinary share capital, option reserve and accumulated losses. There were no changes in the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

Financial Risk Management Objectives

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

During the period there have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Company's risk management policies and objectives are designed to minimise the potential impacts of these risks on the results of the Company where such impacts may be material. The Board receives regular reports from the Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. These risks include credit risk, liquidity risk, interest rate risk and commodity price risk. The Company does not use derivative financial instruments to hedge these risk exposures.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these risks are set out below.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company mitigates credit risk on cash and cash equivalents by dealing with banks that have high credit-ratings assigned by Standard and Poors. There is one counterparty for Cash and Cash equivalents the Commonwealth Bank of Australia. Credit risk of receivables is low as it consists predominantly of GST recoverable from the Australian Taxation Office and amounts from shares issued.

The maximum exposure to credit risk at balance date is as follows:

| | 2023 \$ | 2022 \$ |
|----------------------------|------------------|------------------|
| Cash and cash equivalents | 99,730 | 149,751 |
| Receivables | 36,246 | 211,677 |
| Tenement security deposits | 6,321,917 | 6,447,217 |
| | <u>6,457,893</u> | <u>6,808,645</u> |

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

Ultimate responsibility for liquidity risk rests with the Board of Directors, who have built an appropriate risk management framework for the management of the Company's short, medium and long-term funding and liquidity requirements. The Company manages liquidity by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Company's contractual maturities of financial liabilities:

| Financial liabilities | Carrying amount \$ | <12 months \$ | 1-3 years \$ | >3 years \$ |
|-----------------------|-----------------------|------------------|-----------------|----------------|
| 2023 | | | | |
| Payables | 5,338,456 | 5,338,456 | - | - |
| | <u>5,338,456</u> | <u>5,338,456</u> | <u>-</u> | <u>-</u> |
| 2022 | | | | |
| Payables | 5,818,540 | 5,818,540 | - | - |
| | <u>5,818,540</u> | <u>5,818,540</u> | <u>-</u> | <u>-</u> |

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

The following table details the Company's expected maturity for financial assets:

| Financial assets | Carrying amount \$ | <12 months \$ | 1-3 years \$ | >3 years \$ |
|--------------------------------|-----------------------|------------------|------------------|------------------|
| 2023 | | | | |
| Cash at bank and term deposits | 99,730 | 99,730 | - | - |
| Receivables | 36,246 | 36,246 | - | - |
| Tenement security deposits | 6,321,917 | - | 6,321,917 | - |
| | <u>6,457,893</u> | <u>135,976</u> | <u>6,321,917</u> | <u>-</u> |
| 2022 | | | | |
| Cash at bank and term deposits | 149,751 | 149,751 | - | - |
| Receivables | 211,677 | 211,677 | - | - |
| Tenement security deposits | 6,447,217 | - | - | 6,447,217 |
| | <u>6,808,645</u> | <u>361,428</u> | <u>-</u> | <u>6,447,217</u> |

Interest Rate Risk

The Company's exposure to the risks of changes in market interest rates relates primarily to the Company's cash holdings and short term deposits. These financial assets with variable rates expose the Company to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Company does not engage in any hedging or derivative transactions to manage interest rate risk.

At balance date, the Company was exposed to floating weighted average interest rates as follows:

| | 2023 \$ | 2022 \$ |
|---|------------|------------|
| Weighted average rate of cash balances | 0.00% | 0.00% |
| Cash balances | 99,730 | 149,751 |

The Company invests surplus cash in interest-bearing term deposits with financial institutions and in doing so it exposes itself to the fluctuations in interest rates that are inherent in such a market. Term deposits are normally invested between 7 to 90 days and other cash at bank balances are at call.

The Company's exposure to interest rate risk is set out in the table below:

| Sensitivity analysis | Carrying amount \$ | +1.0% of AUD IR | | -1.0% of AUD IR | |
|--------------------------------------|-----------------------|-----------------|--------------------|-----------------|--------------------|
| | | Profit \$ | Other equity \$ | Profit \$ | Other equity \$ |
| 2023 | | | | | |
| Cash and cash equivalents | 99,730 | 997 | - | (997) | - |
| Tax charge of 25% | | (249) | - | 249 | - |
| After tax profit increase/(decrease) | | <u>748</u> | <u>-</u> | <u>(748)</u> | <u>-</u> |
| 2022 | | | | | |
| Cash and cash equivalents | 149,751 | 1,497 | - | (1,497) | - |
| Tax charge of 25% | | (374) | - | 374 | - |
| After tax profit increase/(decrease) | | <u>1,123</u> | <u>-</u> | <u>(1,123)</u> | <u>-</u> |

The above analysis assumes all other variables remain constant.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Commodity Price Risk

The Company is exposed to commodity price risk. This risk arises from its activities directed at exploration and development of mineral commodities. If commodity prices fall, the market for companies exploring for these commodities is affected. The Company does not hedge its exposures.

Net Fair Value of Financial Assets and Liabilities

The carrying amount of financial assets and liabilities of the Company approximate their net fair values, given the short time frames to maturity and or variable interest rates.

22. COMMITMENTS

Exploration licence expenditure requirements

In order to maintain the Company's tenements in good standing with the various mines departments, the Company will be required to incur exploration expenditure under the terms of each licence. Exploration licences renewed or granted in NSW after 1 July 2017 have no exploration expenditure commitment. These commitments are not binding as exploration tenements can be reduced or relinquished at any time. Exploration licences granted in QLD have no mandated expenditure requirements.

It is likely that the granting of new licences and changes in licence areas at renewal or expiry will change the expenditure required by the Company from time to time.

23. EVENTS AFTER THE REPORTING DATE

Since 30 June 2023 to the date of this report, the Company has:

- Appointed Mr. Michael Povey as Non-Executive Director on the 11 August 2023 (see ASX announcement dated 11 August 2023)
- Issued 106,252,656 shares (see ASX announcement dated 2 September 2023, released 4 September 2023)
- appointed Mr. John Featherby as a non-executive director and Mr. Kevin Lynn was appointed as a Director, CFO and Company Secretary, the Company is now in compliance with section 201A(2) of the Corporations Act 2001 (Cth). Mr Michael Povey is acting as Executive Chairman.
- Due to Warwick Gold Holdings (WGH) failing to satisfy all of the conditions precedent, the agreement was terminated. The Group resumed operational management of the Texas Project in January 2024.
- Negotiated a fund-raising Mandate totalling \$6.0 million.
- Re-negotiation with major creditors for payment of outstanding amounts for a total saving of approximately \$966,263.
- Re-negotiation with past Directors and employees resulting in saving of \$349,462.
- Completed negotiations related to the impending sale of Texas project which will reduce the Company's ongoing operating costs and debt commitments saving the company \$1,063,961 owing on Bonds to the Queensland Department of Mines.
- Negotiated access to debt funding to meet its commitments until such time as it completes its contemplated future share raising.
- Commitments from current Directors of up to \$250,000 each to meet the Company's obligation until such time as it completes its contemplated future share raising. Directors will convert outstanding debt subject to shareholder approval.
- Commenced a full review of the Company's tenement package.

There are no other matters or circumstances that have arisen since the balance date that may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

24. CASH FLOW INFORMATION

| | 2023 \$ | 2022 \$ |
|--|---------------|--------------------|
| Reconciliation of net cash outflow from operating activities to operating loss after income tax | | |
| (a) Operating profit/(loss) after income tax | (20,299,773) | (2,887,014) |
| Depreciation | 65,518 | 57,395 |
| Loss on disposal of assets | 264,472 | - |
| Share based payments | - | 427,822 |
| Suppliers paid in shares/options | - | 331,202 |
| Proceeds from sale of investment shown as investing activity | (160,000) | (289,843) |
| Exploration costs expensed | 19,491,353 | - |
| Change in assets and liabilities: | | |
| (Increase)/decrease in receivables | 164,490 | (178,542) |
| (Increase)/decrease in prepayments | 10,941 | 13,012 |
| (Decrease)/increase in trade and other creditors | 604,787 | 593,819 |
| (Decrease)/increase in employee provisions | (69,694) | 174,370 |
| Net cash outflow from operating activities | <u>72,094</u> | <u>(1,757,779)</u> |

(b) For the purpose of the Statement of Cash Flows, cash includes cash on hand, at bank, deposits and bank bills used as part of the cash management function. The Company does not have any unused credit facilities.

| | 2023 \$ | 2022 \$ |
|-----------------------------------|---------------|----------------|
| The balance at 30 June comprised: | | |
| Cash and cash equivalents | 99,730 | 149,751 |
| Cash and cash equivalents | <u>99,730</u> | <u>149,751</u> |

25. PARENT ENTITY INFORMATION

| | 2023 \$ | 2022 \$ |
|---|---------------------|--------------------|
| Current assets | 135,973 | 358,124 |
| Total assets | 28,441,454 | 40,654,288 |
| Current liabilities | 5,541,116 | 6,058,083 |
| Total liabilities | 11,855,533 | 12,029,670 |
| Issued capital | 38,529,823 | 35,566,880 |
| Accumulated losses | (27,776,340) | (14,001,200) |
| Reserves | 5,832,438 | 7,058,938 |
| Total shareholders' equity | <u>16,585,921</u> | <u>28,624,618</u> |
| Profit/(loss) of the parent entity | (15,001,640) | (3,174,953) |
| Total comprehensive income/(loss) of the parent entity | <u>(15,001,640)</u> | <u>(3,174,953)</u> |

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Thomson Resources Ltd, I state that:

In the opinion of the directors:

- (a) The financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
- i. Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
 - ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- (b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2.
- (c) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
- (d) 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 ending 30 June 2023.

On behalf of the Board



Michael Povey
Executive Chairman

27 September 2024

Independent Auditor's Report

To the members of Thomson Resources Ltd,

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Thomson Resources Ltd (the company and its subsidiaries) ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

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

Basis for Opinion

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

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 Going Concern to the financial statements, which indicates that the Group incurred a net loss of \$20 million during the year ended 30 June 2023, and, as of that date, the Group's current liabilities exceeded its current assets by \$5 million. As stated in Note 2, these events or conditions, along with the Group being dependent on raising additional funds, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Our opinion is not modified in respect of the above matters for the financial year ended 30 June 2023.

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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 matter described below to be the key audit matter to be communicated in our report.

| Key audit matter | How our audit addressed the key audit matter |
|--|--|
| <p>Capitalised Deferred Exploration and Evaluation Expenditure \$18,106,710 Refer to Note 8</p> | |
| <p>The consolidated entity owns the rights to several exploration licenses in New South Wales and Queensland.</p> <p>Expenditure relating to these areas is capitalised and carried forward to the extent they are expected to be recovered through the successful development of the respective area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.</p> <p>This area is a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of the balance; • The significant acquisitions during the year; • The inherent uncertainty of the recoverability of the amount involved; and • The substantial amount of audit work performed. | <p>Our audit procedures included amongst others:</p> <ul style="list-style-type: none"> • Assessing whether any facts or circumstances exist that may indicate impairment of the capitalised assets; • Performing detailed testing of source documents to ensure capitalised expenditure was allocated to the correct area of interest; • Performing detailed testing of source documents to ensure expenditure was capitalised in accordance with Australian Accounting Standards; • Obtaining external confirmations to ensure the exploration licences are current and accurate; • Reviewing acquisition agreements and ensuring the acquisitions were recorded in accordance with the relevant agreement and Australian Accounting Standards; and • Assessing the reasonableness of the capitalisation of employee's salaries. |

Other Information

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

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

For personal use only

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.

Directors' Responsibility for the Financial Report

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

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

Auditor's Responsibility for the Audit of the Financial Report

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

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

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

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the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on the Remuneration Report

Opinion

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

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

Responsibilities

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

BDJ Partners



.....
Greg Cliffe
Partner

27 September 2024

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ASX ADDITIONAL INFORMATION

INFORMATION RELATING TO SHAREHOLDERS

Information relating to shareholders as at 27 September 2024.

Ordinary fully paid shares

There was a total of 976,203,718 fully paid ordinary shares on issue.

Options

There are a total of 303,518,289 listed options on issue.

There are a total of 53,136,363 unlisted options on issue

| Substantial shareholders (as disclosed in substantial notices) | Shareholding |
|--|--------------|
| LIND GLOBAL FUND II LP | 106,252,656 |
| SILVER MINES LIMITED | 52,700,000 |

At the prevailing market price of \$0.0015 per share, there were 4,335 shareholders with less than a marketable parcel of \$500.

| Top 20 shareholders of ordinary shares | Number | % |
|--|--------------------|---------------|
| LIND GLOBAL FUND II LP | 106,252,656 | 10.88 |
| SILVER MINES LIMITED | 52,700,000 | 5.40 |
| BACCHUS RESOURCES PTY LTD | 25,566,667 | 2.62 |
| WHALE WATCH HOLDINGS LIMITED | 23,000,000 | 2.36 |
| AYERS CAPITAL PTY LTD | 20,002,586 | 2.05 |
| HSBC CUSTODY NOMINEES | 16,353,169 | 1.68 |
| BNP PARIBAS NOMINEES PTY LTD | 14,859,881 | 1.52 |
| CITICORP NOMINEES PTY LIMITED | 14,150,768 | 1.45 |
| SH BERDOUKAS PTY LTD | 12,170,215 | 1.25 |
| MR ARVIND MOHAN & | 11,868,312 | 1.22 |
| MRS YVONNE TOLATO HILL & | 9,703,331 | 0.99 |
| GLOBALOREINVESTMENTS PTY | 9,150,000 | 0.94 |
| MR WALTER LEONARD PARSONS | 8,000,000 | 0.82 |
| BNP PARIBAS NOMINEES PTY LTD | 7,785,200 | 0.80 |
| MR AVIJEET CHAUHAN & | 7,150,000 | 0.73 |
| BNP PARIBAS NOMS | 6,109,198 | 0.63 |
| MR JOHN WILLIAM BLOW | 6,000,000 | 0.61 |
| MORGAN STANLEY AUSTRALIA | 5,826,385 | 0.60 |
| GLOBAL CONSORTIUM HOLDINGS PTY | 5,472,748 | 0.56 |
| KEN FLO PTY LTD | 5,000,000 | 0.51 |
| Total securities of top 20 holdings | 367,121,116 | 37.61 |
| Other holdings | 609,082,602 | 62.39 |
| Total of securities | 976,203,718 | 100.00 |

ASX ADDITIONAL INFORMATION

| Distribution of shareholders | | |
|------------------------------|--------------------|--------------------|
| Range | No of shareholders | Ordinary shares |
| 1 – 1,000 | 72 | 13,604 |
| 1,001 – 5,000 | 608 | 2,300,281 |
| 5,001 – 10,000 | 801 | 6,595,944 |
| 10,001 – 100,000 | 2,279 | 95,503,667 |
| 100,001 – and over | 1,004 | 871,790,222 |
| | 4,764 | 976,203,718 |

| Top 20 holders of listed options \$0.115 expiring 28 October 2024 | Number | % |
|---|--------------------|---------------|
| BACCHUS RESOURCES PTY LTD | 24,925,000 | 8.21 |
| CITICORP NOMINEES PTY LIMITED | 20,956,290 | 6.90 |
| MR ABRAHAM JOACHIM MELSE | 17,960,063 | 5.92 |
| MERRILL LYNCH (AUSTRALIA) | 12,600,000 | 4.15 |
| MR SHUDE LIANG | 10,760,000 | 3.55 |
| ROTH CAPITAL PARTNERS LLC | 9,662,500 | 3.18 |
| KLINGBIEL HOLDINGS PTY LTD | 8,000,000 | 2.64 |
| GOFFACAN PTY LTD | 7,482,443 | 2.47 |
| CS THIRD NOMINEES PTY LIMITED | 6,600,000 | 2.17 |
| MISS YI ZHEN LI | 6,600,000 | 2.17 |
| HSBC CUSTODY NOMINEES | 6,261,026 | 2.06 |
| MR WARWICK DYSON | 5,000,000 | 1.65 |
| MR RICHARD KENNETH MAISH | 5,000,000 | 1.65 |
| MR ADAM JEFFREY WATTS | 4,627,000 | 1.52 |
| MR JUSTIN JULES MACQUET | 4,400,000 | 1.45 |
| MR SEYED YOUSEF HOSSEINI | 4,248,999 | 1.40 |
| JSNE PTY LTD | 4,066,666 | 1.34 |
| EST MR DOMENIC TOFFOLON | 4,000,000 | 1.32 |
| ORCA CAPITAL GMBH | 3,975,000 | 1.31 |
| MR PATRICK JOHN SLAPE | 3,802,649 | 1.25 |
| Total securities of top 20 holdings | 170,927,636 | 56.32 |
| Other holdings | 132,590,653 | 43.68 |
| Total of securities | 303,518,289 | 100.00 |

| Distribution of holders of listed options expiring 28 October 2024 | | |
|--|----------------------|--------------------|
| Range | No of option holders | Options |
| 1 – 1,000 | 29 | 19,683 |
| 1,001 – 5,000 | 200 | 646,919 |
| 5,001 – 10,000 | 155 | 1,168,033 |
| 10,001 – 100,000 | 411 | 14,400,975 |
| 100,001 – and over | 195 | 287,282,679 |
| | 990 | 303,518,289 |

ASX ADDITIONAL INFORMATION

Unlisted Options

| ASX Code | Number | Conversion price per share | Expiry Date |
|--------------|-------------------|----------------------------|--------------|
| TMZAAH | 1,500,000 | \$0.25 | 10 June 2025 |
| TMZAAI | 250,000 | \$0.25 | 7 Dec 2024 |
| TMZAAJ | 250,000 | \$0.25 | 7 Dec 2025 |
| TMZAAO | 51,136,363 | \$0.25 | 7 Dec 2026 |
| Total | 53,136,363 | | |

Voting rights

There are no restrictions on voting rights. On a show of hands every member present or by proxy shall have one vote and upon a poll each share shall have one vote. Where a member holds shares which are not fully paid, the number of votes to which that member is entitled on a poll in respect of those part paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof.

Optionholders have no voting rights until the options are exercised.

There is no current on-market buy-back.

CORPORATE GOVERNANCE STATEMENT

Thomson Resources is committed to ensuring that its policies and practices reflect a high standard of corporate governance. The Board had adopted a comprehensive framework of Corporate Governance Guidelines.

The Group's Corporate Governance Statement can be viewed at:

www.thomsonresources.com.au/corporate/corporate-governance

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