



Somerset

MINERALS LTD

ABN 70 625 645 338

SOMERSET MINERALS LIMITED (formerly Tempus Resources Limited)
ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

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DIRECTORS

Mr Mike Edwards	Non-Executive Chairman
Mr Chris Hansen	Managing Director
Ms Melanie Ross	Non-Executive Director

COMPANY SECRETARY

Ms Melanie Ross

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Level 2, 22 Mount Street
PERTH WA 6000
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SOLICITORS

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SHARE REGISTRY

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Ph: +61 2 8072 1400

STOCK EXCHANGE

Australian Securities Exchange (ASX)
Code: SMM / SMMO

WEBSITE

www.somersetminerals.com.au

CORPORATE GOVERNANCE STATEMENT

<https://somersetminerals.com.au/corporate-governance/>

Your Directors present their report, together with the financial statements of the Group, consisting of Somerset Minerals Limited (formerly Tempus Resources Limited) (referred to hereafter as the "Company" or "Parent Entity") and the entities it controlled at the end of, or during, the financial year ended 30 June 2024.

DIRECTORS

The following persons were Directors of Somerset Minerals Limited during the whole of the financial year and up to the date of this report, unless otherwise stated.

NAME OF PERSON	POSITION
Mr Michael Edwards	Non-Executive Chairman (<i>appointed on 15 July 2024</i>)
Mr Christopher Hansen	Managing Director (<i>appointed on 1 July 2024</i>)*
Ms Melanie Ross	Non-Executive Director
Mr Alexander Molyneux	Non-Executive Chairman (<i>retired on 29 November 2023</i>)
Mr Anthony Cina	Non-Executive Director (<i>retired on 29 November 2023</i>)
Mr Jonathan Shellabear	Non-Executive Director (<i>retired on 29 November 2023</i>)
Mr Colin Russell	Non-Executive Director (<i>retired on 29 November 2023</i>)
Mr Andrea Betti	Non-Executive Director (<i>appointed on 29 November 2023 and resigned on 15 July 2024</i>)

*Mr Christopher Hansen was Non-Executive Director for the period 29 November 2023 to 30 June 2024.

PRINCIPAL ACTIVITIES

During the financial year, the principal activities of the Group consisted of mineral exploration in Canada and Ecuador.

DIVIDENDS

No dividends were paid or declared since the start of the financial year. No dividend has been recommended.

OPERATING RESULTS

The loss of the Group amounted to \$19,992,743 (2023: \$5,817,846) after providing for income tax.

REVIEW OF OPERATIONS

Prescott Project (Nunavut, Canada, 100%)

About the Prescott Project

The Prescott Project consists of 49 licences covering 634km² that are located directly along strike and adjacent to American West Metals (ASX:AW1) Storm Copper Project on both the Prince of Wales and Somerset Islands. The licences on the adjacent Prince of Wales Island are interpreted to host an anticlinal repetition of the same geological formation hosting the Storm Copper Project which hosts an Indicated & Inferred resource of 17.5 Mt @ 1.2% Cu and 3.4g/t Ag for 205kt of contained copper¹.

Exploration at the Prescott Project is principally targeting Sediment Hosted copper deposits, as well as Mississippi Valley-type (Zn-Pb) deposits. Sediment-hosted copper deposits are a globally significant source of copper, forming one of the two main types of copper deposits, the other being porphyry copper deposits. These types of systems present significant opportunity for a material mineral discovery.

¹ Refer to American West Metals Ltd's (ASX: AW1) (AW1) ASX Announcement on 30/01/2024 - Maiden JORC MRE for Storm. There is no certainty that further work by the Company will lead to achieving the same size, shape, grade, or form of the comparison resource. The Company's project is in a different stage of development and that further exploration needs to be undertaken to further prove or disprove any comparison.

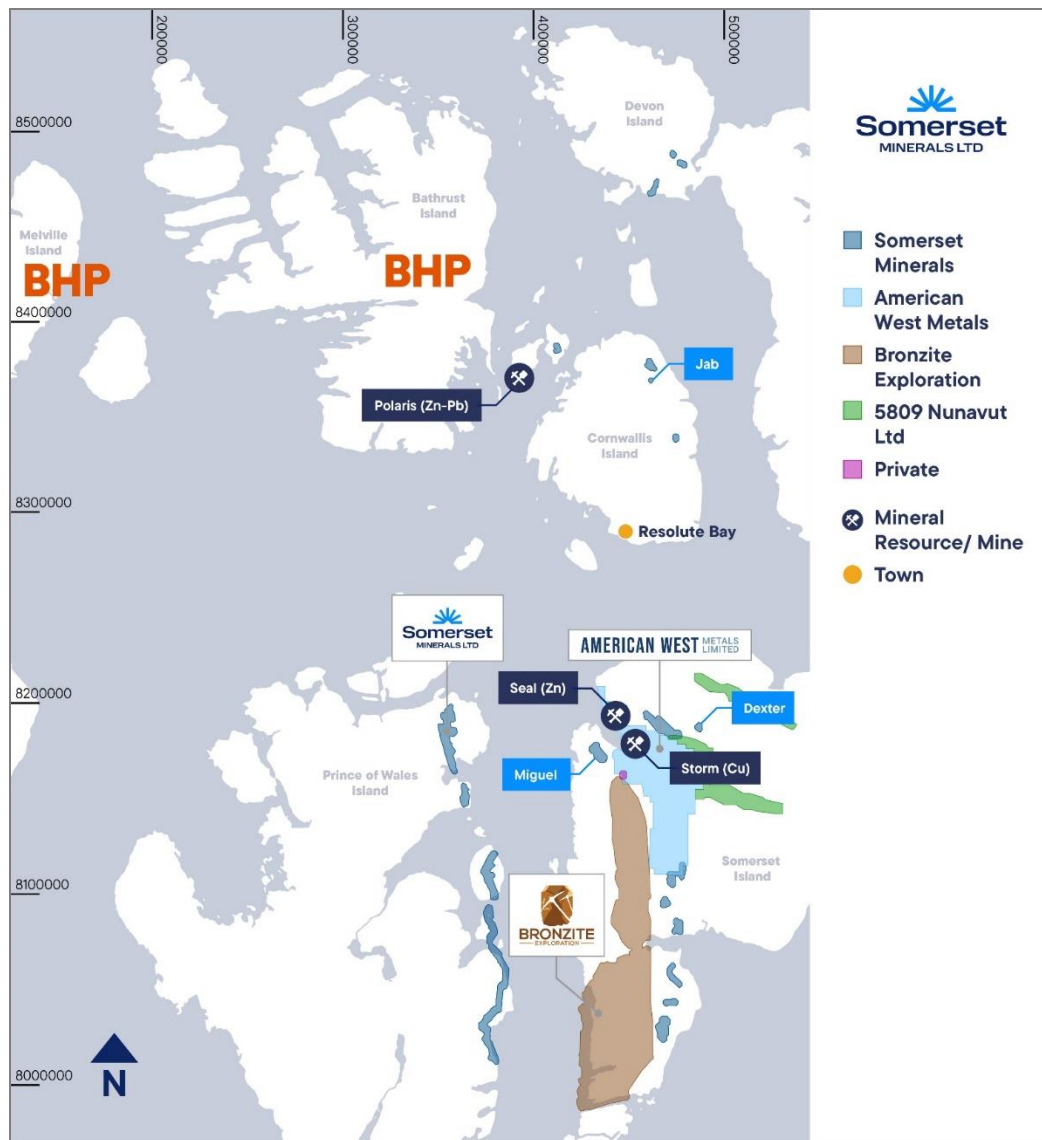


Figure 1. Map showing project licences, town of Resolute, and surrounding islands where BHP is currently exploring.

Summary of Activities

During the year ended 30 June 2024, the Group commenced a major airborne gravity gradiometric and magnetic geophysical survey at the Prescott Project. This maiden campaign, utilising a fixed-wing aircraft, aims to provide detailed 3D inversion data to identify density anomalies across the project area. Gravity surveys, particularly Airborne Gravity Gradiometric (AGG) methods, have a proven track record in identifying copper mineralisation, offering advantages over electromagnetic surveys in terms of cost and efficiency. Post the year ending 30 June 2024, the Company reported preliminary results from the ongoing geophysical survey and geochemical mapping program serving to confirm the discovery of two new gossans at the Miguel and Jab prospects, with a likely third gossan at Dexter (pending receipt of geochemical sampling).

Geophysical Survey

The Company announced the commencement of a large airborne gravity gradiometric and magnetic geophysical survey at the Prescott Project in early June 2024 (see ASX:SMM 06/06/2024). The maiden geophysical campaign at the Prescott Project consists of both an Airborne Gravity Gradiometric (AGG) and Magnetic survey across the entire project area utilising a fixed-wing aircraft (Figure 2). AGG serves to provide a higher resolution than traditional gravity surveys and will be processed into a detailed 3D inversion to identify density anomalies.

Gravity is the preferred geophysical exploration method for this style of mineralisation and has a proven track record in the Rolute region. A previous gravity survey inversion served to positively identify copper mineralisation associated with the Storm deposit, and a gravity survey was also used to discover the Polaris Zn-Pb mine. AGG surveys offer advantages over electromagnetic (EM) surveys, as they are cheaper, quicker, and capable of detecting non-conductive ore minerals.



Figure 2. Basler BT-67 at Rolute Bay Airport to undertake geophysical survey for Somerset.

Geochemical Mapping

Subsequent to the year ended 30 June 2024, the Company announced on 20 August 2024 (see ASX:SMM 20/08/2024) the discovery of two new gossans at the Miguel and Jab prospects, with a likely third gossan at Dexter (pending receipt of geochemical sampling). A gossan is an iron and manganese-rich weathered material that typically forms above metallic sulphide deposits due to the oxidation and leaching of base metal sulphides. These gossan formations, in conjunction with geophysical and multispectral targets, serve to provide drill-ready targets as they often indicate sulphide mineralisation, as has been the case for the neighbouring discoveries of American West Metals Limited (ASX:AW1).

Miguel

The Miguel prospect contains dolostones and carbonates similar to those hosting the neighbouring Storm deposit, which is located 29 km to the east. Four gossan-bearing locations have subsequently been identified at surface, consisting of rusty, vuggy, siderite-rich float samples with various textures, possibly indicating different original sulphide compositions and textures (Figure 3).



Figure 3. Newly discovered gossans from the Miguel prospect.²

² A gossan is an iron and manganese-rich weathered material that may form above a metallic sulphide deposits due to the oxidation and leaching of base metal sulphides. While remnant textures were observed, given the weathered nature of the gossanous samples, no base metal minerals were observed and no base metal minerals observations are being reported.

The area is heavily faulted, and is supported by a coincident multispectral signature similar to other known mineralised gossans in region, as well as a large 4 km north-south elongated gravity anomaly high showing several large density anomalies (Figure 4).

Two of the identified gossan locations sit directly atop of a large fault zone, suggesting that the potential mineralisation may be fault-controlled. The fault zone is laterally extensive with a strike extent of ~5 km, and there are several other large-scale faults also within the immediate area which appear to truncate or coincide with gravity anomalies or gossans.

Extensive hydrothermal alteration, including dolomitisation and quartz veining was observed, particularly around the large gravity anomaly further to the south (Figure 4). Dolomitisation is a common alteration style observed in both sedimentary-hosted copper and Mississippi Valley-Type (MVT) deposits. This alteration style was extensive at the Miguel prospect and suggests significant hydrothermal fluid activity, possibly related to a large mineralised system.

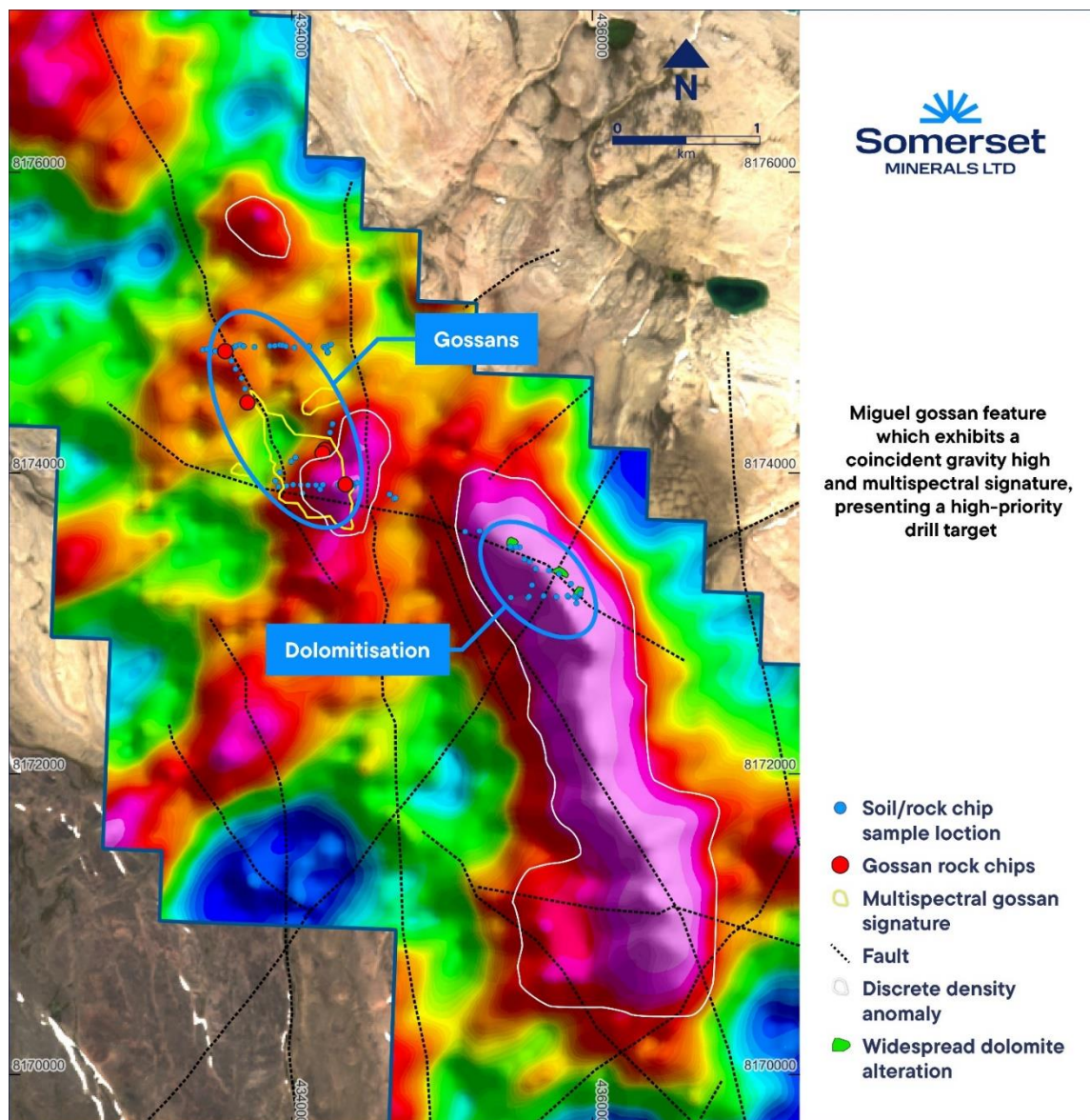


Figure 4. Map showing gossan locations, AGG density anomalies, faults, soil/rock chip locations, and dolomite alteration.



Figure 5. Miguel gossan as viewed from a helicopter.

The Jab Prospect

The Jab prospect is a newly identified outcropping gossan, located on Cornwallis Island, 78 km north of the town of Resolute Bay. The Group encountered highly rusted and goethite-stained weathered rock, and located several gossan floats at surface. The gossan site is coincident with a large fault, and is hosted in the Thumb Mountain sedimentary assemblage, which is the same geological unit that hosts the Polaris Zn-Pb mine. The Group has confirmed the presence of a gossan by textural observations and pXRF analysis, and several soil and rock chip samples were taken for multielement assays. The presence of a coincident gossan, on top of a large mapped fault, also hosted in a carbonate rock, means that this newly identified gossan has the potential to be related to a MVT or sedimentary-hosted copper deposit. The Group is currently planning an airborne geophysical AGG and magnetic survey over the prospect to follow up the recent findings.

The Dexter Prospect

The Dexter multispectral anomaly is a 1 km long oxidised zone which is coincident with and offset by a large dextral fault. The host rock is the Somerset Island Formation, which comprises dolostones and limestone with stromatolitic horizons. These rock types are same that host American West's Storm deposit, which is 27 km to the southwest. Initial targeting focused on a multispectral signature that shows a similar reflectance signature with known gossans in the project area. Field inspection by the Group during recent prospecting has confirmed anomalous geochemistry in soil samples, as confirmed by pXRF analysis. The coincidence of a large fault, multispectral signature, anomalous geochemistry, and carbonate host rock lithologies, suggests this target has the potential to host either MVT or sedimentary hosted copper mineralisation. The airborne AGG and magnetic survey over this block is nearly complete, and all soil and rock chips samples will be sent to the lab for multi-element suite assays.

Blackdome-Elizabeth Gold Project (Canada, 100%)

The Blackdome-Elizabeth Gold Project comprises 315km² (200km² for Blackdome and 115km² for Elizabeth) of mining ('Blackdome Gold Mine') and exploration ('Elizabeth Gold Project') licences in southern British Columbia, Canada. The Company owns 100% of Blackdome –Elizabeth mineral claims and licenses.

The **Blackdome Gold Mine** is a relatively unexplored site of epithermal gold mineralisation. Historically, it produced approximately 230,000 ounces of gold at an average mill head grade of 10.5 g/t between 1985 and 1991. The site also includes a fully permitted processing plant and associated tailings storage facility.

Located about 30 km south of Blackdome, the **Elizabeth Gold Project** is an underexplored, high-grade mesothermal gold site. Its mineralisation occurs in vein sets ranging in true width from 0.5 to 6.5 meters. The quartz veins identified through drilling at Elizabeth are geologically similar to the Bralorne-Pioneer mesothermal vein system, located 30 km further south, which was mined to depths of around 2,000 meters and produced over 4 million ounces of gold between 1900 and 1971. Licenses connect the Elizabeth and Blackdome areas, including potential haul road routes between the two projects.

Summary of Activities

In the year ended 30 June 2024, Somerset made significant progress at the Blackdome-Elizabeth Gold Project, focusing on near-mine surface exploration and updating the Mineral Resource Estimate (MRE) for the Elizabeth Gold Project. The updated MRE identified **60,900 ounces of indicated gold** and **35,200 ounces of inferred gold**. Surface exploration focused on verifying previous geophysical anomalies in three target areas, leading to the validation of the Elizabeth East and Elizabeth Northwest zones.

Elizabeth Rock Sampling Program

Elizabeth East

A 2019 soil geochemistry survey revealed a 400m x 150m east-west trending gold anomaly in an area previously without known mineral showings, located approximately 2.5 km east of the Elizabeth Main zone. Multiple samples showed gold values above 0.1 g/t, with a peak of 0.66 g/t. The multi-element results, classified as residual soils, suggest that the anomaly is authentic and locally sourced. In 2023, Somerset conducted a rock sampling and mapping program that identified dioritic intrusive "windows" within the ultramafic-dominated Elizabeth East anomaly area. This suggests that the Blue Creek Porphyry intrusion hosting gold mineralization at Elizabeth is much larger than previously thought. Fifty-five rock samples were taken, with three returning anomalous gold assay results.

Elizabeth Northwest

Fourteen rock samples were collected from an outcrop northwest of the Elizabeth Main zone, representing the upper projection of the Listwanite vein. The outcrop showed intense veining of quartz, calcite, and barite within reddish, silicified listwanite ultramafic rocks. Fuchsite was also noted, along with vuggy quartz. Two of these samples returned anomalous gold assay results.

Elizabeth Mineral Resource

On 2 November 2023, Somerset released a Mineral Resource Estimate (MRE) for the Elizabeth Gold Project. The key highlights are as follows:

- **Indicated resources:** 317,200 tonnes at 5.97 g/t Au for **60,900 ounces** of gold.
- **Inferred resources:** 315,000 tonnes at 3.48 g/t Au for **35,200 ounces** of gold.

For more details, please refer to Somerset's announcement on 2 November 2023, and the technical report titled "NI 43-101 Technical Report with an Updated Mineral Resource Estimate - Elizabeth Gold Project," with an effective date of 18 December 2023. The report, prepared by independent consultants SRK (Canada) Ltd., is available on Sedar+ and complies with National Instrument 43-101 standards for mineral project disclosures.

Zamora Projects (Ecuador, 100%)

The Zamora Projects are located in the Cordillera del Condor mineral belt of southeast Ecuador which host numerous major gold and copper porphyry deposits. The Zamora Projects include the Valle del Tigre Project and the Rio Zarza Project.

Activities

No material work was completed on the Zamora Projects during the ended 30 June 2024. The Zamora Projects are currently on care and maintenance status with all mineral licences maintained in good standing.

Subsequent to the year end, the Company announced on 16 July 2024 that a Purchase Agreement had been executed with Barrick Gold (Ecuador) S.A. in relation to the sale of the Valle del Tigre II mineral concession in southeast Ecuador for a total cash consideration of ~US\$320,000 and a 1.5% net smelter royalty on completion.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 27 December 2023, the Company announced that it received approval from the TSX Venture exchange to voluntarily delist the ordinary shares of the Company. The Company successfully delisted from the TSX Venture exchange on 27 December 2023. There were no other significant changes in the state of affairs of the Group during the financial year.

On 13 June 2024, the Company completed the acquisition of the Prescott Project in Nunavut, Canada.

On 28 June 2024, the Company announced that the change of company name from Tempus Resources Limited to Somerset Minerals Limited (ASX:SMM), which was formally approved by ASIC, and took effect from the commencement of trading Monday, 1 July 2024.

FINANCIAL POSITION

The net liabilities of the Group were \$1,497,914 as at 30 June 2024 (2023: net assets of \$14,833,150).

The net current assets of the Group were \$900,179 as at 30 June 2024 (2023: \$694,818).

EVENTS SUBSEQUENT TO YEAR-END

The Company announced on the ASX, the appointment of Mr Christopher Hansen as Managing Director effective from 1 July 2024.

On 15 July 2024, the Company announced on the ASX, the appointment of Mr Mike Edwards as Non-Executive Chairman and the resignation of Ms Andrea Betti as Non-Executive Director effective from 15 July 2024.

On 16 July 2024, the Company announced that its wholly owned subsidiary, Mining Sources S.A., has entered into a Purchase Agreement ('Agreement') with Barrick Gold (Ecuador) S.A ('Barrick'). for the sale of the Valle del Tigre II mineral concession in south east Ecuador. Under the terms of the Agreement, Barrick has agreed to pay the Company a total cash consideration of US\$320,194 (~A\$475,000), comprising of US\$20,194 as a reimbursement for annual conservation patent fees paid by the Company and US\$300,00 upfront cash consideration to be received in accordance with the Agreement.

On completion of the transaction, Barrick will also grant the Company a 1.5% net smelter return royalty over the area of the Project to be documented in a formal royalty agreement ('Royalty Agreement'). The Royalty Agreement will also contain:

- (a) a buy-down provision allowing Barrick to reduce the royalty to 0.5%, for a fixed price of US\$1,000,000; and
- (b) a right of first refusal in favour Barrick on any transfer or assignment of the royalty or any rights under the Royalty Agreement by the royalty holder.

On 30 September 2024, the Company announced that through its wholly owned subsidiary, No.75 Corporate Venture Ltd ('No.75 Corp'), has entered into an Earn-In Agreement ('Agreement') with Blackdome Mining Ltd ('Blackdome Mining') for the staged divestment of the Blackdome -Elizabeth project ('the Project'), located in British Columbia, Canada. Under the terms of the Agreement, Blackdome Mining has agreed to pay the Company a total cash consideration of C\$150,000 (~A\$ 165,000), comprising of an initial upfront payment of C\$100,000 and a subsequent C\$50,000 on or before the second anniversary of the Agreement.

Apart from the above, no other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Information on likely developments in the operations of the Group and the expected results of operations are disclosed in the Review of Operations above.

MATERIAL BUSINESS RISKS

The Group's exploration and evaluation operations will be subject to the normal risks of mineral exploration. The material business risks that may affect the Group are summarised below:

Future capital raisings

The Group's ongoing activities may require substantial further financing in the future. The Group will require additional funding to continue its exploration and evaluation operations on its projects with the aim to identify economically mineable reserves and resources. Any additional equity financing may be dilutive to shareholders, may be undertaken at lower prices than the current market price and debt financing, if available, may involve restrictive covenants which limit the Group's operations and business strategy. Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Group or at all. If the Group is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on the Company's activities and could affect the Group's ability to continue as a going concern.

Exploration risk

The success of the Group depends on the delineation of economically mineable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Group's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Exploration on the Group's existing tenements may be unsuccessful, resulting in a reduction in the value of those tenements, diminution in the cash reserves of the Group and possible relinquishment of the tenements. The exploration costs of the Group are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions.

Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Group's viability. If the level of operating expenditure required is higher than expected, the financial position of the Group may be adversely affected.

Feasibility and development risks

It may not always be possible for the Group to exploit successful discoveries which may be made in areas in which the Group has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied.

Regulatory risk

The Group's operations are subject to various Commonwealth, State and Territory and local laws and plans, including those relating to mining, prospecting, development permit and licence requirements, industrial relations, environment, land use, royalties, water, native title and cultural heritage, mine safety and occupational health. Approvals, licences and permits required to comply with such rules are subject to the discretion of the applicable government officials.

No assurance can be given that the Group will be successful in maintaining such authorisations in full force and effect without modification or revocation. To the extent such approvals are required and not retained or obtained in a timely manner or at all, the Group may be limited or prohibited from continuing with exploration. The Group's business and results of operations could be adversely affected if applications lodged for exploration licences are not granted. Mining and exploration tenements are subject to periodic renewal. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the Group's projects. The inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Group.

Mineral resource estimate risk

Mineral resource estimates are expressions of judgement based on knowledge, experience and industry practice. These estimates were appropriate when made but may change significantly when new information becomes available. There are risks associated with such estimates.

Mineral resource estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect the Group's future plans and ultimately its financial performance and value. Price fluctuations, as well as increased production costs or reduced throughput and/or recovery rates, may render resources containing relatively lower grades uneconomic and may materially affect resource estimations.

Environmental risk

The operations and activities of the Group are subject to the environmental laws and regulations of Australia. As with most exploration projects and mining operations, the Group's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Group attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations. The Group is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Group's cost of doing business or affect its operations in any area. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Group to incur significant expenses and undertake significant investments which could have a material adverse effect on the Group's business, financial condition and performance.

Availability of equipment and contractors

There is a risk that the Group may not be able to source all the equipment and contractors required to fulfil its proposed activities. There is also a risk that hired contractors may underperform or that equipment may malfunction, either of which may affect the progress of the Group's activities.

Economic and market risk

General economic conditions such as, laws relating to taxation, new legislation, trade barriers, movement in interest and inflation rates, national and international political circumstances, natural disasters, quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Group's operations and financial performance, including its exploration activities and the ability to fund those activities.

ENVIRONMENTAL REGULATION

The Group holds participating interests in several mining and exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. There have been no known breaches of the tenement conditions, and no such breaches have been notified by any government agencies.

DESIGNATED FOREIGN ISSUER

The Company is a "designated foreign issuer" as such term is defined in National Instrument 71-102 – Continuous Disclosure and Other Exemptions Relating to Foreign Issuers of the Canadian Securities Administrators, and in addition to applicable securities laws in Canada, the Company is also subject to the applicable foreign regulatory requirements of the Australian Stock Exchange and other applicable securities laws and regulatory authorities in Australia. Because the Company is a "designated foreign issuer", the Company is permitted to satisfy certain of the obligations of applicable securities laws in Canada, including many of its disclosure obligations, by relying upon compliance with the requirements of the applicable foreign regulators and foreign securities laws. In addition, persons or companies may be permitted to satisfy the early warning and insider reporting requirements of applicable Canadian securities laws by complying with the comparable requirements of applicable foreign regulators and foreign law requirements. Accordingly, the disclosure made by the Company, and persons and companies with an interest in the Company, may differ from the disclosure that would be required to be provided by the Company, or by such persons and companies, if the Company were not a "designated foreign issuer".

INFORMATION ON DIRECTORS

Mr Michael Edwards

Non-Executive Chairman (*appointed on 15 July 2024*)

Qualifications

B.Sc.Geology, BBus (EcoFin)

Experience

Mr Edwards is a Geologist and Economist with over 25 years' experience in senior management roles within both the public and private sectors. Mr Edwards worked for Barclays Australia in their Commercial and Corporate Finance department before returning to university to complete a Bachelor of Science Geology. Mr Edwards then spent eight years as an Exploration and Mine Geologist, principally working in Australia with a focus on Archaean gold and base metals.

Over the past 15 years, Mr Edwards has held numerous Executive and Non-Executive Director roles, predominantly with ASX-listed companies and most recently was Non-Executive Chairman of Greenstone Resources Limited (ASX:GSR) which successfully merged with Horizon Minerals Limited (ASX:HRZ).

Mr Edwards holds a Bachelor of Business (Economics & Finance) from Curtin University of Technology, and a Bachelor of Science (Geology) from the University of Western Australia

Mr Edwards was formerly Non-Executive Chairman of Firefly Resources Limited (ASX:FFR) (October 2019 to November 2021), and formerly Non-Executive Director of Norwood Systems Limited ASX:NOR (June 2015 to January 2022).

Interest in Shares

Nil

Interest in Performance Rights

Nil

Interest in Unlisted Options

Nil

Interest in Listed Options

Nil

Directorships held in other listed entities

Non-Executive Chairman of Greenstone Resources Ltd (ASX:GSR) (appointed August 2021), Non-Executive Chairman of Future Battery Minerals Ltd (ASX:FBM) (appointed August 2020), Non-Executive Director of Metal Hawk Ltd (ASX:MHK) (appointed May 2023), Non-Executive Director of De.Mem Pty Ltd (ASX:DEM) (appointed November 2016).

Mr Christopher Hansen

Managing Director (*appointed on 1 July 2024*)

Qualifications

BEcon, Grad. Dip. MinExplGeoSc

Experience

Mr Hansen is a multidisciplinary metals and mining professional, combining core technical fundamentals with a strong finance and project development mind-set. Having initially focused on building a solid technical foundation with industry majors such as Fortescue Metals Group and Barrick Gold, Mr Hansen later joined a preeminent London based mining private equity fund developing robust investment skills, project development expertise, market knowledge and strong industry relations.

Since returning to Australia, Mr Hansen has leveraged his experience in both public and private markets, having led mining business development activities for one of Australia's largest private investment groups, as well as leading Greenstone Resources Limited through its successful merged with Horizon Minerals Limited (ASX:HRZ).

Mr Hansen holds a BSc in Geology from the University of Auckland, and an MSc in Mineral Economics from Curtin University.

Interest in Shares

50,054,487

Interest in Performance Rights

26,839,178

Interest in Unlisted Options

2,000,000

Interest in Listed Options Nil

Directorships held in other listed entities Non-Executive Director – Horizon Minerals Ltd (ASX: HRZ) (18 June 2024 – 20 September 2024)
Managing Director – Greenstone Resources Limited (ASX:GSR) (17 May 2021- 18 June 2024)

Ms Melanie Ross Non-Executive Director and Company Secretary

Qualifications CA, AGIA ACG

Experience Ms Ross is an accounting and corporate governance professional with over 20 years' experience in financial accounting and analysis, audit, business and corporate advisory services in public practice, commerce and state government. Ms Ross holds a Bachelor of Commerce and is a member of the Institute of Chartered Accountants in Australia and New Zealand and an associate member of the Governance Institute of Australia.

Interest in Shares 1,080,000^a

Interest in Performance Rights Nil

Interest in Unlisted Options 4,540,000^b

Interest in Listed Options 180,000^c

Directorships held in other listed entities Non-Executive Director of Ragusa Minerals Ltd (since 5 July 2021)

^a Ms Ross and Ms Betti are Directors of the entity holding the interest in 1,080,000 shares.

^b Of the unlisted options interest, 2,540,000 related to Ms Ross and 2,000,000 relate to Ms Betti, who are both Directors of the entity holding the interest.

^c Ms Ross and Ms Betti are Directors of the entity holding the interest in the 180,000 listed options.

Mr Alexander Molyneux Non-Executive Chairman (*retired 29 November 2023*)

Qualifications BEcon, Grad. Dip. MinExplGeoSc

Experience Mr Molyneux is a metals and mining industry executive and financier with 20+ years industry experience.

Mr Molyneux was Managing Director of Galena Mining Ltd (ASX: G1A) (2018 – 2021) where he brought the company from early stage resource development through to advanced stage construction. Prior to Galena, Mr Molyneux was CEO of Paladin Energy Limited (ASX: PDN) (2015 – 2018) one of the world's largest uranium companies, where he optimised its operating business and completed a US\$700M successful recapitalisation of the company and a re-listing on the ASX. Prior to that, Mr Molyneux spent approximately five-years with Ivanhoe Mines Group and Ivanhoe Energy in various leadership capacities including as CEO and Director of SouthGobi Resources Ltd. (TSX: SGQ) (2009 – 2012).

Mr Molyneux currently serves on public company boards, including: Metalla Royalty & Streaming Ltd (TSX-V / NYSE: MTA), Galena Mining Ltd (ASX: G1A) and Comet Resources Ltd (ASX: CRL). He was previously Non-Executive Chairman of Argosy Minerals Ltd (ASX: AGY) (2016 – 2022).

Interest in Shares N/A

Interest in Performance Rights N/A

Interest in Options N/A

Directorships held in other listed entities Director of Galena Mining Ltd (since 1 September 2018)
Non-Executive Director of Comet Resources Ltd (since 15 February 2019)

Mr Colin Russell	Non-Executive Director (<i>retired 29 November 2023</i>)
Qualifications	B.Sc. Geology
Experience	Mr. Russell is a geologist involved with mining and geology for over 40 years. Mr. Russell has worked for junior and major exploration companies on projects ranging from grassroots through to feasibility throughout Canada and overseas, including Guyana, China, the Republic of Cyprus and Namibia. Before returning to a consulting role, Mr. Russell was the Mine/Site Manager at Eskay Creek for Skeena Resources Limited.
Interest in Shares	N/A
Interest in Performance	N/A
Rights	
Interest in Options	N/A
Directorships held in other listed entities	N/A
Mr Anthony Cina	Non-Executive Director (<i>retired 29 November 2023</i>)
Qualifications	CA, CPA, ICD.D, BCom, University of Toronto
Experience	Mr. Cina has over 30 years of experience in accounting, finance and tax-related matters and has extensive experience in the mining industry. Mr. Cina is a corporate director and board advisor and has served for various mining and technology-related public and private companies, including currently serving as Chairman of TSX Venture Exchange listed Itafos, a US and Brazilian focused vertically integrated phosphate miner and fertilizer producer. Prior to these roles, Mr. Cina served in several senior executive roles with mining companies, most recently as Senior Vice President, Business Administration at Yamana Gold Inc. Prior thereto, he was Chief Financial Officer of MBAC Fertilizer Corp.
Interest in Shares	N/A
Interest in Performance	N/A
Rights	
Interest in Options	N/A
Directorships held in other listed entities	N/A
Mr Jonathan Shellabear	Non-Executive Director (<i>retired 29 November 2023</i>)
Qualifications	B.Sc (Honours) and MBA
Experience	<p>Mr Jonathan Shellabear has over 30 years experience in the mining and financial services industries having worked as a geologist, resources analyst, corporate executive and investment banker with NM Rothschild & Sons, Deutsche Bank and Resource Finance Corporation.</p> <p>Mr Shellabear previously held senior corporate roles with Portman Limited (now Cliffs Natural Resources) as General Manager, Business Development and Heron Resources as Managing Director and Chief Executive Officer. Most recently, he served as a Non-Executive and then subsequently Chief Financial Officer of Capricorn Metals Limited.</p> <p>Mr Shellabear is an accomplished and respected mining industry senior executive with extensive knowledge and experience across technical, commercial and financial disciplines. Mr Shellabear holds a Bachelor of Science with Honours in Geology and a Master of Business Administration from the University of Western Australia.</p>

Interest in Shares	N/A
Interest in Performance Rights	N/A
Interest in Options	N/A

Directorships held in other listed entities

Managing Director of Nico Resources Limited (since 4 April 2023)
Non-Executive Director of Ten Sixty Four Limited (since 20 June 2023)
Non-Executive Chairman of Nelson Resources Limited (resigned 21 November 2022)

Ms Andrea Betti

Non-Executive Director (*appointed 29 November 2023 and resigned 15 July 2024*)

Qualifications

CA, BCom, FGIA, ACG

Experience

Ms Betti is an accounting and corporate governance professional, with over 25 years' experience in accounting, corporate governance, finance and corporate banking. Ms Betti has a Bachelor of Commerce, Graduate Diploma in Corporate Governance, Graduate Diploma in Applied Finance and Investment, and a Master of Business Administration. Ms Betti is a member of the Institute of Chartered Accountants in Australia and New Zealand and a fellow member of the Governance Institute of Australia.

Ms Betti is currently the Managing Director of a corporate advisory firm based in Perth that provides corporate and other advisory services to public listed companies. Ms Betti has also held roles as Non-Executive Director, Chief Financial Officer and Company Secretary for companies in the private and public listed sector and continues to do so. Ms Betti is a director and company secretary for Argosy Minerals Limited (ASX: AGY) and the company secretary for Australian Gold and Copper Limited (ASX:AGC), Magmatic Resources Limited (ASX:MAG), Poseidon Nickel Limited (ASX:POS) and S2 Resources Limited (ASX: S2R).

Interest in Shares	1,117,500 ^a
Interest in Performance Rights	Nil
Interest in Unlisted Options	4,540,000 ^b
Interest in Listed Options	192,500 ^c

Directorships held in other listed entities

Non-Executive Director of Argosy Minerals Limited (since 3 July 2023)

^a Ms Ross and Ms Betti are Directors of the entity holding the interest in 1,080,000 shares. Ms Betti holds 37,500 shares directly.

^b Of the unlisted options interest, 2,540,000 related to Ms Ross and 2,000,000 relate to Ms Betti, who are both Directors of the entity holding the interest.

^c Ms Ross and Ms Betti are Directors of the entity holding the interest in the 180,000 listed options. Ms Betti holds 12,500 listed options directly.

MEETING OF DIRECTORS

The number of meetings of the Group's Board of Directors ("the Board") held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

Name	Number eligible to attend	Number attended
Christopher Hansen	2	2
Melanie Ross	6	6
Alexander Molyneux	4	4
Anthony Cina	4	4
Jonathan Shellabear	4	3
Colin Russell	4	4
Andrea Betti	2	2

There were six Directors meetings held during the financial year, however many board matters were dealt with via circular resolutions. The Group had a formally constituted audit committee, however, upon the retirement of the directors who formed the committee, subsequent to 29 November 2023, the Group did not have an audit committee and does not have a remuneration committee as the board considers that the Group's size and type of operation do not warrant such a committee.

The number of meetings of the Group's Audit Committee, held during the year ended 30 June 2024, and the number of meetings attended by each committee member were:

Name	Number eligible to attend	Number attended
Anthony Cina	2	2
Jonathan Shellabear	2	2
Colin Russell	2	2

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of the remuneration for each key management personnel of Somerset Minerals Limited for the year ended 30 June 2024.

The remuneration report is set out under the following headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Service agreements
- D Share based compensation
- E Shareholdings
- F Performance rights held
- G Option holdings
- H Related party disclosures

A. Principles used to determine the nature and amount of remuneration

In determining competitive remuneration rates, the Board, acting in its capacity as the remuneration committee, seeks independent advice on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes benefit plans and share plans. Independent advice may be obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

The Board recognises that Somerset Minerals Limited operates in a global environment. To prosper in this environment we must attract, motivate and retain key executive staff.

Market comparisons

Consistent with attracting and retaining talented executives, the Board endorses the use of incentive and bonus payments. The Board will continue to seek external advice to ensure reasonableness in remuneration scale and structure, and to compare the Group's position with the external market.

The impact and high cost of replacing senior employees and the competition for talented executives requires the committee to reward key employees when they deliver consistently high performance.

Board remuneration

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the *Corporations Act 2001* and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Group of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$400,000 per annum.

The Board determines actual payments to Directors and reviews their remuneration annually based on independent external advice with regard to market practice, relativities, and the duties and accountabilities of Directors.

A review of Directors' remuneration is conducted annually to benchmark overall remuneration including retirement benefits. There were no use of external consultants for remuneration advice for the year ended 30 June 2024.

Performance-based remuneration

The Group has adopted an employee incentive option plan ('EIOP' or 'Option Plan') to provide ongoing incentives to Directors, executives and employees of the Group. The objective of the EIOP is to provide the Group with a remuneration mechanism, through the issue of securities in the capital of the Group, to motivate and reward the performance of the Directors and employees in achieving specified performance milestones within a specified performance period. The Board will ensure that the performance milestones attached to the securities issued pursuant to the EIOP are aligned with the successful growth of the Group's business activities.

The Directors and employees of the Group have been, and will continue to be, instrumental in the growth of the Group. The Directors consider that the EIOP is an appropriate method to:

- (a) reward Directors and employees for their past performance;
- (b) provide long term incentives for participation in the Group's future growth;
- (c) motivate Directors and generate loyalty from senior employees; and
- (d) assist to retain the services of valuable Directors and employees.

There were no performance rights issued under the plan during the financial year ended 30 June 2024 (2023: Nil).

Group performance, shareholder wealth and directors and executives remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholder's investment objectives and Director's and executive's performance. Currently, Directors and executives are encouraged to hold shares in the Group to ensure the alignment of personal and shareholder interests. The Group provides performance based remuneration via their employee incentive option plan. No options were issued under the plan during the financial year ended 30 June 2024 (2023: 1,600,000 options).

B. Details of remuneration

Amounts of remuneration

The remuneration for each key management personnel of the Group for the year was as follows:

2024

Key Management Personnel	Short-term Benefits				Post-employment Benefits	Share based Payments			Performance Related %
	Cash, salary & Commissions \$	Cash profit Share \$	Non-Cash Benefit \$	Other ⁹ \$	Super-annuation \$	Performance Rights \$	Options \$	Total \$	
Mr A Molyneux ¹	29,800	-	-	-	-	-	-	29,800	-
Mr A Cina ²	22,685	-	-	-	-	-	-	22,685	-
Mr J Shellabear ³	13,636	-	-	-	27	-	-	13,663	-
Ms M Ross ⁴	36,000	-	-	-	-	-	4,000	40,000	-
Mr Colin Russell ⁵	15,000	-	-	-	-	-	-	15,000	-
Ms A Betti ^{6,7}	21,200	-	-	-	-	-	4,000	25,200	-
Mr C Hansen ⁸	23,874	-	-	10,275	3,789	27,471	4,000	69,409	40%
Mr J Bahnsen ^{10,11}	127,293	-	-	-	-	-	-	127,293	-
	289,488	-	-	10,275	3,816	27,471	12,000	343,050	8%

¹ Mr A Molyneux retired as Non-Executive Director as at 29 November 2023

² Mr A Cina retired as Non-Executive Director as at 29 November 2023

³ Mr J Shellabear fee changed to \$3,000 inclusive of superannuation per month during the year. Mr J Shellabear retired as Non-Executive Director as at 29 November 2023

⁴ Payable to Consilium Corporate Pty Ltd, a Company with which Ms Ross is a shareholder and Director, relating to Ms Ross' Director's fees

⁵ Mr C Russell retired as Non-Executive Director as at 29 November 2023

⁶ Ms A Betti was appointed as Non-Executive Director on 29 November 2023 and resigned subsequent to year end on 15 July 2024

⁷ Payable to Consilium Corporate Pty Ltd, a Company with which Ms Betti is a shareholder and Director, relating to Ms Betti' Director's fees

⁸ Mr C Hansen was appointed as Non-Executive Director as at 29 November 2023. Mr C Hansen was appointed as Managing Director subsequent to year end on 1 July 2024

⁹ Relates to services outside Mr Hansen's role as Non-Executive Director

¹⁰ Mr J Bahnsen resigned as CEO/President as at 15 March 2024

¹¹ Payable to Velocity North Management Ltd, a Company which Mr Bahnsen is a shareholder and Director

2023

Key Management Personnel	Short-term Benefits				Post-employment Benefits	Share based Payments			Performance Related %
	Cash, salary & Commissions \$	Cash profit Share \$	Non-Cash Benefit \$	Other \$	Super-annuation \$	Performance Rights \$	Options \$	Total \$	
Mr A Molyneux	72,000	-	-	-	-	-	-	72,000	-
Mr G Artmont ¹	6,000	-	-	-	-	-	-	6,000	-
Mr A Cina	52,652	-	-	-	-	-	-	52,652	-
Mr J Shellabear	32,877	-	-	-	3,452	-	-	36,329	-
Ms M Ross ²	36,000	-	-	-	-	-	-	36,000	-
Mr Colin Russell	15,270	-	-	-	-	-	-	15,270	-
Mr J Bahnsen ³	222,155	-	-	-	-	-	-	222,155	-
	436,954	-	-	-	3,452	-	-	440,406	-

¹ Mr G Artmont vacated as Non-Executive Director as at 31 August 2022

² Payable to Consilium Corporate Pty Ltd, a Company with which Ms Ross is a shareholder and Director, relating to Ms Ross' Director's fees

³ Payable to Velocity North Management Ltd, a Company which Mr Bahnsen is a shareholder and Director

C. Service agreements

Consilium Corporate Pty Ltd, a Company with which Ms Ross and Ms Betti are shareholders and Directors, are also engaged to perform Company Secretarial and Accounting duties. During the financial year ended 30 June 2024, \$165,812 (2023: \$144,774) was paid or payable under this agreement.

Employment contracts of Key Management Personnel

Each member of the Group's Key Management Personnel are employed on open-ended employment contracts between the individual person and the Group.

Non-executive Directors have entered into a service agreement with the Group in the form of a letter of appointment.

The below is as at the date of this financial report:

Key Management Personnel	Appointment	Term of Agreement	Base Salary (excludes GST) \$ p.a.	Termination Benefit
Christopher Hansen	Managing Director	No fixed term	250,000	3 months
Michael Edwards	Non-Executive Chairman	No fixed term	50,000	Nil
Melanie Ross	Non-Executive Director	No fixed term	36,000	Nil

D. Share based compensation Options

There were 6,000,000 options granted as compensation to Key Management Personnel during the financial year ended 30 June 2024 (2023: Nil).

Shares

There were no shares issued as compensation to Key Management Personnel during the financial year ended 30 June 2024 (2023: Nil).

Performance rights

There were 10,287,684 performance rights granted as compensation to Key Management Personnel during the financial year 30 June 2024 (2023: Nil).

E. Shareholdings

The number of shares in the Group held during the financial year by each Director and other members of Key Management Personnel of the Group, including their personally related parties, is set out below:

30 June 2024	Balance at beginning of the year	Granted as remuneration during the year	Purchased on-market or as part of capital raising	Conversion of performance rights	Other changes during the year	Balance at end of year
Mr A Molyneux ¹	5,385,714	-	-	-	(5,385,714)	-
Ms M Ross ¹⁰	540,000	-	540,000	-	-	1,080,000
Mr A Cina ²	-	-	-	-	-	-
Mr J Shellabear ³	-	-	-	-	-	-
Mr Colin Russell ⁴	-	-	-	-	-	-
Mr J Bahnsen ⁵	261,475	-	-	-	(261,475)	-
Ms A Betti ^{6,7}	-	-	-	-	37,500	37,500
Mr C Hansen ^{8,9}	-	-	-	-	49,654,487	49,654,487
	6,187,189	-	540,000	-	44,044,798	50,771,987

¹ Mr A Molyneux retired as Non-Executive Director as at 29 November 2023

² Mr A Cina retired as Non-Executive Director as at 29 November 2023

³ Mr J Shellabear retired as Non-Executive Director as at 29 November 2023

⁴ Mr C Russell retired as Non-Executive Director as at 29 November 2023

⁵ Mr J Bahnsen resigned as CEO/President as at 15 March 2024

⁶ Ms A Betti was appointed as Non-Executive Director as at 29 November 2023. Ms A Betti resigned as Non-Executive Director as at 15 July 2024

⁷ Ms Betti held 37,500 fully paid ordinary shares in the Company prior to her appointment as Non-Executive Director.

⁸ Mr C Hansen was appointed as Non-Executive Director as at 29 November 2023. Mr C Hansen was appointed as Managing Director as at 1 July 2024

⁹ On 13 June 2024, the Company issued 300,000,000 fully paid ordinary shares at a deemed issued price of \$0.004 per share as part of the upfront consideration. 49,654,487 fully paid ordinary shares out of the upfront consideration was issued to Mr C Hansen in relation to the asset acquisition of the Prescott Project

¹⁰ The shares indicated for Ms Ross are held indirectly by a related entity. Ms Betti is also a director of this entity.

F. Performance rights held

The number of performance rights in the Group held during the financial year by each Director and other members of Key Management Personnel of the Group, including their personally related parties, is set out below:

30 June 2024	Balance at beginning of the year	Granted as remuneration during the year ⁹	Conversion to Shares	Other changes during the year	Balance at end of year
Mr A Molyneux ¹	-	-	-	-	-
Ms M Ross	-	-	-	-	-
Mr A Cina ²	200,000	-	-	(200,000)	-
Mr J Shellabear ³	200,000	-	-	(200,000)	-
Mr Colin Russell ⁴	-	-	-	-	-
Mr J Bahnsen ⁵	200,000	-	-	(200,000)	-
Ms A Betti ⁶	-	-	-	-	-
Mr C Hansen ^{7,8}	-	10,287,684	-	16,551,494	26,839,178
	600,000	10,287,684	-	15,951,494	26,839,178

¹ Mr A Molyneux retired as Non-Executive Director as at 29 November 2023

² Mr A Cina retired as Non-Executive Director as at 29 November 2023

³ Mr J Shellabear retired as Non-Executive Director as at 29 November 2023

⁴ Mr C Russell retired as Non-Executive Director as at 29 November 2023

⁵ Mr J Bahnsen resigned as CEO/President as at 15 March 2024

⁶ Ms A Betti was appointed as Non-Executive Director as at 29 November 2023. Ms A Betti resigned as Non-Executive Director as at 15 July 2024

⁷ Mr C Hansen was appointed as Non-Executive Director as at 29 November 2023. Mr C Hansen was appointed as Managing Director as at 1 July 2024

⁸ On 13 June 2024, the Company issued 100,000,000 performance rights as part of the deferred consideration. 16,551,494 performance rights out of the deferred consideration was granted to Mr C Hansen in relation to the asset acquisition of the Prescott Project

⁹ Performance rights issued to Key Management Personnel

The following performance rights over unissued ordinary shares were issued to Key Management Personnel ('KMP') during, or since the end of, the current financial year ended 30 June 2024:

Class	Grant date	Expiry date	Exercise price \$	Number	Grant date fair value \$	Total fair value \$	Expected vesting date
Performance rights	13/06/2024	30 /11/2027	-	6,858,456	0.004	27,433	13 June 2024
Performance rights	13/06/2024	30 /11/2027	-	3,429,228	0.0032	11,179	30 November 2027
				10,287,684			

6,858,456 performance rights were valued using a Black-Scholes Option Pricing model, with the following assumptions:

Underlying share price	\$0.004
Exercise price	-
Expiry date	30/11/2027
Performance vesting share price	\$0.004
Volatility	97.37%
Risk free rate	3.88%
Dividend yield	-
Share-based payment expense recognised at 30 June 2024	\$27,433

3,429,228 performance rights will vest on achieving a market capitalisation above \$10 million for a minimum of 15 days and were valued using a Hoadley Parisian Barrier model, with the following assumptions:

Underlying share price	\$0.004
Exercise price	-
Expiry date	30/11/2027
Volatility	97.37%
Risk free rate	3.88%
Dividend yield	-
Share-based payment expense recognised at 30 June 2024	\$38

G. Option holdings

The number of options in the Group held during the financial year by each Director and other members of Key Management Personnel of the Group, including their personally related parties, is set out below:

30 June 2024	Balance at beginning of the year	Granted as remuneration during the year ⁹	Conversion to shares	Other changes during the year	Balance at end of year
Mr A Molyneux ¹	4,842,857	-	-	(4,842,857)	-
Ms M Ross	945,000	2,000,000	-	(225,000)	2,720,000
Mr A Cina ²	540,000	-	-	(540,000)	-
Mr J Shellabear ³	540,000	-	-	(540,000)	-
Mr Colin Russell ⁴	-	-	-	-	-
Mr J Bahnsen ⁵	1,400,000	-	-	(1,400,000)	-
Ms A Betti ^{6,7}	-	2,000,000	-	12,500	2,012,500
Mr C Hansen ⁸	-	2,000,000	-	-	2,000,000
	8,267,857	6,000,000	-	(7,535,357)	6,732,500

¹ Mr A Molyneux retired as Non-Executive Director as at 29 November 2023

² Mr A Cina retired as Non-Executive Director as at 29 November 2023

³ Mr J Shellabear retired as Non-Executive Director as at 29 November 2023

⁴ Mr C Russell retired as Non-Executive Director as at 29 November 2023

⁵ Mr J Bahnsen resigned as CEO/President as at 15 March 2024

⁶ Ms A Betti was appointed as Non-Executive Director as at 29 November 2023 and resigned subsequent to year end on 15 July 2024

⁷ Ms Betti held 12,500 listed options in the Company prior to her appointment as Non-Executive Director

⁸ Mr C Hansen was appointed as Non-Executive Director as at 29 November 2023. Mr C Hansen was appointed as Managing Director subsequent to year end on 1 July 2024

⁹Options issued to Key Management Personnel

The following options over unissued ordinary shares were issued to Key Management Personnel ('KMP') during, or since the end of, the current financial year ended 30 June 2024:

Class	Grant date	Expiry date	Exercise price	Number	Grant date fair value	Total fair value	Expected vesting date
			\$		\$	\$	
Unlisted options	13/06/2024	30/11/2027	0.010	6,000,000	0.002	12,000	Vested immediately

The options were valued using a Black-Scholes Option Pricing model, with the following assumptions:

Underlying share price	\$0.004
Exercise price	\$0.010
Expiry date	30/11/2027
Volatility	97.37%
Risk free rate	3.88%
Dividend yield	-

H. Related party disclosures

i. Transactions occurring with related parties

Consilium Corporate Pty Ltd, a Company with which Ms Ross and Ms Betti are shareholders and Directors, are also engaged to perform Company Secretarial and Accounting duties. Per the terms of the agreement, either party may terminate by giving three (3) months written notice to the other. All transactions were made on normal commercial terms and conditions and at market rates. During the year, \$165,812 (2023: \$144,774) was paid or payable under this agreement.

During the year ended 30 June 2024, there were payments made to Consilium Corporate Pty Ltd. ("Consilium"), for Ms Ross and Ms Betti's Non-Executive Director fees of the Company. The payments were for the provision of director fees and amounts paid or payable were \$36,000 (2023: \$36,000) for Ms Ross and \$21,200 (2023: \$Nil) for Ms Betti.

Velocity North Management Ltd, a Company with which Mr. Bahnsen, Chief Executive Officer of the Company, is an owner. The payments were for the provision of consulting fees and amounts paid or payable were \$127,293 (2023: \$222,155).

On 13 June 2024, the Company acquired 100% of the shares in Somerset (Canada) Pty Ltd, through its subsidiary, which holds a 100% interest in the Prescott Project. Mr Hansen held an interest of 16.55% of the issued capital in Somerset (Canada) Pty Ltd which entitled Mr Hansen to the following consideration as part of the acquisition.

- (a) 49,654,487 out of the 300,000,000 fully paid ordinary shares at a deemed issue price of \$0.004 per share equating to \$198,618 out of the \$1,200,000, which formed part of the upfront consideration;
- (b) 16,551,494 out of the 100,000,000 performance rights which formed part of the deferred consideration.

ii. Payables owing to related parties

	2024 \$	2023 \$
Alexander Molyneux – Director's fees	-	6,000
Consilium Corporate Pty Ltd ⁽¹⁾	-	16,571
Jonathan Shellabear – Director's fees	-	3,014
Velocity North Management Ltd – consultant fees	-	26,915
	<u>-</u>	<u>52,500</u>

(1) Consilium Corporate Pty Ltd is an entity related to Melanie Ross and Andrea Betti. No amounts were payable for Company secretarial and accounting services at 30 June 2024.

There are no other transactions with related parties during the years ended 30 June 2024 and 30 June 2023.

ADDITIONAL INFORMATION

The loss of the Group for the year ended 30 June 2024 is summarised below:

	2024 \$	2023 \$	2022 \$	2021 \$	2020 \$
Other income	31,963	75,215	426	15,761	23,055
EBITDA	(22,428,992)	(5,368,111)	(1,793,133)	(2,601,510)	(2,691,383)
EBIT	(22,438,611)	(5,437,737)	(1,828,867)	(2,618,974)	(2,691,383)
Loss after income tax	(19,992,743)	(5,817,846)	(3,899,815)	(2,572,092)	(2,693,918)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2024	2023	2022	2021	2020
	\$	\$	\$	\$	\$
Share price at financial year end (\$)	0.004 ⁽¹⁾	0.033	0.059	0.175	0.34
Total dividends declared (cents per share)	Nil	Nil	Nil	Nil	Nil
Basic loss per share (cents per share)	(3.81)	(2.49)	(3.17)	(3.08)	(6.38)

⁽¹⁾As the financial year end 30 June 2024, fell on a non-business day, the share price at financial year end is the closing share price at 28 June 2024.

During the year ended 30 June 2024, the Group did not utilise any remuneration consultants.

At the 2023 Annual General Meeting ('AGM'), 44.54% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. As more than 25% of shareholders voted against the adoption, the Company incurred a 'first strike' pursuant to section 250R of the Act.

Since this time there has been a significant change in the Board and its members, with Alexander Molyneux, Tony Cina, Jonathan Shellabear and Colin Russel all retiring from the Board, and Chris Hansen and Andrea Betti being appointed as directors in November 2023. Jason Bahnsen also resigned from his position as CEO/President in March 2024.

The Company takes shareholder concerns very seriously and following the AGM the Company undertook a process to consider and address the various concerns raised and determined to consider the feedback received from shareholders and stakeholders, in determining the remuneration outcomes for the 2024 financial year and the changes required for the structure of remuneration for the 2024 financial year.

This concludes the remuneration report, which has been audited.

OPTIONS AND RIGHTS OVER SHARES

Ordinary shares under option of Somerset Minerals Limited at the date of this report are as follows:

Issue date	Expiry date	Exercise price	Number under option
12 November 2021	12 November 2024	\$0.20	1,500,000
12 November 2021	12 November 2024	\$0.20	1,500,000
3 December 2021	3 December 2024	\$0.32	1,500,000
12 November 2021	12 November 2024	\$0.25	1,000,000
3 December 2021	3 December 2024	\$0.31	1,360,000
3 December 2021	3 December 2024	\$0.31	1,080,000
3 December 2021	3 December 2024	\$0.17	1,000,000
29 June 2022	29 June 2025	\$0.12	2,700,000
29 September 2022	5 September 2025	\$0.075	20,338,885
29 September 2022	5 September 2025	\$0.075	16,000,000
5 September 2022	5 September 2025	\$0.075	77,965,727
12 September 2022	12 September 2025	\$0.12	1,600,000
23 December 2022	23 December 2024	\$0.10	12,453,450
19 May 2023	5 September 2025	\$0.075	31,250,000
8 December 2023	5 September 2025	\$0.075	15,000,000
8 December 2023	5 September 2025	\$0.010	50,000,000
13 June 2024	30 November 2027	\$0.010	10,000,000
13 June 2024	30 November 2027	\$0.010	6,000,000

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

Performance rights on issue at the date of this report are as follows:

Issue date	Expiry date	Number of Performance Rights
13 June 2024	11 November 2027	10,287,684
13 June 2024	13 June 2029	100,000,000

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares of Somerset Minerals Limited issued during the year ended 30 June 2024 and up to the date of this report on the exercise of options (2023: Nil).

INDEMNITY AND INSURANCE OF OFFICERS

The Group has indemnified the Directors and executives of the Group for the costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the Group paid a premium in respect of a contract to insure the Directors and executives of the Group against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITOR

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor. During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

PROCEEDINGS ON BEHALF OF THE GROUP

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

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 18 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor, is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are of the opinion that the services as disclosed in Note 18 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

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

ROUNDING OF AMOUNTS

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar (where indicated).

OFFICERS OF THE GROUP WHO ARE FORMER PARTNERS OF PITCHER PARTNERS BA&A PTY LTD

There are no officers of the Group who are former partners of Pitcher Partners BA&A Pty Ltd.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included within this financial report.

AUDITOR

Pitcher Partners BA&A Pty Ltd continues in office in accordance with section 327B of the *Corporations Act 2001*. A copy of the auditor's Independence declaration as required under section 307C of the *Corporations Act 2001* is included within this financial report.

This Directors' report is signed in accordance with a resolution of Directors made pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Chris Hansen
Managing Director

Date: 30 September 2024
Perth

SOMERSET MINERALS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024



		Consolidated	
	Note	2024	2023
		\$	\$
Other income	4	31,963	75,215
Flow-through share premium recovery	13	-	323,440
Directors' and employee benefits expense		(176,286)	(218,251)
Legal and other professional fees		(661,678)	(432,900)
Management consulting fees		(127,293)	(222,155)
Regulatory fees		(239,046)	(297,616)
Advertising and marketing expenses		(210,548)	(685,665)
Foreign exchange loss		(290)	(17,103)
Share based payments expense	15	(39,471)	(64,721)
Interest expense		-	50,216
Impairment loss on exploration and evaluation expenditure	9	(20,558,814)	(3,634,577)
Depreciation expense		(9,619)	(69,626)
Other expenses		(447,529)	(243,994)
Loss before income tax		(22,438,611)	(5,437,737)
Income tax expense	5	2,445,868	(380,109)
Loss for the year		(19,992,743)	(5,817,846)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		29,953	177,422
Other comprehensive loss for the year, net of tax		29,953	177,422
Total comprehensive loss for the year		(19,962,790)	(5,640,424)
Loss for the year attributable to:			
- Owners of the Group		(19,992,741)	(5,817,969)
- Non-controlling interests		(2)	123
		(19,992,743)	(5,817,846)
Total comprehensive loss for the year attributable to:			
- Owners of the Group		(19,962,788)	(5,640,547)
- Non-controlling interests		(2)	123
		(19,962,790)	(5,640,424)
Loss per share			
- Basic loss per share (cents)	21(c)	(3.81)	(2.49)
- Diluted loss per share (cents)	21(c)	(3.81)	(2.49)

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

SOMERSET MINERALS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024



		Consolidated	
	Note	2024	2023
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	6	1,435,783	1,445,851
Trade and other receivables	7	135,387	55,741
Other assets	8(a)	-	248,862
Total current assets		1,571,170	1,750,454
Non-current assets			
Exploration and evaluation	9	1,820,490	21,309,211
Other assets	8(b)	614,677	493,480
Property, plant and equipment		-	30,722
Total non-current assets		2,435,167	21,833,413
Total assets		4,006,337	23,583,867
LIABILITIES			
Current liabilities			
Trade and other payables	10	416,729	801,604
Provisions	12(a)	254,262	254,032
Total current liabilities		670,991	1,055,636
Non-current liabilities			
Provisions	12(b)	4,833,260	5,249,213
Deferred tax liability	11	-	2,445,868
Total non-current liabilities		4,833,260	7,695,081
Total liabilities		5,504,251	8,750,717
Net (liabilities)/assets		(1,497,914)	14,833,150
EQUITY			
Issued capital	13(a)	30,682,241	27,281,731
Reserves	14	2,360,477	2,946,458
Accumulated losses		(34,514,936)	(15,369,345)
Equity attributable to owners of the Group		(1,472,218)	14,858,844
Non-controlling interests		(25,696)	(25,694)
Total equity		(1,497,914)	14,833,150

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

SOMERSET MINERALS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

Equity attributable to owners of Somerset Minerals Limited

Consolidated	Issued Capital \$	Share based payment reserve \$	Foreign exchange reserve \$	Accumulated losses \$	Total \$	Non-controlling interests \$	Total \$
Balance at 1 July 2022	20,120,765	2,256,775	372,538	(10,068,490)	12,681,588	(25,817)	12,655,771
Loss for the year	-	-	-	(5,817,969)	(5,817,969)	123	(5,817,846)
Other comprehensive income	-	-	177,422	-	177,422	-	177,422
Total comprehensive loss for the year	-	-	177,422	(5,817,969)	(5,640,547)	123	(5,640,424)
Issue of capital (net of costs)	7,257,402	592,116	-	-	7,849,518	-	7,849,518
Transfer to accumulated losses upon expiry of options	-	(517,114)	-	517,114	-	-	-
Offset of flow-through share premium liability	(96,436)	-	-	-	(96,436)	-	(96,436)
Share based payments	-	64,721	-	-	64,721	-	64,721
Balance at 30 June 2023	27,281,731	2,396,498	549,960	(15,369,345)	14,858,844	(25,694)	14,833,150

Equity attributable to owners of Somerset Minerals Limited

Consolidated	Issued Capital \$	Share based payment reserve \$	Foreign exchange reserve \$	Accumulated losses \$	Total \$	Non-controlling interests \$	Total \$
Balance at 1 July 2023	27,281,731	2,396,498	549,960	(15,369,345)	14,858,844	(25,694)	14,833,150
Loss for the year	-	-	-	(19,992,741)	(19,992,741)	(2)	(19,992,743)
Other comprehensive income	-	-	29,953	-	29,953	-	29,953
Total comprehensive loss for the year	-	-	29,953	(19,992,741)	(19,962,788)	(2)	(19,962,790)
Issue of capital (net of costs)	3,400,510	191,745	-	-	3,592,255	-	3,592,255
Options – recognised as an expense	-	12,000	-	-	12,000	-	12,000
Performance rights – recognised as an expense	-	27,471	-	-	27,471	-	27,471
Transfer to accumulated losses upon expiry of options	-	(847,150)	-	847,150	-	-	-
Balance at 30 June 2024	30,682,241	1,780,564	579,913	(34,514,936)	(1,472,218)	(25,696)	(1,497,914)

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

SOMERSET MINERALS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024



	Note	Consolidated	
		2024	2023
		\$	\$
Cash flows from operating activities			
Interest received		15,201	7,941
Payments to suppliers and employees		(1,632,480)	(2,410,491)
Interest paid		-	(1,539)
Net cash outflow from operating activities	22(a)	(1,617,279)	(2,404,089)
Cash flows from investing activities			
Payments for exploration and evaluation		(758,512)	(4,983,735)
Purchase of property, plant and equipment		-	(43,119)
Cash acquired from acquisition of subsidiary	9	52,886	-
Net cash outflow from investing activities		(705,626)	(5,026,854)
Cash flows from financing activities			
Proceeds from issue of shares		2,440,669	8,311,937
Share issue costs paid		(92,461)	(500,070)
Lease liability repayments		-	(2,374)
Net cash inflow from financing activities		2,348,208	7,809,493
Net increase in cash and cash equivalents		25,303	378,550
Cash and cash equivalents at the beginning of the financial year		1,445,851	1,113,789
Effects of exchange rate changes on cash and cash equivalents		(35,371)	(46,488)
Cash and cash equivalents at the end of the financial year	6	1,435,783	1,445,851

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

1. Material accounting policy information

Corporate information

Somerset Minerals Limited (the Company) is a public listed company and is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Its registered office and principal place of business is Level 2, 22 Mount Street, Perth WA 6000.

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Basis of preparation

The financial report covers the Company and its controlled entities (the Group).

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities.

The consolidated financial report was approved by the Directors on 30 September 2024.

Compliance with International Financial Reporting Standards

These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Functional currency and presentation currency

The financial statements are presented in Australian dollars which is the Group's functional and presentation currency.

Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the financial report have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar (where indicated).

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

a) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Somerset Minerals Limited at the end of the reporting year.

b) Foreign currency translation

The financial statements are presented in Australian dollars, which is Somerset Minerals Limited's functional and presentation currency.

Foreign currency transactions

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

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the financial year-end. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

c) Parent entity

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 24.

d) Income tax

The income tax expense (revenue) for the financial year-end comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the financial year-end. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

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

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

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

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

e) Exploration and evaluation

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves.

Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

f) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the year for goods and services received by the Group during the year which remain unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are generally paid within 30 – 60 days of recognition.

g) Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in provision resulting from the passage of time is recognised as a finance cost.

h) Issued capital

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.

Flow-through share premium

The Group may on occasion, issue flow-through shares to finance its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditure to investors. On issuance, the Group bifurcates the flow-through share proceeds into: (i) share capital, for the fair value of the shares without a flow-through feature (based on quoted trading prices), and (ii) a flow-through share premium liability, for the amount investors pay for the flow-through feature (in excess of the quoted trading price of the common shares).

Upon expenditures being incurred, the Group derecognises the liability on a pro-rata basis to the expenditures incurred. The reduction of the flow-through share premium previously recorded is recognised as other income.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian exploration expenses (as defined in the Tax Act).

The Group may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Lookback Rule, in accordance with the Canadian Income Tax Act and Canadian Income Tax flow-through regulations. When applicable, this tax is accrued as a financial expense until paid. A renouncement is made on a prospective basis, which then permits recognition of the liability when expenditures are being incurred.

A deferred tax liability is recognised for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalised as an asset in the statement of financial position and its tax base.

i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with short periods to maturity and bank overdrafts.

j) Other income

Interest revenue is recognised as interest accrues using the effective interest method.

k) Equity-settled compensation

The Group operates equity-settled share based payment employee share and option schemes.

The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account.

Share based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the good or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is shown in the share based payment reserve.

The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using an appropriate valuation model which incorporates all market vesting conditions.

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

l) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

In all other cases, the loss allowance reduced the asset's carrying value with a corresponding expense through profit or loss.

m) New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current financial year. The adoption of these did not have a material impact on the Group. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. There are no other standards that are not yet effective that would be expected to have a material impact on the Group.

n) Going Concern

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

As disclosed in the financial statements, the Group incurred a loss after tax of \$19,992,743 (2023: \$5,817,846) and had net cash outflows from operating activities and investing activities respectively of \$1,617,279 (2023: \$2,404,089) and \$705,626 (2023: \$5,026,854) for the year ended 30 June 2024.

As at that date, the Group had net current assets of \$900,179 including cash on hand of \$1,435,783 and net liabilities of \$1,497,914.

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds by raising additional capital from equity markets and managing cash flows in line with available funds.

These factors indicate a material uncertainty, which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, as it plans to issue additional equity securities to raise further working capital. The directors are confident the Group will be successful in sourcing further capital to fund the ongoing operations of the Group.

Accordingly, the directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances.

The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Exploration and evaluation expenditure

Exploration and evaluation costs have been capitalised on the basis that activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

Impairment of non-financial assets

Determining the recoverability of exploration, evaluation and development expenditure capitalised in accordance with the Group's accounting policy requires judgements as to future events and circumstances, in particular, whether successful development and commercial exploration, or alternative sale, or the respective areas of interest will be achieved. If after having capitalised the expenditure a judgement is made that recovery of the exploration expenditure is unlikely, an impairment loss is recorded in the consolidated statement of profit or loss and other comprehensive income. The carrying amounts of exploration, evaluation and development assets are set out in Note 9.

Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Hoadley Parisian Barrier Model or Black-Scholes Option Pricing model taking into account the terms and conditions upon which the instruments were granted.

The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Rehabilitation provision

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment.

The Group recognises management's best estimate for assets requirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of the provision.

There is uncertainty as to what future liabilities will arise in relation to potential closure and rehabilitation costs, dependent on determination of costs through completion of the closure and reclamation plans required by the Ministry of Energy, Mines and Low Carbon Innovation (EMLCI) in Canada. All known costs that currently can be reliably measured have been recognised in provisions as disclosed in Note 12(b). The outcome and costs resulting from the approved rehabilitation plan as required by Ministry of Energy, Mines and Low Carbon Innovation (EMLCI), cannot be measured sufficiently at this time.

Tax claim provision

A provision has been made for the present value of anticipated costs associated with amounts payable on an open tax claim. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Due to the uncertainty associated with such tax claims, there is a possibility that the final outcome may differ significantly at a future date.

3. Segment information

The Group operates within three geographical segments within mineral exploration and extraction, being Australia, Canada and Ecuador. The segment information provided to the chief operating decision maker is as follows:

Year ended 30 June 2024	Corporate activities AUSTRALIA \$	Corporate and Exploration Activities CANADA \$	Exploration Activities ECUADOR \$	Consolidated \$
Segment other income	8,896	23,067	-	31,963
Total other income				31,963
Segment result before income tax	(3,270,826)	(19,486,135)	318,350	(22,438,611)
Loss before income tax				(22,438,611)
At 30 June 2024				
Segment assets	1,160,144	2,251,253	594,940	4,006,337
Total assets				4,006,337
Segment liabilities	94,636	4,841,151	568,464	5,504,251
Total liabilities				5,504,251

SOMERSET MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2024 (continued)



Year ended 30 June 2023	Corporate activities AUSTRALIA \$	Corporate and Exploration Activities CANADA \$	Exploration Activities ECUADOR \$	Consolidated \$
Segment other income	4,004	394,651	-	398,655
Total other income				398,655
Segment result before income tax	(1,582,999)	(220,161)	(3,634,577)	(5,437,737)
Loss before income tax				(5,437,737)
At 30 June 2023				
Segment assets	3,037,213	20,357,515	189,139	23,583,867
Total assets				23,583,867
Segment liabilities	133,114	7,903,241	714,362	8,750,717
Total liabilities				8,750,717

4. Other income

	Consolidated 2024 \$	2023 \$
Interest	31,963	6,679
Gain on sale of tenements	-	68,536
	31,963	75,215

5. Income tax expense

	Consolidated 2024 \$	2023 \$
Loss before income tax expense	(22,438,611)	(5,437,737)
Tax at the Australian tax rate of 30% (2023: 30%)		
Tax at Canadian tax rate of 27% (2023: 27%)		
Tax at Ecuador tax rate 25% (2023: 25%)		
Tax at the blended statutory tax rate of 27.46% (2023: 30%)	(6,162,749)	(1,631,321)
Amounts not deductible /(taxable) in calculating taxable income	942,558	86,235
Tax loss not recognised	1,593,744	536,379
Tax effect of exploration expenditure	1,063,743	1,090,373
Flow through expenditure renounced	-	380,109
Initial recognition of deferred tax liability of FTS renouncement	-	-
Tax effect of temporary differences	116,836	(81,666)
Income tax expense	(2,445,868)	380,109

Deferred Tax Liability

Exploration Expenditure – Tempus Resources Canada	-	2,445,868
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Potential tax benefit relating to unused tax losses for which no deferred tax asset has been recognised	1,593,744	1,633,975
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SOMERSET MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2024 (continued)



The deferred tax asset attributable to carried forward income tax losses and temporary differences has not been recognised as an asset as the Group has not commenced trading and the availability of future profits to recoup these losses is not considered probable at the date of this report.

	Consolidated	
	2024	2023
	\$	\$
6. Cash and cash equivalents		
Cash at bank	1,435,783	1,445,851
	<u>1,435,783</u>	<u>1,445,851</u>

	Consolidated	
	2024	2023
	\$	\$
7. Trade and other receivables		
GST receivable	24,520	52,312
Withholding tax receivable	24,155	-
Interest receivable	3,057	2,165
Other	83,655	1,264
	<u>135,387</u>	<u>55,741</u>

	Consolidated	
	2024	2023
	\$	\$
8. Other assets		
a) Current		
Prepayments	-	248,862
	<u>-</u>	<u>248,862</u>
b) Non-current		
Prepayments ¹	250,961	183,925
Bond deposits ²	363,716	309,555
	<u>614,677</u>	<u>493,480</u>

¹Non-current prepayments relate to advance royalty payments which will be deducted from any future royalty payments made.

²Bond deposits are held for mine sites until reclamation has been deemed satisfactorily completed by the chief inspector of mines and the permits can be closed.

	Consolidated	
	2024	2023
	\$	\$
9. Exploration and evaluation		
A summary of the exploration and evaluation asset is as follows:		
Opening balance	21,309,211	16,855,006
Acquisition incurred during the year ¹	1,147,114	-
Expenditure incurred during the year	347,317	5,117,396
Impairment loss incurred during the year ²	(20,558,814)	(3,634,577)
Fair value of tenements on disposal	-	(15,061)
Changes in rehabilitation ^{Note 12b}	(249,416)	2,563,080
Foreign exchange movements	(174,922)	423,367
Closing balance	<u>1,820,490</u>	<u>21,309,211</u>

Asset Acquisition

¹During the year ended 30 June 2024, the Company entered into a conditional agreement to acquire 100% of the issued capital of Somerset (Canada) Pty Ltd (formerly Somerset Minerals Pty Ltd), which through its local subsidiary, holds the Prescott Project in Nunavut Canada.

The consideration payable consisted of:

- (i) an upfront consideration of 300,000,000 fully paid ordinary shares;
- (ii) a deferred consideration of 100,000,000 performance rights which convert into shares on a one (1) for one(1) basis on the achievement of the milestones noted below;
 - a) 50,000,000 performance rights which convert on the delineation of a JORC compliant Mineral Resource of >20Mt with grade of at least 1% copper equivalent at the Prescott Project, as verified by an independent competent person under the JORC Code 2012 (or any subsequent edition of the JORC Code), within 5 years of completion (Tranche 1 Performance Rights); and
 - b) 50,000,000 performance rights which convert on the delineation of a JORC compliant Mineral Resource of >50Mt with grade of at least 1 % copper equivalent at the Prescott Project, as verified by an independent competent person under the JORC Code 2012 (or any subsequent edition of the JORC Code), within 5 years of completion (Tranche 2 Performance Rights).
- (iii) the grant of a 1.5% net smelter royalty on future production from the Prescott Project Claims as set out in Annexure A and any subsequent licences acquired within the area comprising the Prescott Project in the first 24 months.

On 13 June 2024, the Company issued 300,000,000 fully paid ordinary shares at a deemed issue price of \$0.004 as part of the upfront consideration and 100,000,000 performance rights to the vendors to acquire 100% of the issue capital of Somerset (Canada) Pty Ltd which owns through its wholly owned subsidiary Flexure Minerals Ltd, the Prescott Project in Nunavut Canada. Management assessed the likelihood of achieving the non-market based milestones as at the date of acquisition as very unlikely and as such the fair value of the deferred consideration, being 100,000,000 performance rights was determined to be \$Nil.

The transaction was accounted for as an asset acquisition under AASB 116 rather than a business combination under AASB 3, as it was assessed that the acquired net assets of Somerset (Canada) Pty Ltd did not constitute a business.

When an asset acquisition does not constitute a business combination, assets and liabilities are assigned a carrying amount based on the relative fair value of the assets acquired and liabilities assumed. No deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on acquisition and transactions costs of the acquisition will be included in the capitalised cost of the asset.

Details of the transaction outlined above are as follows:

	2024
	\$
<i>Purchase Consideration:</i>	
300,000,000 fully paid ordinary shares issued to vendors (upfront consideration) ^{Note 13}	1,200,000
100,000,000 performance rights issued to vendors (deferred consideration) ^{Note 15}	-
Total purchase consideration	<u>1,200,000</u>
	Fair Value
	\$
<i>Somerset (Canada) Pty Ltd</i>	
Exploration and evaluation expenditure acquired	1,147,114
Cash and cash equivalents acquired	<u>52,886</u>
Net assets acquired	<u>1,200,000</u>

Impairment

²On 30 June 2024, following an assessment of the impairment indicators, management resolved to impair the Blackdome-Elizabeth project to a value of \$141,413, representing the consideration receivable from Blackdome Mining Ltd, as announced to the ASX on 30 September 2024. This resulted in an impairment expense of \$18,984,704 being recognised within the consolidated statement of profit and loss and other comprehensive income for the year ended 30 June 2024.

In prior periods, the Zamora Project was fully impaired to \$nil and recognised an impairment expense of \$1,985,725. On 16 July 2024, the Company announced a binding agreement with Barrick Gold (Ecuador) S.A ('Barrick Gold'). for the sale of its Valle del Tigre mineral concession. As a result, the Company wrote back \$411,615 (US\$269,781) of previously recognised impairment, representing the consideration receivable from Barrick Gold .

For all other exploration and evaluation projects, the ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploration or, alternatively, sale of the respective areas.

10. Trade and other payables

	Consolidated 2024 \$	2023 \$
Trade creditors	91,676	440,755
Accrued expenses	49,188	48,759
Other payables	275,865	312,090
	<u>416,729</u>	<u>801,604</u>

11. Deferred tax liability

	Consolidated 2024 \$	2023 \$
Opening balance	2,445,868	2,065,759
Charged to profit or loss ^{Note 5}	(2,445,868)	380,109
Closing balance	<u>-</u>	<u>2,445,868</u>

12. Provisions

a) Current

	Consolidated 2024 \$	2023 \$
Ecuador provision ¹	248,827	248,602
Other provisions	5,435	5,430
	<u>254,262</u>	<u>254,032</u>

¹A claim for tax liabilities associated with a portion of the Rio Zarza licence that was sold by Condor Gold pre acquisition. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

b) Non-current

Rehabilitation – Blackdome

	Consolidated 2024 \$	2023 \$
Opening balance	5,249,213	2,596,687
Changes in rehabilitation estimate ¹	(249,416)	2,563,080
Foreign exchange movements	(166,537)	89,446
	<u>4,833,260</u>	<u>5,249,213</u>

¹A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment.

The Group recognises management's best estimate for assets retirement obligations and site rehabilitations in the reporting period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

In the prior year, the Group engaged a third party consultant to re-value the cost to rehabilitate the land explored. An increment of \$2,563,080 was recognised to take into consideration the closure cost estimate and time value of money. A pre-tax nominal discount rate of 3.35% was used. The corresponding increment has been reflected in its exploration and evaluation asset disclosed in Note 9.

SOMERSET MINERALS LIMITED
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30 JUNE 2024 (continued)



	Consolidated	
	2024	2023
	\$	\$
13. Issued capital		
Ordinary shares – fully paid	30,682,241	27,281,731

a) Ordinary shares

Details	No. of shares	Issue price	
		\$	\$
2024			
Opening balance: 1 July 2023	311,838,242		27,281,731
– 9 October 2023 - Placement	31,084,560	0.023	714,945
– 8 December 2023 – Shares issued under exploration agreement	2,222,222	0.018	40,000
– 9 January 2024 – Entitlement Offer	54,831,872	0.005	274,159
– 17 January 2024 – Entitlement Offer	290,313,152	0.005	1,451,566
– 1 February 2024 – Entitlement Offer (Underwriter & Lead Manager)	40,708,700	0.005	203,544
– 13 June 2024 – Consideration Shares to acquire Somerset (Canada) Pty Ltd	300,000,000	0.004	1,200,000
– Capital raising costs	-		(483,704)
Closing balance: 30 June 2024	1,030,998,748		30,682,241
2023		\$	\$
Opening balance: 1 July 2022	135,592,569		20,120,765
– 4 August 2022 – Capital raising	20,338,885	0.050	1,016,944
– 5 September 2022 – Entitlement offer	38,148,166	0.050	1,907,408
– 6 September 2022 – Entitlement offer	39,817,561	0.050	1,990,878
– 29 September 2022 – Public relations services	3,000,000	0.050	150,000
– 1 December 2022 – Shares issued under exploration agreement	606,061	0.065	39,394
– 23 December 2022 – Capital raising (flow through)	8,835,000	0.0657	582,016
– 23 December 2022 – Capital raising (non-flow through)	3,000,000	0.0548	164,690
– 19 May 2023 – Placement	62,500,000	0.040	2,500,000
– Capital raising costs	-		(1,190,364)
Closing balance: 30 June 2023	311,838,242		27,281,731

During the year ended 30 June 2024, the Company:

- completed a non-brokered private placement on 9 October 2023 to raise gross proceeds of \$714,945 through the issue of 31,084,560 fully paid ordinary shares at an issue price of \$0.023 per share;
- issued 2,222,222 fully paid ordinary shares at a deemed issue price of \$0.018 on 8 December 2023 in relation to the third anniversary payment pursuant to the Exploration Agreement with Bridge River Indian Band represented by the Chief and Council of Xwisten;
- completed an underwritten non-renounceable entitlement offer of 1 fully paid ordinary share in the capital of the Company for every 1 share held by eligible shareholders at an issue price of \$0.005 per share to raise \$1,725,725 (before costs). On 9 January 2024, 54,831,872 fully paid ordinary shares were issued to eligible shareholders at an issue price of \$0.005 per share and on 17 January 2024, 290,313,152 fully paid ordinary shares were issued to ineligible shareholders at an issue price of \$0.005 per share;
- issued 40,708,700 fully paid ordinary shares at \$0.005 per share on 1 February 2024 to RM Capital Pty Ltd for the services provided as underwriter and lead manager for the entitlement offer; and
- issued 300,000,000 fully paid ordinary shares at \$0.004 per share on 13 June 2024 to the vendors of Somerset (Canada) Pty Ltd as part of the upfront consideration payable for the acquisition of the Prescott project, refer to Note 9.

During the prior year ended 30 June 2023, the Company;

- (a) completed a non-brokered private placement on 4 August 2022, raising gross proceeds of \$1.02 million (before costs) through the issue of 20,338,885 fully paid ordinary shares at \$0.05 per share;
- (b) completed a non-renounceable entitlement offer through the issue of 38,148,166 fully paid ordinary shares at \$0.05 per share and 38,148,166 free attaching option on 5 September 2022, and 39,817,561 fully paid ordinary shares at \$0.05 per share and 39,817,561 free attaching options on 6 September 2022, raising \$3.9 million;
- (c) issued 3,000,000 fully paid ordinary shares at \$0.05 per share and 3,000,000 free attaching options for public relations services on 29 September 2022;
- (d) issued 606,061 fully paid ordinary shares at a deemed issue price of \$0.065 on 1 December 2022 in relation to the second anniversary payment pursuant to the Exploration Agreement with Bridge River Indian Band represented by the Chief and Council of Xwisten;
- (e) completed a non-brokered private placement on 23 December 2022, through the issue of 8,835,000 fully paid ordinary shares at \$0.0657 per share (flow through raising) and 3,000,000 fully paid ordinary shares at \$0.0548 per share (non-flow through raising), raising a total of \$746,706. The Group approximately spent \$635,878 of flow-through funds during the financial year ended 30 June 2023 and accordingly recorded a flow-through premium recovery of \$323,440 in the statement of profit or loss and other comprehensive income; and
- (f) completed a \$2.5 million placement on 19 May 2023, through the issue of 62,500,000 fully paid ordinary shares at \$0.04 per share and 31,250,000 free-attaching options.

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

Every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll, each share is entitled to one vote.

b) Capital management

The objectives of management when managing capital is to safeguard the Group's ability to continue as a going concern, so that the Group may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group at 30 June 2024 is as follows:

	Consolidated	
	2024	2023
	\$	\$
Cash and cash equivalents	1,435,783	1,445,851
Trade and other receivables	135,387	55,741
Other current assets	-	248,862
Current liabilities	(670,991)	(1,055,636)
Working capital position	900,179	694,818

	Consolidated	
	2024	2023
	\$	\$
14. Reserves		
Share based payments reserve	1,780,564	2,396,498
Foreign currency reserve	579,913	549,960
	2,360,477	2,946,458

a) Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

b) Share based payments reserve

The share-based payments reserve records items recognised as expenses on valuation of equity instruments granted in lieu of goods or services received.

Reconciliation of share based payments reserve

	Consolidated	
	2024	2023
	\$	\$
Opening balance	2,396,498	2,256,775
– Options – recognised in equity (share issue costs)	191,745	592,116
– Performance Rights – recognised as an expense	27,471	-
– Options – recognised as an expense	12,000	64,721
– Transfer to accumulated losses upon expiry of options	(847,150)	(517,114)
Closing balance	1,780,564	2,396,498

15. Share-based payments

Options

Below are details of share-based payments made during the years ended 30 June 2024 and 30 June 2023.

The volatilities utilised in calculating the fair value of share-based payments was determined by calculating the historical volatility of the Company for recent comparative historical periods.

During the year ended 30 June 2024, the following transactions occurred:

a) Options issued as share issue costs

On 17 January 2024, 50,000,000 options exercisable at \$0.010 with an expiry date of 30 November 2027 were issued to the underwriter for services provided. The options vest immediately and were expensed in full during the year. The value of the options was capitalised to share issue costs. The fair value of the services could not be reliably measured and therefore, a Black-Scholes Option Pricing model was used to determine the value of the options.

The inputs have been detailed below:

Input	Broker Options
Number of options	50,000,000
Grant date	17 January 2024
Expiry date (years)	3.90
Underlying share price	\$0.006
Exercise price	\$0.010
Volatility	85%
Risk free rate	3.78%
Dividend yield	-
Value per option	\$0.0031
Total fair value of options	\$155,000

b) Options issued as share issue costs

On 17 January 2024, 10,000,000 options exercisable at \$0.010 with an expiry date of 30 November 2027 were issued to brokers for services provided. The options vest immediately and were expensed in full during the year. The value of the options was capitalised to share issue costs. The fair value of the services could not be reliably measured and therefore, a Black-Scholes Option Pricing model was used to determine the value of the options.

The inputs have been detailed below:

Input	Broker Options
Number of options	10,000,000
Grant date	17 January 2024
Expiry date (years)	3.9
Underlying share price	\$0.006
Exercise price	\$0.010
Volatility	85%
Risk free rate	3.78%
Dividend yield	-
Value per option	\$0.0031
Total fair value of options	\$31,000

c) *Options issued as remuneration*

On 13 June 2024, 6,000,000 options exercisable at \$0.010 with an expiry date of 30 November 2027 were issued to Directors as part of their remuneration. The options vest immediately and were expensed in full during the year. The fair value of the services could not be reliably measured and therefore, a Black-Scholes Option Pricing model was used to determine the value of the options.

The inputs have been detailed below:

Input	Director Options
Number of options	6,000,000
Grant date	13 June 2024
Expiry date (years)	3.5
Underlying share price	\$0.004
Exercise price	\$0.010
Volatility	97.37%
Risk free rate	3.88%
Dividend yield	-
Value per option	\$0.002
Total fair value of options	\$12,000

During the prior year ended 30 June 2023, the following transactions occurred:

a) *Options issued as share issue costs*

On 19 May 2023, 15,000,000 options exercisable at \$0.075 with an expiry date of 5 September 2025 were issued to brokers for services provided. The options vest immediately and were expensed in full in the prior year. The value of the options was capitalised to share issue costs. The fair value of the services could not be reliably measured and therefore, a Black-Scholes Option Pricing model was used to determine the value of the options.

The inputs have been detailed below:

Input	Broker Options
Number of options	15,000,000
Grant date	19 May 2023
Expiry date (years)	2.4
Underlying share price	\$0.005
Exercise price	\$0.075
Volatility	100.00%
Risk free rate	3.47%
Dividend yield	-
Value per option	\$0.0004
Total fair value of options	\$5,745

b) *Options issued as employee incentive options*

On 23 August 2022, 1,600,000 options exercisable at \$0.12 with an expiry date of 12 September 2025 were issued to management personnel as part of an option incentive plan. The options vest immediately and were expensed in full in the prior year. The fair value of the services could not be reliably measured and therefore, a Black-Scholes Option Pricing model was used to determine the value of the options.

The inputs have been detailed below:

Input	Management Options
Number of options	1,600,000
Grant date	23 August 2022
Expiry date (years)	4
Underlying share price	\$0.074
Exercise price	\$0.120
Volatility	100.00%
Risk free rate	3.30%
Dividend yield	-
Value per option	\$0.0405
Total fair value of options	\$64,721

c) *Options issued as share issue costs*

On 6 September 2022, 16,000,000 options exercisable at \$0.075 with an expiry date of 5 September 2025 were issued to brokers for services provided. The options vest immediately and were expensed in full in the prior year. The value of the options was capitalised to share issue costs. The fair value of the services could not be reliably measured and therefore, a Black-Scholes Option Pricing model was used to determine the value of the options.

The inputs have been detailed below:

Input	Broker Options
Number of options	16,000,000
Grant date	6 September 2022
Expiry date (years)	3
Underlying share price	\$0.061
Exercise price	\$0.075
Volatility	100.00%
Risk free rate	3.28%
Dividend yield	-
Value per option	\$0.0361
Total fair value of options	\$577,895

d) *Options issued as share issue costs*

On 23 December 2022, 618,450 options exercisable at \$0.099 with an expiry date of 23 December 2024 were issued to brokers for services provided. The options vest immediately and were expensed in full in the prior year. The value of the options was capitalised to share issue costs. The fair value of the services could not be reliably measured and therefore, a Black-Scholes Option Pricing model was used to determine the value of the options.

The inputs have been detailed below:

Input	Broker Options
Number of options	618,450
Grant date	23 December 2022
Expiry date (years)	2
Underlying share price	\$0.057
Exercise price	\$0.099
Volatility	100.00%
Risk free rate	3.27%
Dividend yield	-
Value per option	\$0.023
Total fair value of options	\$14,221

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Set out below is a summary of the movements in valued options on issue during the year:

Grant date	Expiry date	Exercise price \$	Balance at the start of the year	Granted	Exercised	Expired/ forfeited	Balance at the end of the year
7/07/2020	10/09/2023	0.37	100,000	-	-	(100,000)	-
30/11/2020	14/12/2023	0.29	1,500,000	-	-	(1,500,000)	-
30/11/2020	14/12/2023	0.37	1,500,000	-	-	(1,500,000)	-
20/04/2021	12/11/2024	0.20	1,500,000	-	-	-	1,500,000
14/05/2021	12/11/2024	0.20	1,500,000	-	-	-	1,500,000
16/08/2021	3/12/2024	0.32	1,500,000	-	-	-	1,500,000
1/09/2021	3/12/2024	0.31	1,080,000	-	-	-	1,080,000
10/11/2021	12/11/2024	0.25	1,000,000	-	-	-	1,000,000
12/11/2021	3/12/2024	0.17	1,000,000	-	-	-	1,000,000
18/11/2021	3/12/2024	0.31	1,360,000	-	-	-	1,360,000
06/04/2022	06/04/2024	0.12	424,706	-	-	(424,706)	-
17/06/2022	29/06/2025	0.12	2,700,000	-	-	-	2,700,000
23/08/2022	12/09/2025	0.12	1,600,000	-	-	-	1,600,000
06/09/2022	05/09/2025	0.075	16,000,000	-	-	-	16,000,000
23/12/2022	23/12/2024	0.098	618,450	-	-	-	618,450
19/05/2023	05/09/2025	0.075	-	15,000,000	-	-	15,000,000
19/05/2023	5/09/2025	0.010	-	50,000,000	-	-	50,000,000
17/01/2024	30/11/2027	0.010	-	10,000,000	-	-	10,000,000
13/06/2024	30/11/2027	0.010	-	6,000,000	-	-	6,000,000
			33,383,156	81,000,000	-	(3,524,706)	110,858,450
Weighted average exercise price			0.15	0.02	-	0.31	0.02

The weighted average remaining contractual life of options at the end of the financial year was 0.63 years (2023: 1.77 years).

Set out below are the valued options exercisable at the end of the financial year:

Grant date	Expiry date	Exercise price \$	2024 #	2023 #
7 July 2020	10 September 2023	0.37	-	100,000
30 November 2020	14 December 2023	0.29	-	1,500,000
30 November 2020	14 December 2023	0.37	-	1,500,000
20 April 2021	12 November 2024	0.20	1,500,000	1,500,000
14 May 2021	12 November 2024	0.20	1,500,000	1,500,000
16 August 2021	3 December 2024	0.32	1,500,000	1,500,000
1 September 2021	3 December 2024	0.31	1,080,000	1,080,000
10 November 2021	12 November 2024	0.25	1,000,000	1,000,000
12 November 2021	3 December 2024	0.17	1,000,000	1,000,000
18 November 2021	3 December 2024	0.31	1,360,000	1,360,000
6 April 2022	6 April 2024	0.12	-	424,706
17 June 2022	29 June 2025	0.12	2,700,000	2,700,000
6 September 2022	5 September 2025	0.075	16,000,000	16,000,000
23 August 2022	12 September 2025	0.12	1,600,000	1,600,000
23 December 2022	23 December 2024	0.10	618,450	618,450
19 May 2023	5 September 2025	0.075	15,000,000	-
17 January 2024	30 November 2027	0.010	50,000,000	-
17 January 2024	30 November 2027	0.010	10,000,000	-
13 June 2024	30 November 2027	0.010	6,000,000	-
			110,858,450	33,383,156

Performance Rights

Below are details of share-based payments made during the years ended 30 June 2024.

a) *Performance rights issued to Directors as an incentive*

On 13 June 2024, 3,429,228 performance rights were granted to Directors as an incentive for services provided and will be expensed in the Statement of Profit or Loss and Other Comprehensive Income over the vesting period. The fair value of the services could not be reliably measured and therefore, a Hoadleys Parisian Barrier model was used to determine the value of the performance rights ('PRs').

The inputs have been detailed below:

Input	Director PRs
Number of rights	3,429,228
Grant date	13 June 2024
Expiry date (years)	3.5
Underlying share price	\$0.004
Exercise price	\$nil
Volatility	97.37%
Risk free rate	3.88%
Dividend yield	-
Value per right	\$0.0032
Total fair value of rights	\$11,179
Share-based payment expense recognised for the year ended 30 June 2024	\$38

The performance rights will vest on achieving a market capitalisation above \$10 million for a minimum of 15 days.

b) Performance rights issued to Directors as an incentive

On 13 June 2024, 6,858,456 performance rights were granted to Directors as an incentive for services provided and will be expensed in the Statement of Profit or Loss and Other Comprehensive Income over the vesting period. The fair value of the services could not be reliably measured and therefore, a Black-Scholes Pricing model was used to determine the value of the performance rights ('PRs').

The inputs have been detailed below:

Input	Director PRs
Number of rights	6,858,456
Grant date	13 June 2024
Expiry date (years)	3.5
Underlying share price	\$0.004
Exercise price	\$nil
Performance vesting share price	\$0.004
Volatility	97.37%
Risk free rate	3.88%
Dividend yield	-
Value per right	\$0.004
Total fair value of rights	\$27,433
Share-based payment expense recognised for the year ended 30 June 2024	\$27,433

The performance rights will vest on the completion of the acquisition of a new mineral asset. On 13 June 2024, the performance rights vested upon completion of the acquisition of Somerset (Canada) Pty Ltd (Note 9). As a result, the performance rights were expensed in full in the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2024.

c) Performance rights issued to vendors of Somerset(Canada) Pty Ltd for the asset acquisition of the Prescott Project

On 13 June 2024, 100,000,000 performance rights were granted to the vendors of Somerset (Canada) Pty Ltd as part of the deferred consideration payable (Note 9) and will be expensed in the Statement of Profit or Loss and Other Comprehensive Income over the vesting period. The fair value of the services could not be reliably measured and therefore, a Black-Scholes Pricing model was used to determine the value of the performance rights ('PRs').

The inputs have been detailed below:

Input	Deferred Consideration PRs
Number of rights	100,000,000
Grant date	13 June 2024
Expiry date (years)	5.00
Underlying share price	\$0.004
Exercise price	\$nil
Volatility	114.33%
Risk free rate	3.92%
Dividend yield	-
Value per right	\$0.004
Total fair value of rights	\$399,992
Share-based payment expense recognised for the year ended 30 June 2024	\$nil

The performance rights will vest on achieving the milestones below:

- (i) 50,000,000 Performance Rights (Class A Performance Rights) that convert into Shares where SMM delineates a JORC compliant unconstrained Mineral Resource (measured, indicated and inferred) of greater than 20Mt with grade of at least 1% copper equivalent at the Prescott Copper Project, as verified by an independent competent person under the JORC Code 2012 (or any subsequent edition of the JORC Code), within 5 years of completion (Milestone 1); and
- (ii) 50,000,000 Performance Rights (Class B Performance Rights) that convert into Shares where SMM delineates a JORC compliant unconstrained Mineral Resource (measured, indicated and inferred) or greater than 50Mt with grade of at least 1% copper equivalent at the Prescott Project, as verified by an independent competent person under the JORC Code 2012 (or any subsequent edition of JORC Code), within 5 years of completion (Milestone 2).

Management assessed the likelihood of achieving the non-market based milestones as at the date of acquisition as unlikely due to early stage nature of exploration of the Prescott Project, and as such the fair value of the deferred consideration, being 100,000,000 performance rights was determined to be \$Nil.

Performance Rights

Performance rights outstanding at reporting date:

Grant date	Expiry date	Exercise price \$	Balance at the start of the year	Granted	Exercised	Expired/ forfeited	Balance at the end of the year
16/08/2021	19/08/2023	-	200,000	-	-	(200,000)	-
16/08/2021	19/08/2023	-	200,000	-	-	(200,000)	-
13/06/2024	30/11/2027	-	-	10,287,684	-	-	10,287,684
13/06/2024	13/06/2029	-	-	100,000,000	-	-	100,000,000
			400,000	110,287,684	-	(400,000)	110,287,684

The weighted average remaining contractual life of performance rights at the end of the financial year was 6.55 years (2023: 0.14 years).

Set out below are the performance rights exercisable at the end of the financial year:

Grant date	Expiry date	2024 #	2023 #
16 August 2021	16 August 2023	-	400,000
13 June 2024	30 November 2027	10,287,684 ¹	-
13 June 2024	13 June 2029	100,000,000	-
		110,287,684	400,000

¹ 6,858,456 performance rights vested on 13 June 2024 upon the completion of the acquisition of a new mineral asset, Prescott Project, refer to Note 9.

16. Interests of Key Management Personnel ('KMP')

Refer to the remuneration report contained in the Directors' report for details of the remuneration paid or payable to each member of the Group's Key Management Personnel for the year ended 30 June 2024.

The total remuneration paid and payable to KMP of the Group during the year are as follows:

	Consolidated	
	2024	2023
	\$	\$
Short-term employee benefits	299,763	436,954
Post-employment benefits	3,816	3,452
Share based payments	39,471	-
	<u>343,050</u>	<u>440,406</u>

17. Related parties

a) Key Management Personnel

Disclosures relating to Key Management Personnel are set out in the Remuneration Report in the Directors' Report. Shares were issued to some Key Management Personnel during the year as part of the normal shareholder transactions on the same terms and conditions to other shareholders.

b) Other transactions and balances with related parties

i. Transactions occurring with related parties

Consilium Corporate Pty Ltd, a Company with which Ms Ross and Ms Betti are shareholders and Directors, are also engaged to perform Company Secretarial and Accounting duties. Per the terms of the agreement, either party may terminate by giving three (3) months written notice to the other. All transactions were made on normal commercial terms and conditions and at market rates. During the year, \$165,812 (2023: \$144,774) was paid or payable under this agreement.

During the year ended 30 June 2024, there were payments made to Consilium Corporate Pty Ltd. ("Consilium"), for Ms Ross and Ms Betti's Non-Executive Director fees of the Company. The payments were for the provision of director fees and amounts paid or payable were \$36,000 (2023: \$36,000) for Ms Ross and \$21,200 (2023: \$Nil) for Ms Betti.

Velocity North Management Ltd, a Company with which Mr. Bahnsen, Chief Executive Officer of the Company, is an owner. The payments were for the provision of consulting fees and amounts paid or payable were \$127,293 (2023: \$222,155).

On 13 June 2024, the Company acquired 100% of the shares in Somerset (Canada) Pty Ltd, through its subsidiary, which holds a 100% interest in the Prescott Project. Mr Hansen held an interest of 16.55% of the issued capital in Somerset (Canada) Pty Ltd which entitled Mr Hansen to the following consideration as part of the acquisition.

- (c) 49,654,487 out of the 300,000,000 fully paid ordinary shares at a deemed issue price of \$0.004 per share equating to \$198,618 out of the \$1,200,000, which formed part of the upfront consideration;
- (d) 16,551,494 out of the 100,000,000 performance rights which formed part of the deferred consideration.

ii. Payables owing to related parties

	2024	2023
	\$	\$
Alexander Molyneux – Director's fees	-	6,000
Consilium Corporate Pty Ltd ⁽¹⁾	-	16,571
Jonathan Shellabear – Director's fees	-	3,014
Velocity North Management Ltd – consultant fees	-	26,915
	<u>-</u>	<u>52,500</u>

(1) Consilium Corporate Pty Ltd is an entity related to Melanie Ross and Andrea Betti. No amounts were payable for Company secretarial and accounting services at 30 June 2024.

There are no other transactions with related parties during the year ended 30 June 2024.

18. Remuneration of auditors

	2024	2023
	\$	\$
<i>RSM Australia Partners</i>		
Audit and review of financial reports	-	62,377
Other – taxation services	-	5,500
<i>Pitcher Partners BA&A Pty Ltd</i>		
Audit and review of financial reports	79,297	41,423
Other – taxation services	10,807	-
	<u>90,104</u>	<u>109,300</u>

19. Commitments for expenditure

Capital commitments

There are no capital commitments contracted for at balance date.

Exploration and Evaluation

The Group is required to maintain current rights of tenure to tenements, which require outlays of expenditure in future financial periods. Under certain circumstances these commitments are subject to the possibility of adjustment to the amount and/or timing of such obligations, however they are expected to be fulfilled in the normal course of operations.

	Consolidated	
	2024	2023
	\$	\$
The Group has tenement rental and expenditure commitments payable of:		
- Not later than 12 months	372,572	254,671
- Between 12 months and 5 years	2,565,979	1,677,962
- More than 5 years	937,437	483,509
	<u>3,875,988</u>	<u>2,416,142</u>

20. Dividends

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

21. Loss per share

	Consolidated	
	2024	2023
	\$	\$
a) Reconciliation of earnings to profit or loss:		
Loss after income tax	(19,992,743)	(5,817,846)
Non-controlling interest	2	(123)
Loss after income tax attributable to the owners of Somerset Minerals Limited used in calculating basic and diluted loss per share	<u>(19,992,741)</u>	<u>(5,817,969)</u>
	#	#
b) Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	524,969,426	233,931,585
	Cents	Cents
c) Basic and diluted loss per share	(3.81)	(2.49)

	Consolidated	
	2024	2023
	#	#
d) The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted earnings per share		
Options	252,248,062	179,863,525
Performance rights	110,287,684	400,000
	<u>362,535,746</u>	<u>180,263,525</u>

22. Cash flow information

	Consolidated	
	2024	2023
	\$	\$
a) Reconciliation of loss after income tax to net cash outflow from operating activities		
Loss for the year	(19,992,743)	(5,817,846)
Share based payments	39,471	64,721
Foreign exchange	290	17,103
Impairment	20,558,814	3,634,577
Depreciation	9,619	69,626
Change in operating assets and liabilities:		
Trade and other receivables	9,577	10,166
Other assets	274,494	(241,084)
Trade and other payables	(70,933)	(521,461)
Deferred tax liability	(2,445,868)	380,109
Net cash outflow from operating activities	<u>(1,617,279)</u>	<u>(2,404,089)</u>

Non cash investing and financing activities

On 13 June 2024, the Company issued 300,000,000 fully paid ordinary shares at a deemed issue price of \$0.004 per share, with a value of \$1,200,000 as part of the upfront consideration and 100,000,000 performance rights, with a value of \$Nil as deferred consideration to the vendors to acquire 100% of the issued capital of Somerset (Canada) Pty Ltd which owns through its wholly owned subsidiary Flexure Minerals Ltd, the Prescott Project in Nunavut Canada, refer to Note 9.

During the financial year, the Group issued 75,000,000 options with a value of \$191,745. This has been recognised as a share issue cost as disclosed in Note 15 (2023: 16,618,450 options with a value of \$592,116).

On 8 December 2023, the Group issued 2,222,222 fully paid ordinary shares at \$0.018 per share as part of an Exploration Agreement with Xwisten (2023: 606,061 fully paid ordinary shares at \$0.065 per share).

23. Financial risk management

The Group's principal financial instruments comprise cash and short-term deposits. The Group has various other financial assets and liabilities such as other receivables and payables, which arise directly from its operations. The principal financial instruments are measured at amortised cost.

The Group's activities expose it to a variety of financial risks, including, credit risk, liquidity risk, foreign exchange rate risk and cash flow interest rate risk. The Group is not exposed to price risk.

Risk management is carried out by Management, who evaluates and agrees upon risk management and objectives.

a) Interest rate risk

The Group is not materially exposed to interest rate risk.

b) Credit risk

The Group does not have any significant concentrations of credit risk. Credit risk is managed by Management and arises from cash and cash equivalents as well as credit exposure including outstanding receivables.

All cash balances held in Australia, Canada and Ecuador are held at internationally recognised institutions.

The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets disclosed within the financial report.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about default rates.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash balances and access to equity funding.

The Group's exposure to the risk of changes in market interest rates relate primarily to cash assets.

Management monitors the cash-burn rate of the Group on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

The financial liabilities the Group had at reporting date were other payables incurred in the normal course of the business. These were non-interest bearing and were due within the normal 30-60 days terms of creditor payments.

Maturity analysis for financial liabilities

Financial liabilities of the Group comprise of trade and other payables. As at 30 June 2024, all financial liabilities are contractually maturing within 60 days (2023: 60 days).

d) Foreign currency risk

Foreign exchange risks arise when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the entity's functional currency.

The Group is primarily exposed to the fluctuations in the Canadian and US dollar, as the Group holds cash in Canadian and US dollars and much of the Group's exploration costs and contracts are denominated in Canadian and US dollars.

The Group aims to reduce and manage its foreign exchange risk by holding the majority of its funds in its Canadian and US dollar accounts so that the exchange rate is crystallised early and future fluctuations in rates for settlement of Canadian and US dollar denominated payables are avoided. As the Group's operations develop and expand, the Group will develop and implement a more sophisticated foreign exchange risk strategy, which may include the use of Forward Exchange Contracts and sophisticated treasury products.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Consolidated Financial Assets		Consolidated Financial Liabilities	
	2024	2023	2024	2023
	\$	\$	\$	\$
US dollars	47,211	189,140	314,199	460,330
Canadian dollars	481,682	419,807	7,890	208,160
	<u>528,893</u>	<u>608,947</u>	<u>322,089</u>	<u>668,490</u>

The Group had net financial assets in foreign currencies of \$206,804 (financial assets of \$528,893 less financial liabilities of \$322,089) as at 30 June 2024 (2023: net financial liabilities of \$59,543 (financial assets of \$608,947 less financial liabilities of \$668,490)). Based on this exposure, the Group's foreign currency risk is immaterial.

e) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Group at the reporting date are recorded at amounts approximating their carrying amount.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

24. Parent entity information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements except as set out below. Refer to Note 1 for a summary of the significant accounting policies of the Group.

Financial position

	Parent	
	2024	2023
	\$	\$
Assets		
Current assets	1,086,595	1,184,750
Non-current assets	-	16,579,705
Total assets	<u>1,086,595</u>	<u>17,764,455</u>
Liabilities		
Current liabilities	76,225	485,437
Total liabilities	<u>76,225</u>	<u>485,437</u>

SOMERSET MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2024 (continued)



Equity

Issued capital	26,313,549	22,560,715
Share based payment reserve	1,631,048	2,246,982
Accumulated losses	(26,934,227)	(7,528,679)
Total equity	1,010,370	17,279,018

Financial performance

Loss for the year	(19,405,548)	(2,371,544)
Other comprehensive income	-	-
Total comprehensive loss	(19,405,548)	(2,371,544)

Contingent assets

The parent entity had no contingent assets as at 30 June 2024 and 30 June 2023.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Capital commitments

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

Material accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in Note 1, except for the following, investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Interest in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries.

Name of entity	Country of Incorporation	Class of Shares	Percentage Owned (%)	
			2024	2023
Montejinni Resources Pty Ltd ¹	Australia	Ordinary	90%	90%
Condor Gold S.A.	Ecuador	Ordinary	100%	100%
Miningsources S.A.	Ecuador	Ordinary	100%	100%
Tempus Resources (Canada) Ltd	Canada	Ordinary	100%	100%
No. 75 Corporate Ventures Ltd	Canada	Ordinary	100%	100%
Somerset (Canada) Pty Ltd ²	Australia	Ordinary	100%	-
Flexure Minerals Ltd ²	Canada	Ordinary	100%	-

¹ Somerset Minerals Limited holds 90% interest in Montejinni Resources Pty Ltd. The non-controlling interest holds 10% (2023: 10%) of the voting rights of Montejinni Resources Pty Ltd.

² During the financial year, Somerset Minerals Limited acquired 100% of the shares in Somerset (Canada) Pty Ltd, which holds 100% interest in Flexure Minerals Ltd.

25. Contingent assets and liabilities

Contingent assets

The Group had no contingent assets as at 30 June 2024 and 30 June 2023.

Contingent liabilities

The Group's subsidiary, Condor Gold S.A., recognised a claim for tax liabilities in regards to a portion of the Rio Zarza licence that was sold by Condor Gold pre acquisition. There is significant uncertainty as to what future liabilities will arise in relation to this claim as the matter is still preliminary and is contingent on the outcome determined by the courts, affecting the amount required to settle the claim which cannot be measured with sufficient reliability at this time.

All known costs that currently can be reliably measured have been recognised as a liability, as disclosed in Note 12(a). As more information is obtained regarding the claim from the courts, judgements and estimates may increase or decrease the possible impact on the Group's financial statements.

The Group had no other contingent liabilities as at 30 June 2024 and 30 June 2023.

26. Events subsequent to year end

The Company announced on the ASX, the appointment of Mr Christopher Hansen as Managing Director effective from 1 July 2024.

On 15 July 2024, the Company announced on the ASX, the appointment of Mr Mike Edwards as Non-Executive Chairman and the resignation of Ms Andrea Betti as Non-Executive Director effective from 15 July 2024.

On 16 July 2024, the Company announced that its wholly owned subsidiary, Mining Sources S.A., has entered into a Purchase Agreement ('Agreement') with Barrick Gold (Ecuador) S.A ('Barrick'). for the sale of the Valle del Tigre II mineral concession in south east Ecuador. Under the terms of the Agreement, Barrick has agreed to pay the Company a total cash consideration of US\$320,194 (~A\$475,000), comprising of US\$20,194 as a reimbursement for annual conservation patent fees paid by the Company and US\$300,00 upfront cash consideration to be received in accordance with the Agreement.

On completion of the transaction, Barrick will also grant the Company a 1.5% net smelter return royalty over the area of the Project to be documented in a formal royalty agreement ('Royalty Agreement'). The Royalty Agreement will also contain:

- (a) a buy-down provision allowing Barrick to reduce the royalty to 0.5%, for a fixed price of US\$1,000,000; and
- (b) a right of first refusal in favour Barrick on any transfer or assignment of the royalty or any rights under the Royalty Agreement by the royalty holder.

On 30 September 2024, the Company announced that through its wholly owned subsidiary, No.75 Corporate Venture Ltd ('No.75 Corp'), has entered into an Earn-In Agreement ('Agreement') with Blackdome Mining Ltd ('Blackdome Mining') for the staged divestment of the Blackdome -Elizabeth project ('the Project'), located in British Columbia, Canada. Under the terms of the Agreement, Blackdome Mining has agreed to pay the Company a total cash consideration of C\$150,000 (~A\$ 165,000), comprising of an initial upfront payment of C\$100,000 and a subsequent C\$50,000 on or before the second anniversary of the Agreement.

Apart from the above, no other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

SOMERSET MINERALS LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT
AS AT 30 JUNE 2024



Somerset Minerals Limited is required by Australian Accounting Standards to prepare consolidated financial statements in relation to the Company and its controlled entities (the Group). In accordance with subsection 295(3A) of the *Corporations Act 2001*, the consolidated entity disclosure statement provides information about each entity that was part of the consolidated entity at the end of the financial year.

Entity Name	Entity Type	Place formed/ Country of Incorporation	Ownership interest	Australian tax resident or foreign tax resident	Foreign tax jurisdiction
Somerset Minerals Limited (the Company)	Body Corporate	Australia	N/A	Australia	N/A
Montejinni Resources Pty Ltd	Body Corporate	Australia	90%	Australia	N/A
Condor Gold S.A.	Body Corporate	Ecuador	100%	Foreign	Ecuador
Miningsources S.A.	Body Corporate	Ecuador	100%	Foreign	Ecuador
Tempus Resources (Canada) Ltd	Body Corporate	Canada	100%	Foreign	Canada
No. 75 Corporate Ventures Ltd	Body Corporate	Canada	100%	Foreign	Canada
Somerset (Canada) Pty Ltd ²	Body Corporate	Australia	100%	Australia	N/A
Flexure Minerals Ltd ²	Body Corporate	Canada	100%	Foreign	Canada

At the end of the financial year, no entity within the Group was a trustee of a trust within the Group, a partner in a partnership within the consolidated entity or a participant in a joint venture with the Group.

SOMERSET MINERALS LIMITED
DIRECTORS' DECLARATION
30 JUNE 2024

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as stated in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year then ended;
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Chris Hansen
Managing Director

Date: 30 September 2024
Perth

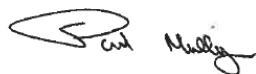
AUDITOR'S INDEPENDENCE DECLARATION**TO THE DIRECTORS OF SOMERSET MINERALS LIMITED (FORMERLY KNOWN AS TEMPUS RESOURCES LIMITED) AND ITS CONTROLLED ENTITIES**

In accordance with section 307C of the *Corporations Act 2001*, I declare to the best of my knowledge and belief in relation to the audit of the financial report of Somerset Minerals Limited (formerly known as Tempus Resources Limited) for the year ended 30 June 2024, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* in relation to the audit.

This declaration is in respect of Somerset Minerals Limited (formerly known as Tempus Resources Limited) and the entities it controlled during the year.

Pitcher Partners BA&A PTY LTD
PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN
Executive Director
Perth, 30 September 2024

SOMERSET MINERALS LIMITED (FORMERLY TEMPUS RESOURCES LIMITED)
ABN 70 625 645 338

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SOMERSET MINERALS LIMITED (FORMERLY TEMPUS
RESOURCES LIMITED)**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Somerset Minerals Limited (formerly known as Tempus Resources Limited) ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements including material accounting policy information, the consolidated entity disclosure statements and the directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) 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 Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1(n) in the financial report for the year ended 30 June 2024 which indicates that the Group incurred a loss after tax of \$19,992,743 (2023: \$5,817,846) and had net cash outflows from operating activities and investing activities respectively of \$1,617,279 (2023: \$2,404,089) and \$705,626 (2023: \$5,026,854) for the year ended 30 June 2024. At 30 June 2024, the Group has working capital surplus of \$900,179 (2023: \$694,818) and current cash holding was \$1,435,783 (2023: \$1,445,851).

These conditions, along with other matters as set forth in Note 1(n) indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

SOMERSET MINERALS LIMITED (FORMERLY TEMPUS RESOURCES LIMITED)
ABN 70 625 645 338

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SOMERSET MINERALS LIMITED (FORMERLY TEMPUS
RESOURCES LIMITED)**

Key Audit Matter	How our audit addressed the key audit matter
<p>Carrying value of exploration and evaluation assets <i>Refer to Note 1(e), 2, 9</i></p> <p>As disclosed in Note 9 of the financial report, as at 30 June 2024, the Group held capitalised exploration and evaluation assets of \$1,820,490.</p> <p>The carrying value of exploration and evaluation expenditure is assessed for impairment by the Group when facts and circumstances indicate that the exploration and evaluation expenditure may exceed its recoverable amount.</p> <p>The determination as to whether there are any indicators to require an exploration and evaluation asset to be assessed for impairment, involves a number of management judgments including but not limited to:</p> <ul style="list-style-type: none">• Whether the Group has tenure of the tenements;• Whether the Group has sufficient funds to meet the tenement minimum expenditure requirements; and• Whether there is sufficient information for a decision to be made that the area of interest is not commercially viable.	<p>Our procedures included, amongst others:</p> <p>Obtaining an understanding of and evaluating the design and implementation of the processes and controls associated with the capitalisation of exploration and evaluation expenditure, and those associated with the assessment of impairment indicators.</p> <p>Examining the Group's right to explore in the relevant area of interest, which included obtaining and assessing supporting documentation. We also considered the status of the exploration licences as it related to tenure and whether the minimum expenditure of the tenements have been met.</p> <p>Considering and reviewing the Group's intention to carry out significant exploration and evaluation activity in the relevant area of interest, including assessing the Group's cash-flow forecast models, discussions with management and directors as to the intentions and strategy of the Group.</p> <p>Reviewing management's evaluation and judgement as to whether the exploration activities within each relevant area of interest have reached a stage where the commercial viability of extracting the resource could be determined.</p> <p>Assessing the adequacy of the disclosures included within the financial report.</p>

**SOMERSET MINERALS LIMITED (FORMERLY TEMPUS RESOURCES LIMITED)
ABN 70 625 645 338**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SOMERSET MINERALS LIMITED (FORMERLY TEMPUS
RESOURCES LIMITED)**

Key Audit Matter	How our audit addressed the key audit matter
<p>Share Based Payments <i>Refer to Note 1(k), 2 & 15</i></p> <p>Share based payments represent \$39,471 of the Group's expenditure.</p> <p>Share based payments must be recorded at fair value of the service provided, or in the absence of such, at the fair value of the underlying equity instrument granted.</p> <p>Under Australian Accounting Standards, equity settled awards are measured at fair value on the measurement date taking into consideration the probability of the vesting conditions (if any) attached. This amount is recognised as an expense either immediately if there are no vesting conditions, or over the vesting period if there are vesting conditions.</p> <p>In calculating the fair value there are a number of judgements management must make, including but not limited to:</p> <ul style="list-style-type: none"> • Estimating the likelihood that the equity instruments will vest; • Estimating the likelihood that the equity instruments will vest; • Expected dividend yield; and • Risk-free rate of interest. <p>Due to the significance to the Group's financial report and the level of judgment involved in determining the valuation of the share based payments, we consider the Group's calculation of the share based payment expense to be a key audit matter.</p>	<p>Our procedures included, amongst others:</p> <p>Obtaining an understanding of the relevant controls and evaluating the design and implementation of the relevant controls associated with the preparation of the valuation model used to assess the fair value of share based payments, including those relating to volatility of the underlying security and the appropriateness of the model used for valuation.</p> <p>Critically evaluating and challenging the methodology and assumptions of management in their preparation of valuation model, including management's assessment of likelihood of vesting, agreeing inputs to internal and external sources of information including but not limited to:</p> <ul style="list-style-type: none"> • Estimating the likelihood that the equity instruments will vest; • Estimating expected future share price volatility; • Expected dividend yield; and • Risk-free rate of interest <p>Assessing the Group's accounting policy as set out within Note 1(k) for compliance with the requirements of AASB 2 <i>Share-based Payment</i>.</p> <p>Assessing the adequacy of the disclosures included in the financial report.</p>

**SOMERSET MINERALS LIMITED (FORMERLY TEMPUS RESOURCES LIMITED)
ABN 70 625 645 338**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SOMERSET MINERALS LIMITED (FORMERLY TEMPUS
RESOURCES LIMITED)**

Key Audit Matter	How our audit addressed the key audit matter
Acquisition of Assets (Prescott Project) <i>Refer to Note 9</i>	
<p>On 13 June 2024, the Group completed the acquisition of the Prescott Project consisting of 49 licenses in Nunavut, Canada that was held by Somerset Minerals Pty Ltd through its local subsidiary.</p> <p>Under the terms of the acquisition, the consideration payable were:</p> <ul style="list-style-type: none"> i) an upfront consideration of 300,000,000 shares in the Company at a deemed price of \$0.004 each ii) a deferred consideration of 100,000,000 performance rights which convert into shares on a one to one basis on the achievement of the milestones. <p>As the consideration transferred for the acquisition was settled via issuance of shares, the Group was required to apply AASB 2 Share-based Payments for recognition of the equity-settled share-based payments.</p> <p>Accounting for the Acquisition under AASB 3 Business Combinations ("AASB 3") as a business combination or under alternative Australian Accounting Standards as an asset acquisition requires significant judgment in determining key assumptions and estimates.</p> <p>These include, but are not limited to:</p> <ul style="list-style-type: none"> • Whether or not the acquisition met the definition of a business under AASB 3; • Determining the fair value of the consideration transferred; and • Determining the fair value of assets acquired and any liabilities assumed as part of the acquisition. <p>Management has determined that the acquisition does not meet the definition of a business under AASB 3, and has therefore treated the acquisition as an acquisition of assets.</p> <p>Due to the significance to the Group's financial report and the level of judgment involved in the accounting for the acquisition, we consider this to be a key audit matter.</p>	<p>Our procedures included, amongst others:</p> <p>Obtaining an understanding of the design and implementation of the relevant controls associated with the accounting for the acquisition.</p> <p>Understanding and evaluating the key terms and conditions associated within the Asset Sale Purchase Agreement for the acquisition.</p> <p>Critically evaluating and challenging the accounting treatment and the key judgements made by the management in the Group's calculation for the consideration transferred via the issue of shares and options to ensure it is consistent with the requirements of AASB 2 <i>Share-Based Payments</i>.</p> <p>Reviewing if the acquisition date and fair value purchase consideration has been determined correctly.</p> <p>Critically evaluating the Group's determination of the fair value of the assets and liabilities acquired in the acquisition.</p> <p>Checking the mathematical accuracy of the calculations performed for the acquisition accounting.</p> <p>Assessing the Group's disclosures within Note 9 of the annual report and the appropriateness within, including consistency with the assumptions and judgements made by management.</p>

**SOMERSET MINERALS LIMITED (FORMERLY TEMPUS RESOURCES LIMITED)
ABN 70 625 645 338**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SOMERSET MINERALS LIMITED (FORMERLY TEMPUS
RESOURCES LIMITED)**

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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:

**SOMERSET MINERALS LIMITED (FORMERLY TEMPUS RESOURCES LIMITED)
ABN 70 625 645 338**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SOMERSET MINERALS LIMITED (FORMERLY TEMPUS
RESOURCES LIMITED)**

- 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 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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.

SOMERSET MINERALS LIMITED (FORMERLY TEMPUS RESOURCES LIMITED)
ABN 70 625 645 338

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SOMERSET MINERALS LIMITED (FORMERLY TEMPUS
RESOURCES LIMITED)

Report on the Remuneration Report

Opinion on the Remuneration Report

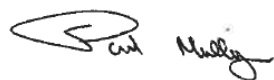
We have audited the Remuneration Report included in pages 17 to 24 of the directors' report for the year ended 30 June 2024. In our opinion, the Remuneration Report of Somerset Minerals Limited (formerly Tempus Resources Limited) for the year ended 30 June 2024, complies with section 300A of the *Corporations 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.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN
Executive Director
Perth, 30 September 2024

ASX ADDITIONAL INFORMATION

Additional information required by Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 4 September 2024.

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

Range	Total Holders	Units	% of Issued Capital
1 – 1,000	52	6,665	-
1,001 – 5,000	472	1,537,964	0.15
5,001 – 10,000	389	3,138,311	0.30
10,001 – 100,000	1,012	38,534,508	3.74
100,001 and above	495	987,781,300	95.81
Total	2,420	1,030,998,748	100

Unmarketable Parcels

Minimum \$500.00 parcel at \$0.003 per unit is 2,051 holders with 59,528,710 shares.

(b) Distribution of listed options

Analysis of numbers of listed options holders by size of holding:

Range	Total Holders	Units	% of Issued Capital
1 – 1,000	32	17,674	0.01
1,001 – 5,000	170	518,698	0.32
5,001 – 10,000	145	1,155,150	0.72
10,001 – 100,000	285	9,585,773	5.97
100,001 – 9,999,999,999	142	149,277,317	92.98
Total	774	160,554,612	100

Unmarketable Parcels

Minimum \$500.00 parcel at \$0.001 per unit is 709 holders with 28,579,531 shares.

(c) Twenty largest shareholders

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

Rank	Name	Units	% of Units
1	CHRISTOPHER HANSEN	49,654,487	4.82
2	ALEXANDRE JONES	49,654,487	4.82
3	MR GLENN JOHN POOLE	49,654,487	4.82
4	PHEAKES PTY LTD <SENATE A/C>	42,343,580	4.11
5	BT GLOBAL HOLDINGS PTY LTD <BC UNIT A/C>	35,826,232	3.47
6	MS CHUNYAN NIU	31,512,820	3.06
7	S3 CONSORTIUM HOLDINGS PTY LTD <NEXTINVESTORS DOT COM A/C>	29,630,898	2.87
8	CITICOPR NOMINEES PTY LIMITED	29,140,502	2.83
9	MR PAUL GREGORY BROWN & JESSICA ORIWIA BROWN <BROWN SUPER FUND A/C>	27,000,000	2.62
10	SABRE POWER SYSTEMS PTY LTD	25,700,000	2.49
11	MRS AINSLIE ELIZABETH SIMPSON	25,148,045	2.44
12	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	20,242,157	1.96
13	MR ANTHONY DE NICOLA & MRS TANYA LOUISE DE NICOLA <DE NICOLA FAMILY S/F A/C>	20,000,000	1.94
14	MR BIN LIU	20,000,000	1.94
15	EXIT OUT PTY LTD <THE DISCRETIONARY A/C>	17,379,071	1.69
16	BNP PARIBAS NOMS PTY LD	15,636,610	1.52
17	HARDY ROAD INVESTMENTS PTY LTD	15,495,000	1.50
18	KEVREX PTY LTD <KEVREX INVESTMENT A/C>	15,000,000	1.45
19	MRS SHARON LEWIS	12,340,000	1.20
20	COSANN PTY LTD	11,000,000	1.07
Total		542,358,376	52.62
Total Issued Capital		1,030,998,748	100.00

ASX ADDITIONAL INFORMATION

(d) Twenty largest option holders

The names of the twenty largest holders of listed options are:

Rank	Name	Units	% of Units
1	GOFFACAN PTY LTD	12,475,250	7.77
2	MISS YI ZHEN LI	8,769,000	5.46
3	PELTON CAPITAL PTY LTD	7,550,000	4.70
4	MR MATTHEW NORMAN BULL	6,071,250	3.78
5	MS CHUNYAN NIU	5,812,500	3.62
6	DAVHAL INVESTMENTS PTY LIMITED	5,200,000	3.24
7	DR ROBERT GROPEL	4,500,000	2.80
8	MRS ANNE LINDA ROPER	4,000,000	2.49
9	MR JASON STEPHEN MCINTOSH	4,000,000	2.49
10	MR MATTHEW NORMAN BULL	3,723,242	2.32
11	MR SHUDE LIANG	3,700,000	2.30
12	MR VINCENZO BRIZZI & MRS RITA LUCIA BRIZZI <BRIZZI FAMILY S/F/A/C>	3,400,000	2.12
13	MR STEPHEN KAM LO TONG & MRS PATSY LIN HAP TONG <BIALLA SUPER FUND A/C>	3,182,344	1.98
14	CITICORP NOMINEES PTY LIMITED	2,798,530	1.74
15	MR NICHOLAS EDWARD BULL	2,555,500	1.59
16	ALEXANDER MOLYNEUX	2,500,000	1.56
17	GRAPHITE ADVANCEMENTS PTY LTD	2,500,000	1.56
18	PETARD PTY LTD	2,500,000	1.56
19	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,380,952	1.48
20	MR BRENDAN BLAKE	2,300,000	1.43
Total		89,918,568	56.01
Total Issued Capital		160,554,612	100.00

(e) Substantial shareholders

There are no substantial shareholders of the Group.

(f) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(g) Unlisted Securities

The following securities are on issue:

- 2 option holders holding 3,000,000 unlisted options with an exercise price of \$0.20 expiring 12 November 2024
- 2 option holders holding 1,000,000 unlisted options with an exercise price of \$0.25 expiring 12 November 2024
- 1 option holders holding 1,500,000 unlisted options with an exercise price of \$0.315 expiring 3 December 2024
- 12 option holders holding 2,440,000 unlisted options with an exercise price of \$0.31 expiring 3 December 2024
- 1 option holders holding 1,000,000 unlisted options with an exercise price of C\$0.16 expiring 3 December 2024
- 6 option holders holding 2,700,000 unlisted options with an exercise price of \$0.12 expiring 29 June 2025
- 7 option holders holding 1,600,000 unlisted options with an exercise price of \$0.12 expiring 12 September 2025
- 10 option holders holding 60,000,000 unlisted options with an exercise price of \$0.01 expiring 30 November 2027
- 2 option holders holding 6,000,000 unlisted options with an exercise price of \$0.01 expiring 30 November 2027
- 3 warrant holders holding 12,453,450 warrants with an exercise price of \$C0.09 expiring 23 December 2024
- 17 Performance Rights holders holding 50,000,000 Class A Performance Rights expiring on 30 November 2027
- 17 Performance Rights holders holding 50,000,000 Class B Performance Rights expiring on 30 November 2027

ASX ADDITIONAL INFORMATION

- 1 Performance Rights holder holding 10,287,684 Director Performance Rights expiring on 30 November 2027

(h) Listed Securities

The following options are on issue:

- 774 option holders holding 160,554,612 listed options with an exercise price of \$0.075 expiring 5 September 2025

(i) On-market buy-back

There is no current on-market buy-back facility.

(j) Schedule of tenements

Tenement Reference	Tenement/Project	Grant Type	Location	Percentage Ownership	Status	Registered Holder
209456	Blackdome - Elizabeth	Lease	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
209457	Blackdome - Elizabeth	Lease	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509143	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509145	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509426	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509427	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509428	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509429	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509527	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509530	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509535	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509537	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509554	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509555	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509560	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509562	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509564	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509610	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509612	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509618	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509621	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
511687	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
535738	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
535742	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
535925	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
535993	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
539006	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
539008	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
539009	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
541801	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1029609	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1044652	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1044658	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1044659	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1044660	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1044715	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.

ASX ADDITIONAL INFORMATION

1044716	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1044737	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1044780	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1044790	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1044791	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1044793	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1044795	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1044797	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1044798	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1044799	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1044800	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1044801	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1044813	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1044814	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1044854	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1044856	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1045917	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1045918	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1045919	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1046950	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509417	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
511626	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509354	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509356	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509357	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509358	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509359	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509360	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509405	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509409	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509412	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509415	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
666083	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
666044	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
666063	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1044665	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1044666	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1044667	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1073322	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1073324	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1084605	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
1084606	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
509411	Blackdome - Elizabeth	Claim	Canada	100%	Granted	No 75 Corporate Ventures Ltd.
4504/716	Blackdome - Elizabeth	Crown Grant	Canada	100%	Granted	Tempus Resources (Canada) Ltd
4501/716	Blackdome - Elizabeth	Crown Grant	Canada	100%	Granted	Tempus Resources (Canada) Ltd
4502/716	Blackdome - Elizabeth	Crown Grant	Canada	100%	Granted	Tempus Resources (Canada) Ltd
4503/716	Blackdome - Elizabeth	Crown Grant	Canada	100%	Granted	Tempus Resources (Canada) Ltd
6260/933	Blackdome - Elizabeth	Crown Grant	Canada	100%	Granted	Tempus Resources (Canada) Ltd

ASX ADDITIONAL INFORMATION

9257/933	Blackdome - Elizabeth	Crown Grant	Canada	100%	Granted	Tempus Resources (Canada) Ltd
6262/933	Blackdome - Elizabeth	Crown Grant	Canada	100%	Granted	Tempus Resources (Canada) Ltd
6261/933	Blackdome - Elizabeth	Crown Grant	Canada	100%	Granted	Tempus Resources (Canada) Ltd
6258/933	Blackdome - Elizabeth	Crown Grant	Canada	100%	Granted	Tempus Resources (Canada) Ltd
6255/933	Blackdome - Elizabeth	Crown Grant	Canada	100%	Granted	Tempus Resources (Canada) Ltd
6256/933	Blackdome - Elizabeth	Crown Grant	Canada	100%	Granted	Tempus Resources (Canada) Ltd
6263/933	Blackdome - Elizabeth	Crown Grant	Canada	100%	Granted	Tempus Resources (Canada) Ltd
6264/933	Blackdome - Elizabeth	Crown Grant	Canada	100%	Granted	Tempus Resources (Canada) Ltd
6259/933	Blackdome - Elizabeth	Crown Grant	Canada	100%	Granted	Tempus Resources (Canada) Ltd
500055.1	Rio Zarza	Mining Title	Ecuador	100%	Granted	Condor Gold S.A
500228.1	Valle Del Inca I	Mining Title	Ecuador	100%	Granted	Condor Gold S.A
500305	Valle Del Tigre II	Mining Title	Ecuador	100%	Granted	Mining Sources S.A.
104428	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104430	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104431	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104816	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104814	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104815	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104444	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104446	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104447	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104448	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104463	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104432	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104433	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104434	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104435	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104436	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104437	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104438	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104539	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104464	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104462	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104489	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104490	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104487	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104488	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104491	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104492	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104493	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104494	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104495	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104496	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104441	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104442	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104450	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104429	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104439	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd

ASX ADDITIONAL INFORMATION

104452	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104453	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104454	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104455	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104459	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104460	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104440	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104443	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104445	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104449	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104427	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104451	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104456	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104457	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104458	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104461	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104861	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104862	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd
104863	Prescott Project	Claim	Canada	100%	Granted	Flexure Minerals Ltd

(k) Mineral resources and ore reserves statement

During the reporting period an assessment of the MRE was conducted and released on the ASX on 2 November 2023.

The MRE was completed by SRK Consulting (Canada) Inc. considering a total of 237 diamond drill holes (41,006m), 7,904 drill core assays, 345 underground rock samples, 240 bulk density measurements and preliminary metallurgical test work.

The Mineral Resource was classified as either Indicated or Inferred based on the drill hole spacing, geological interpretation, and variogram performance. Indicated Mineral Resources were classified within the veins using at least three holes within a spacing of 30 m or less. Inferred Mineral Resources were classified for vein blocks using at least two drill holes at drilling densities between 30 m and 100 m. The Elizabeth Project mineralisation is considered to be potentially amenable to underground mining methods, and the Mineral Resource Estimate reported herein is based on a gold cut-off of 1.5 g/t. The reader is cautioned that Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

ASX ADDITIONAL INFORMATION

Mineral Resource Current Estimate

Classification	Vein	Tonnes	Gold (g/t)	Gold Ounces (Oz)	% of Total Oz
Indicated	No 9 Vein	6,800	5.81	1,300	1.4%
	Blue Vein	39,500	3.55	4,500	4.7%
	SW Vein	253,100	6.63	54,000	56.1%
	West Vein	15,700	2.14	1,000	1.0%
	Main Vein	2,100	1.88	100	0.1%
	Subtotal	317,200	5.97	60,900	63.4%
Inferred	No 9 Vein	84,300	2.51	6,800	7.1%
	Blue Vein	50,700	2.81	4,500	4.7%
	SW Vein	172,100	4.21	23,300	24.2%
	West Vein	5,300	2.20	400	0.4%
	Main Vein	2,600	2.05	200	0.2%
	Subtotal	315,000	3.48	35,200	36.6%
TOTAL		632,200	4.73	96,100	100%

* Notes to accompany the Mineral Resource statement

1. Mineral resources are not mineral reserves as they do not have demonstrated economic viability

2. As defined by NI 43-101, the Independent and Qualified Person is Ms. S. Ulansky, PGeo of SRK Consulting (Canada) who has reviewed and validated the Mineral Resource Estimate

3. The effective date of the Mineral Resource Estimate is October 18, 2023

4. The number of metric tonnes and ounces were rounded to the nearest hundred. Any discrepancy in the totals are due to rounding

5. Reported underground resources are reported in-situ and undiluted at a cut-off grade of 1.5 g/t Au contained within a constrained shape

6. The cut-off grade is based on a gold price of US\$1,800 per ounces of gold

7. Estimates are metric units (meters, tonnes and g/t). Metals are reported in troy ounces (metric tonne x grade / 31.10348)

8. CIM definitions were followed for the classification of mineral resources

9. The model has been depleted for blocks above surface topography and within old underground workings

10. The barren felsic dyke material is set to a default of 0.08 g/t Au

11. Neither the company nor SRK is aware of any known environmental, permitting, legal, title-related, taxation, socio-political, marketing or other relevant issue that could materially affect this mineral resource estimate

Drilling, assaying and exploration work on the Elizabeth deposit demonstrate spatial continuity of the mineralisation within potentially mineable shapes, and are sufficient to indicate a reasonable potential for economic extraction, thus qualifying it as a Mineral Resource in accordance with the Canadian Securities Administrators' National Instrument 43-101. The Mineral Resource was estimated in conformity with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") "Estimation of Mineral Resource and Mineral Reserves Best Practice Guidelines" (November 2019) and the definitions set out in the 2014 CIM Definition Standards.

A Technical Report to support the initial Mineral Resource Estimate for the Elizabeth Gold Project, was prepared in accordance with National Instrument 43-101.

Competent Persons Statement

The Mineral Resource Estimate for the Elizabeth Gold Project was prepared by Sheila Ulansky MSc, PGeo, of SRK Consultants (Canada) Inc., an Independent Qualified Persons as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects. Ms Ulansky has reviewed and approved the technical contents.