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killi
RESOURCES

2022 ANNUAL REPORT

KILLI RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES
ABN 35 647 322 790



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CORPORATE INFORMATION

This financial report includes the consolidated financial statements and notes of Killi Resources Limited and its controlled entities ('the Group'). The Group's functional and presentation currency is AUD (\$).

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Director's report. The Director's report is not part of the financial report.

Directors

Mr Richard Bevan	Non-Executive Chairperson and Director (appointed 18 August 2021)
Mr Gregory Miles	Non-Executive Director (appointed 18 August 2021)
Mr Phil Warren	Non-Executive Director (appointed 18 August 2021)

Mr Paul L'Herpinier	Director (resigned 18 August 2021)
Mr Geoffrey McNamara	Director (resigned 2 July 2021)
Mr Peter Stuntz	Director (resigned 2 July 2021)
Mr Sonu Cheema	Director (resigned 18 August 2021)
Mr Jason Rogers	Director (resigned 18 August 2021)

Chief Executive Officer

Ms Kathryn Cutler (appointed 4 November 2021)

Company Secretaries

Ms Emma Wates (appointed 18 August 2021)
Mr Cameron O'Brien (appointed 26 October 2021)

Registered Office & Principal Place of Business

945 Wellington Street, West Perth WA, 6005
Telephone: +61 8 9322 7600
E-mail: admin@killi.com.au
Website: www.killi.com.au

Share Registry

Automic Registry Services
Level 5, 191 St Georges Terrace
Perth WA 6000
Telephone: +1300 288 664

Auditors

HLB Mann Judd (WA Partnership)
Level 4, 130 Sterling Street
Perth WA 6000

Bankers

Westpac
Level 4, Brookfield Place, Tower 2
123 St Georges Terrace
Perth WA 6000

Solicitors

Steinepreis Paganin
Level 4, the Read Buildings
16 Milligan Street
Perth WA 6000

Stock Exchange

Australian Securities Exchange Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

ASX Code: **KLI**

CHAIRPERSON'S LETTER

Dear Shareholders,

It gives me great pleasure to present the 2022 Annual Report of Killi Resources Limited ("Company") and its wholly owned subsidiaries ("Killi" or "Group") reflecting on a year which has been transformative and which our Company has achieved several key milestones.

In February 2022, Killi completed its initial public offering on the Australian Securities Exchange, with overwhelming support and interest from existing and new shareholders. I would like to thank all our shareholders for their continued support of the Company.

Within the first six months since listing the exploration team has successfully commenced on-ground exploration work at two of the Company's projects which has not been without its challenges, due to remoteness, adverse weather conditions, and COVID related restrictions. As such, I would like to take this opportunity to thank our CEO, Kath Cutler and her team for their great work since listing.

The Company completed mineral reviews, established access approvals, and commenced the maiden field programs in the Tanami which included geochemical programs, aircore and diamond drill campaigns, and an airborne geophysical survey. The results of these are expected over the coming weeks.

Running parallel to the Tanami operations the team was also able to establish access and approvals for field operations at Ravenswood North in Queensland which included surface geochemical work and an airborne geophysical survey. The soil program generating the first drive up and drill target on the project.

I would like to thank all our stakeholders for their support of the Company. Specifically, the traditional owners for the land on which we operate in the Tanami of Western Australia, represented by the Kimberley and Tjurabalan Lands Councils. This year the members have worked with us to enable access and have a successful and productive field season. I am very proud of what we have managed to complete in the first months of operating and look forward to what we can achieve in the next six months.

I look forward to sharing our continued success with you.



Richard Bevan



REVIEW OF OPERATIONS

Killi is a gold, copper, and rare earth explorer with four wholly owned assets in Australia, with the focus of the Company on the Tanami region of Western Australia. The Company is focused on underexplored provinces with the potential for discovery of new large-scale mineral systems.

The Company's activities for the 2022 financial year were initially focussed on preparing the Company for a listing on Australian Securities Exchange ("ASX") and raising capital to ensure it had sufficient funds to undertake exploration activities on its tenements in line with the Company's business strategy.

The Company lodged its Prospectus with ASIC on 16 November 2021 and successfully listed on ASX on 10 February 2022, following an initial public offering of 30 million shares at \$0.20 per share to raise \$6.0 million (before costs).

Since listing on ASX the Company has commenced its exploration programs across each of its projects, as outlined further below, with the intention of demonstrating the economic potential of these projects and creating value to shareholders.

West Tanami Project (Gold and REE Project)

The West Tanami Project in the Eastern Kimberley of Western Australia is the focus of the Company's exploration portfolio. The region remains one of the country's largely unexplored and poorly understood provinces, mainly due to the general lack of outcrop and remoteness.

The West Tanami Project is located 150km south-east of Halls Creek in the Kimberley, Western Australia. Killi owns 100% of the project which includes four granted exploration licences, totalling 1,641km² of land holding.

The project covers 100km strike of the major structural corridor of the Tanami Fault System, which is host to 19M oz Au within the greater Tanami Province. Within the district there are multiple gold deposits which include Callie Gold Mine (Newmont, ~13Moz Au), the Tanami Goldfields (3M oz Au), Buccaneer (0.5M oz Au) and the Coyote and Kookaburra mines (Black Cat Syndicate, ~1M oz Au) (Figure 1).

The region has recently been invigorated with multiple companies floating with large-scale projects in the region leveraged for gold and rare earth element prospectivity.

Killi remains focussed on gold and rare earth exploration at the West Tanami Project. The Company completed and received all approvals from government departments and the Tjurabalan Lands Council in relation to access and operating within the Tanami district.

The Company reinstated tracks initially constructed by Barrick, Gold Fields and Tanami Gold in the late 1990's early 2000's for their first pass RAB/AC drill programs. Reinstating the access tracks enabled an efficient heritage survey and access into areas for mapping prior to the drill rigs arriving.

REVIEW OF OPERATIONS

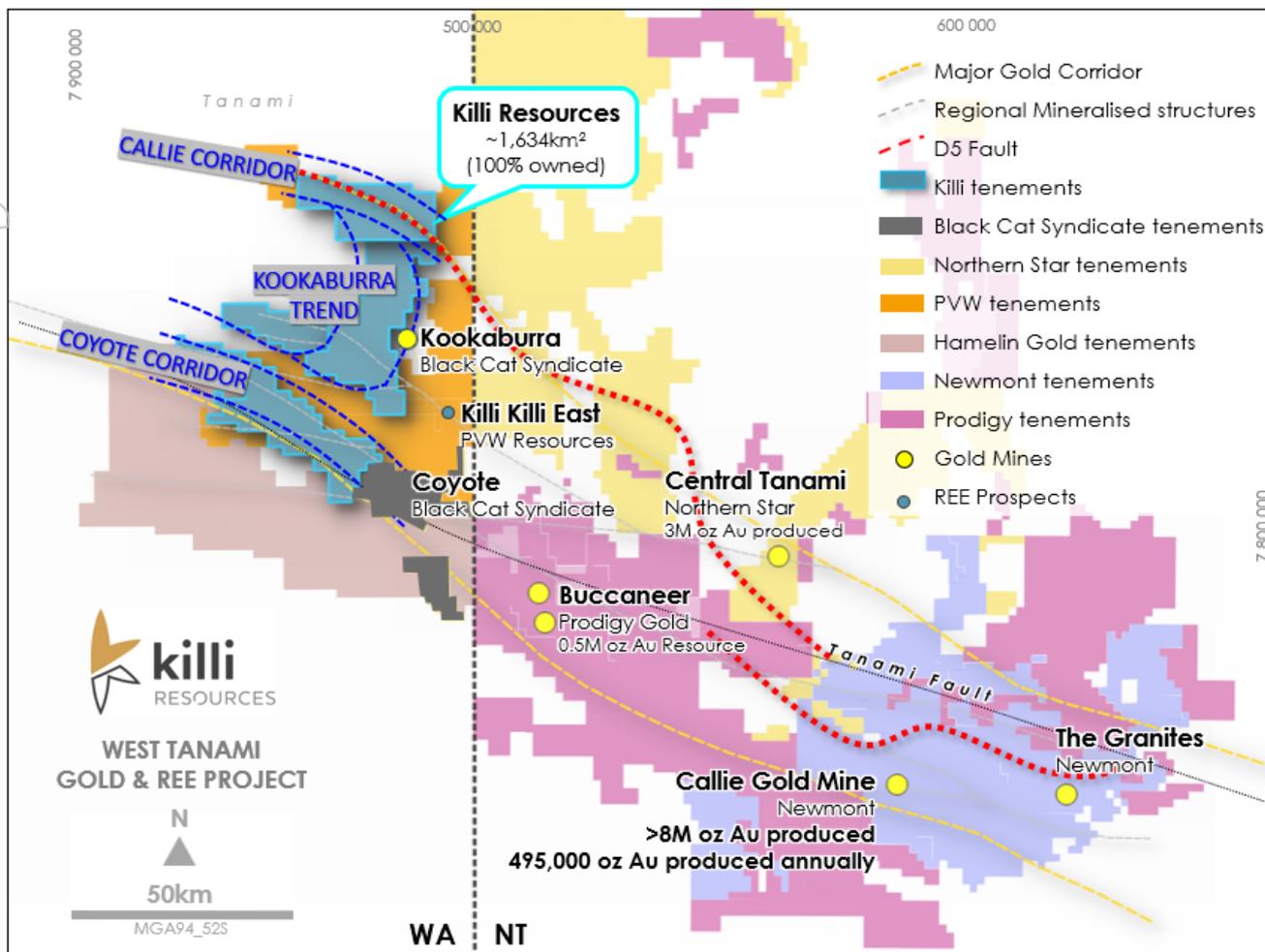


Figure 1. Location of West Tanami Gold Project in relation to existing Gold Mines in the Tanami Province.

In July 2022, the Company commenced an aircore/reverse circulation drill program at the West Tanami Project targeting potential hydrothermal rare earth element and gold mineralisation systems. The program was designed to cover multiple targets with first pass drilling, regional lines at wide spacing. Targets were generated from the structural interpretation of airborne magnetics data and radiometric anomalies. The program is designed to drill ~10,000m (Figure 2), with 55 drill holes for ~2,600m completed, as part of the REE drilling at the Trickster and Deva prospects (Figure 3). Favourable geology was intercepted in the form of sedimentary sequence of siltstone, cherts, and sandstones.

Where aircore drilling intercepted favourable geology, reverse circulation holes were completed to a greater depth to provide enough sample for further analysis work. All samples from the program have been collected and dispatched to the laboratory in Perth, with results to be reported once finalised.

A diamond drill rig was mobilised to the project during the year to complete a deep diamond hole in conjunction with the state government as part of the Exploration Incentive Scheme where the Company received funding for half the drill hole in order to establish the stratigraphy of the region and further develop the geological understanding and commodity prospectivity of the project.

The Company also collected soil and rock chips across the project looking for gold and rare earths (Figure 4) and commenced the 1,000sqkm geophysical airborne survey for magnetics and radiometrics (Figure 5).

REVIEW OF OPERATIONS

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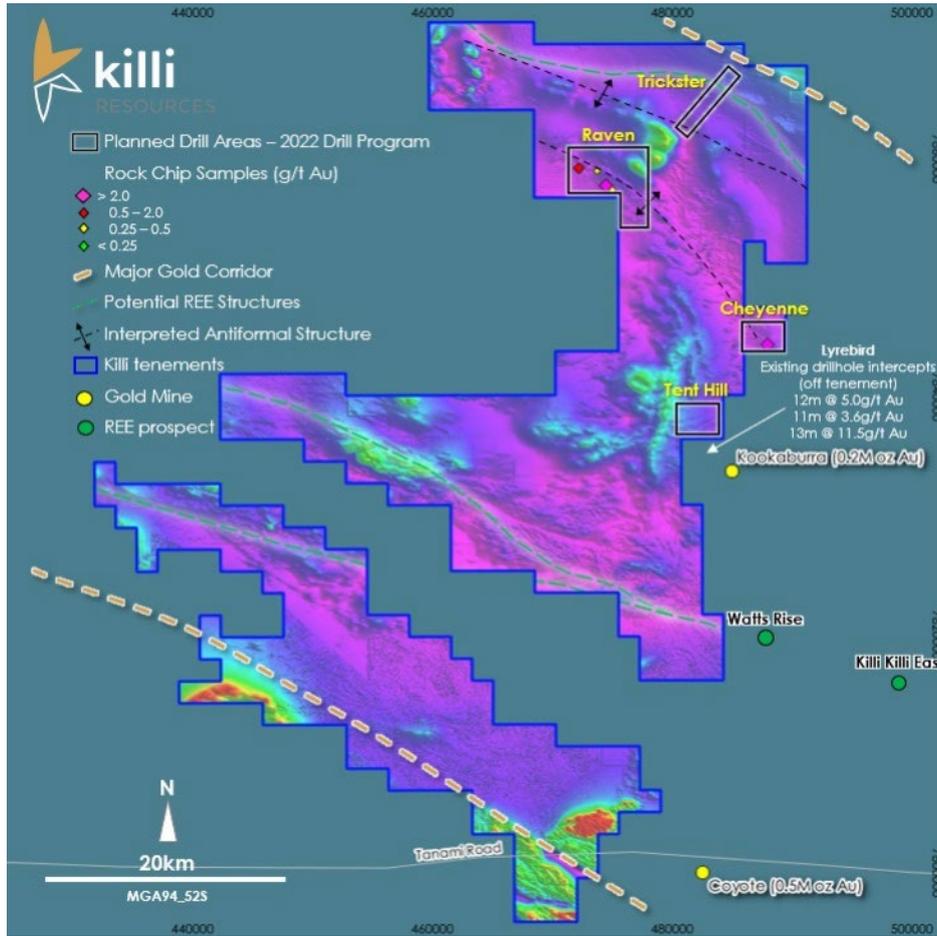


Figure 2. Location of planned drill programs at the West Tanami project looking for gold and rare earths.

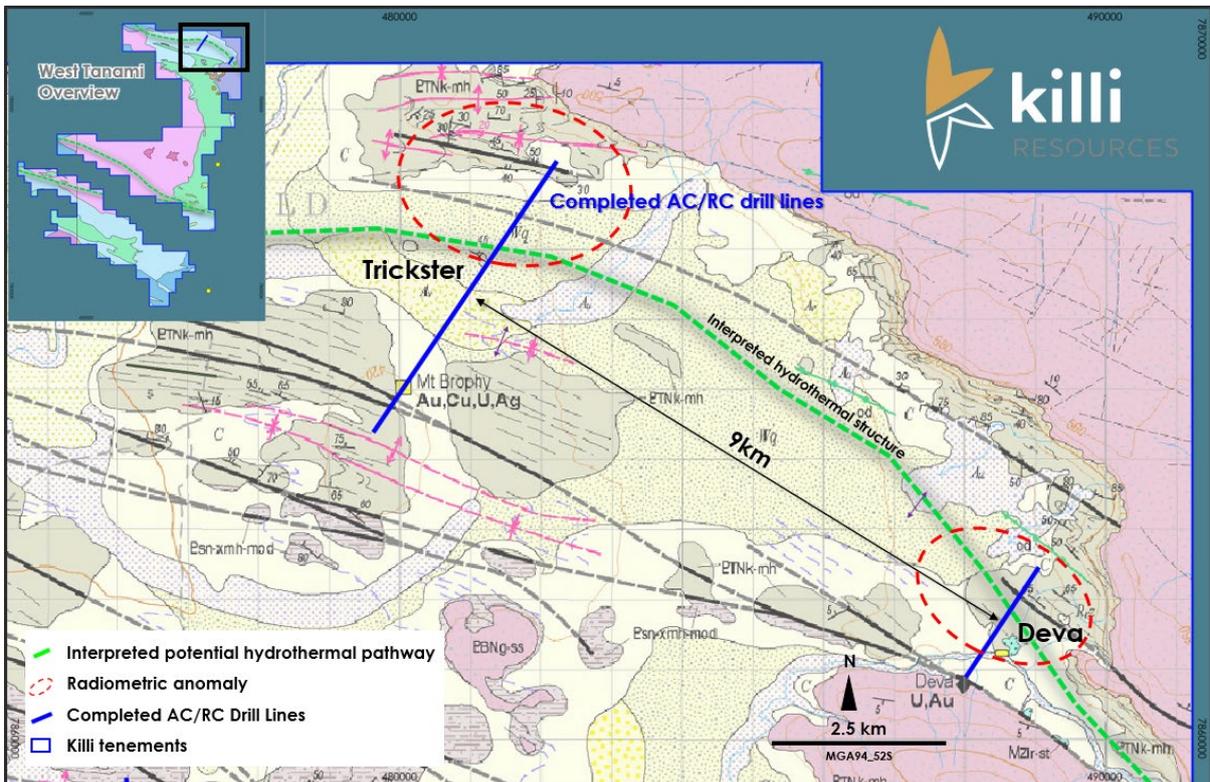


Figure 3. Location of completed aircore drill lines at Trickster and Deva rare earth prospects, over the Geological Survey of Western Australia 1:100k 'Slaty Creek' map sheet, with targets from radiometric data.

REVIEW OF OPERATIONS

Results for drilling and surface geochemical programs all remain pending at the end of the financial year.



Figure 4. Photograph of soils been taken at the West Tanami Project, searching for rare earth and gold hydrothermal systems, 2022.



Figure 5. Photograph of the Magspec airplane flying over the West Tanami Project, smoke cover from bushfires.

REVIEW OF OPERATIONS

Ravenswood North

The Ravenswood North Project lies within the Charters Towers-Ravenswood region of Queensland covering Devonian to Permian-aged intrusion related mineral prospective ground.

The tenement package consists of five (100% owned) exploration leases which cover 582km², within 60km of major gold-silver deposits, such as the Ravenswood goldfield (10Moz Au), Charters Towers goldfield (14Moz Au), Mt Leyshon (3.8Moz Au), Mt Wright (1.5Moz Au) and Reward (0.2Moz Au).

Within the region there are two distinct structural units related to mineralisation, a northeast trending structural corridor and a northwest striking fault. The intersection of these structures is known to be associated with intrusive rocks units, prospective for gold mineralisation in the area. These systems are typically anomalous in gold, copper, silver, molybdenum, lead and zinc.

The project was last consistently explored between 1980 – 1985 which generated multiple geochemical anomalies at surface, however the vast majority remain untested and unexplored.

Desktop work completed by the Company interpreted magnetic low and reverse polarised remnant magnetic features as possible intrusive/breccia pipes and magnetic destructive alteration at the 'Rocky' prospect. The intrusive unit was interpreted to occur within the regional northeast trending structural corridor, aligned with nearby mineralisation at Golden Valley and Mt Success, 3km to the west (Figure 6).

Killi completed a soil program which consisted of 190 samples taken over the 'Rocky' Prospect, with the program designed on a 100 x 100m grid to cover a unit prospective for intrusive/breccia style gold mineralisation, due to an observed magnetic low feature in regional magnetics, and two historical rock chip samples which contained 17.43g/t Au & 5g/t Ag and 16.19g/t Au & 7.16g/t Ag. Refer to ASX Announcement 31st May 2022.

Results from the soil program contained significant gold mineralisation at surface within a larger alteration system, anomalous for copper, silver, and molybdenum (Figure 7). A clear >100ppb (parts per billion) gold system has been determined, striking north-west to south-east 1,000m in length, and 700m in width. Within the 100ppb Au anomaly there exists two >200 ppb Au anomalies, 400m and 250m in length respectively. The best result returned was 680 ppb Au. Refer to ASX Announcement 31st May 2022.

Although outcrop is sparse in the area, a hydrothermal breccia was identified on the periphery of Anomaly 1, which further confirms the potential for gold mineralisation related to brecciation.

REVIEW OF OPERATIONS

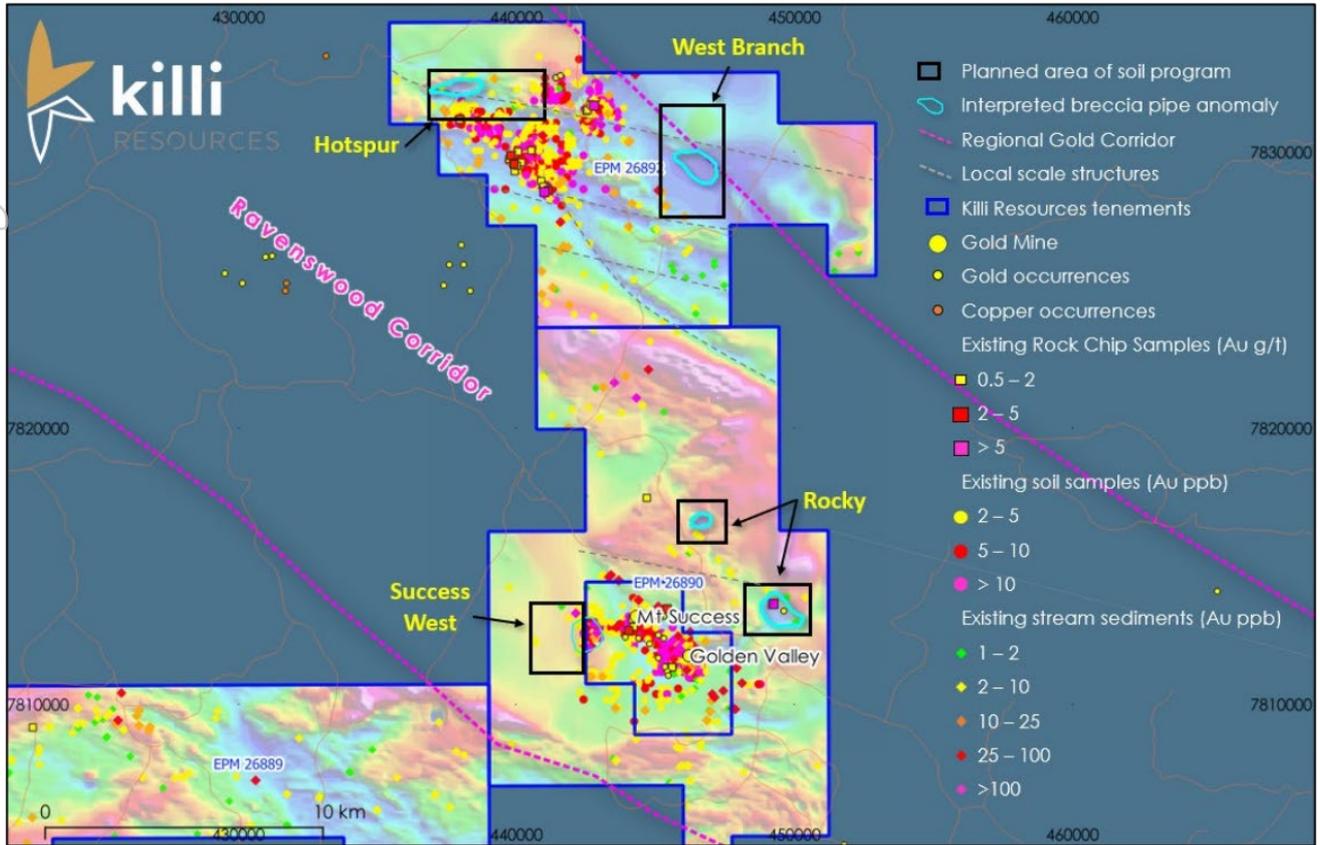


Figure 6. Location of soil program at Ravenswood North. The interpretation of magnetics indicates the potential presence of gold related intrusions at West Branch, Hotspur, Rocky and Success West, highlighted in light blue.

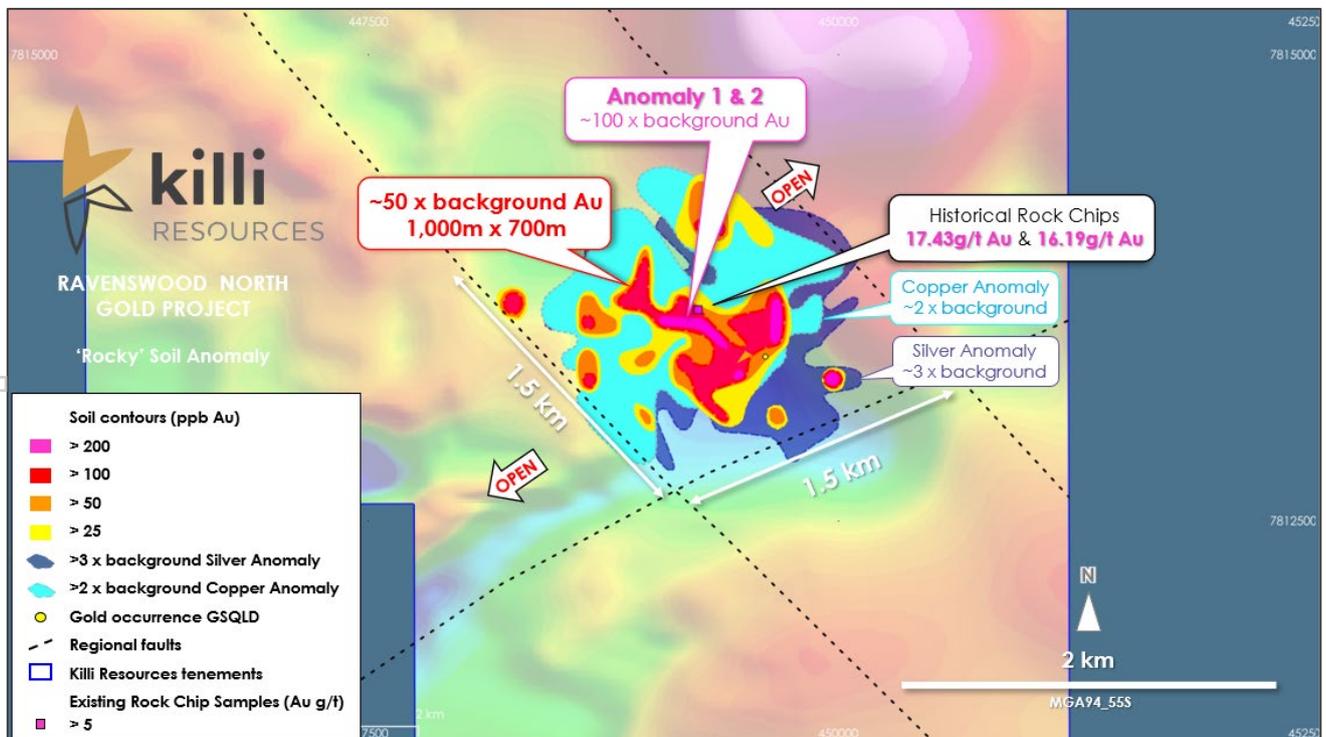


Figure 7. Au-Cu-Ag-Mo anomaly at Rocky prospect, determined from soil program. Anomalous assays indicative of intrusive mineralisation system, common in the Charters Towers/Ravenswood region. Refer to ASX Announcement 31st May 2022.

REVIEW OF OPERATIONS

During the June quarter, the Company completed an airborne Versatile Time Domain Electromagnetic (VTEM Max) Heli-survey at the project (Figure 8).

The geophysical survey covered 300km² of the prospective Ravenswood corridor over two of the Company's tenements, and 800-line kms using VTEM Max technology, taking a week to complete (Figure 9).

The VTEM technology has been developed to locate discrete conductive anomalies as well as lateral and vertical variations in resistivity.

Within 60kms of the project exists multiple significant gold mines such as Ravenswood, Mt Leyshon, Charter Towers, Mount Wright and Mount Success, which between them account for +26Moz of gold mineralisation in the district. These deposits are all known to be associated with sulphide minerals which are particularly well recognised by the VTEM geophysical technology.

The final results will be processed and released in the next quarter and will identify any concealed conductors that may be related to gold and/or copper mineralisation in the area and assist with structural interpretations and target generation. Refer to ASX Announcement 20th September 2022.

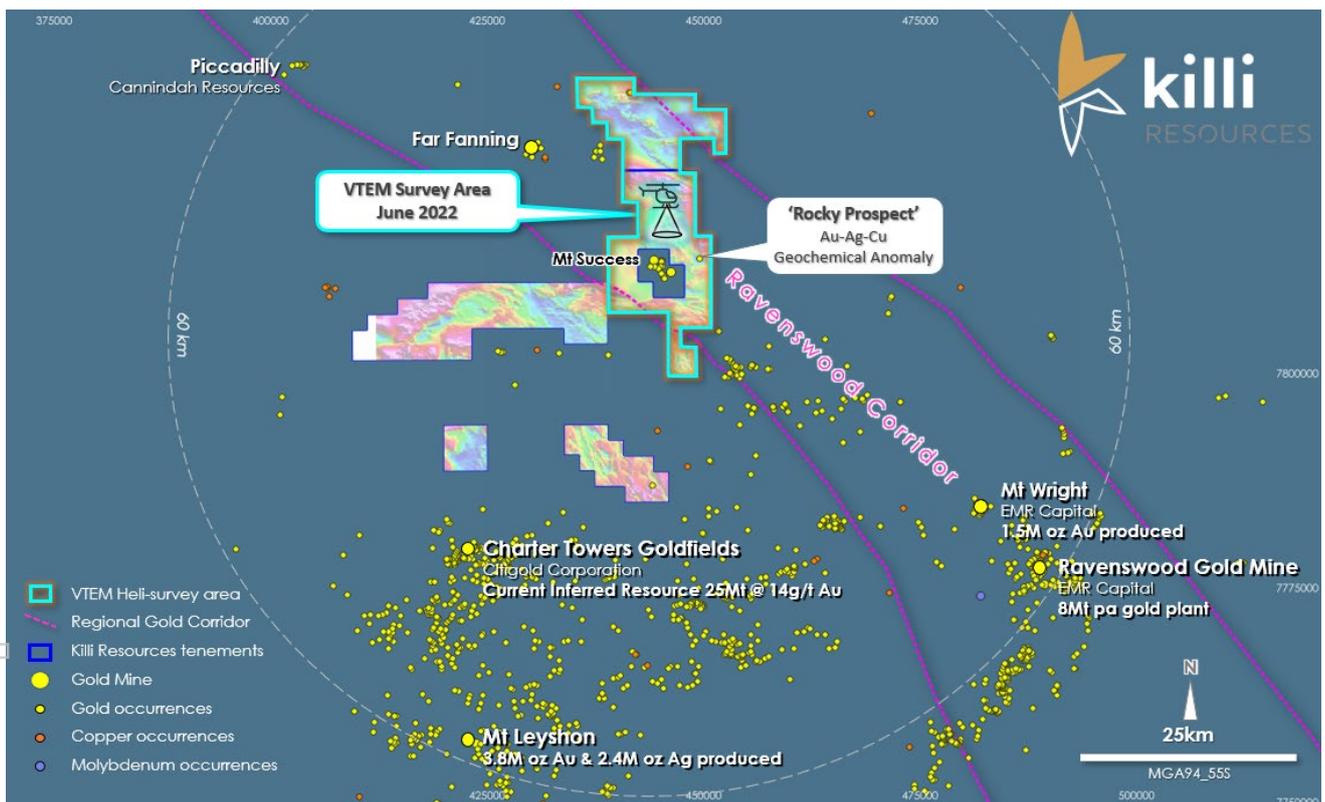


Figure 8. Airborne Heli-VTEM Survey area at Ravenswood North Project completed in June 2022.

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Figure 9. Airborne Heli-VTEM Survey underway at the Ravenswood North Project, June 2022.

REVIEW OF OPERATIONS

Mt Rawdon West Project

The Mt Rawdon West Project comprises of one EPM application which was granted in February 2022, located 60km inland from Bundaberg in Queensland. The strategic tenement covers 292km² of the two main intersecting mineral corridors in the region. Located to the east of the Mt Perry project (SolGold) and to the north of the Mt Rawdon Gold Mine (Evolution Mining). Historical exploration has identified copper, gold and molybdenum anomalism, within the northeast trending intrusion related structural corridor. The main targets identified are at Wonbah, Wonbah Knob and Baloo (Figure 10).

Wonbah is the primary target with a 3km by 1km copper-gold-molybdenum geochemical anomaly. The location of this anomaly coincides with the intersection of the regional controlling mineralisation faults. Wonbah Knob contains evidence of historical mining with the presence of adits into a breccia pipe, approximately 150m in width. Historically, minor copper and gold were produced from the adits and small open pits. Grades were reported up to 2.1% copper from the adits and 1.4% copper from the outcrop. Baloo prospect represents a priority target as it is the extension of the Nicko's Reward system onto the Killi ground. Nicko's Reward gold prospect sits on the east margin of the tenement and includes intercepts of 56m @ 1.0g/t Au from surface within a porphyritic granodiorite.

The granodiorite is interpreted to extend into Killi tenure at the Baloo prospect. Refer to ASX Announcement 24th February 2022.

Landholders and stakeholders were engaged during the year, to allow access for future field programs.

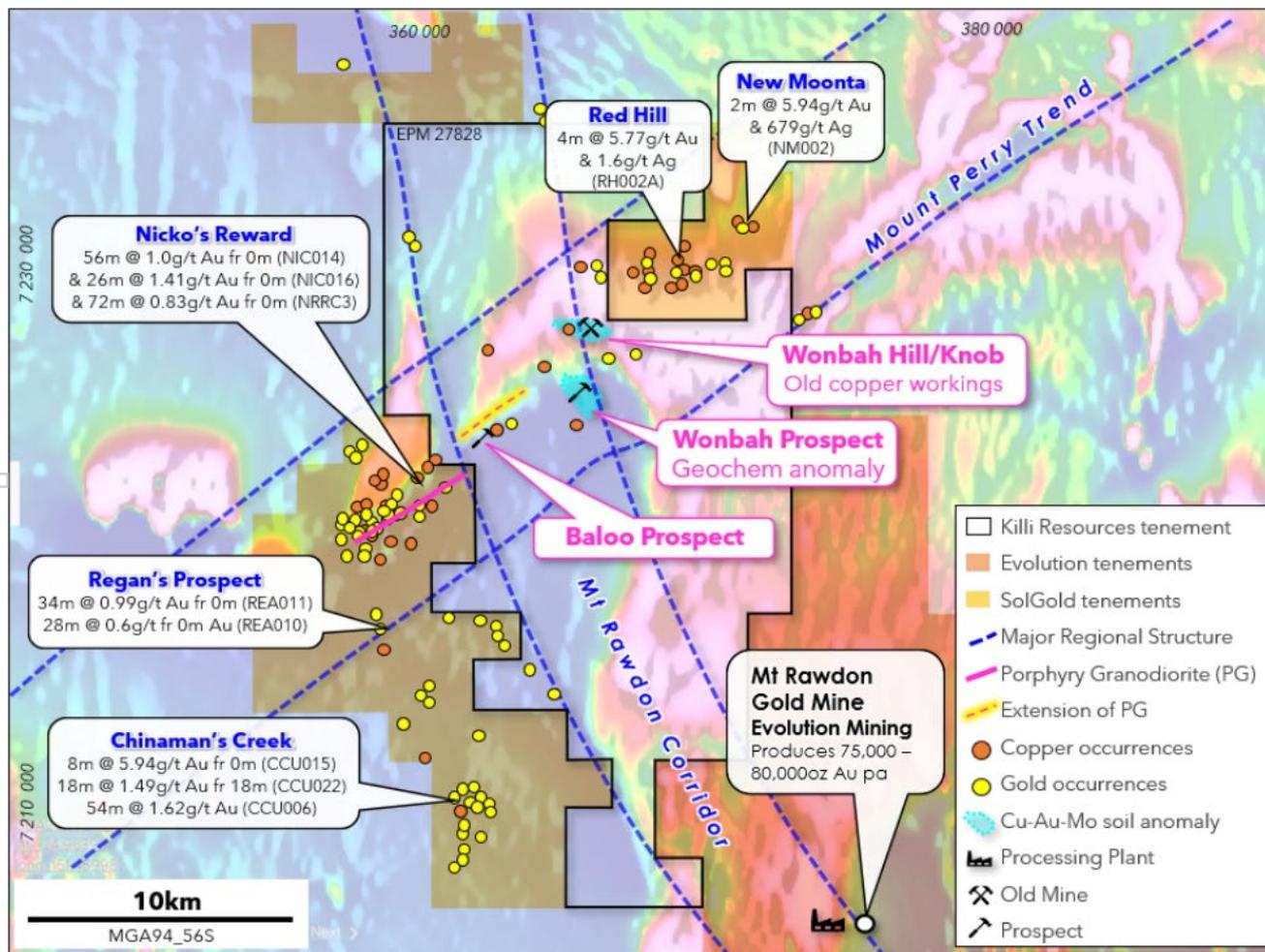


Figure 10. Gold and copper mineral corridors at the Mt Rawdon West Project, including adjacent tenure.

REVIEW OF OPERATIONS

Summary List of all previous ASX releases referenced in this report.

The information in this report that relates to exploration results is summarised from publicly available reports as released to ASX. These results are referenced in the text of this report and the source documents listed below

1. 95kms of Rare Earth Strike identified at West Tanami Project (14th February 2022)
2. New Gold Targets identified over 100kms of Strike (21st February 2022)
3. Drill ready gold targets for Mt Rawdon West (24th February 2022)
4. Major Exploration campaign commencing at West Tanami Project (17th March 2022)
5. Geochemical campaign commences at Ravenswood North (12th April 2022)
6. Soil campaign completed at Ravenswood North (28th April 2022)
7. Groundwork begins at the West Tanami Gold and REE Project (4th May 2022)
8. Successful EIS funding received for West Tanami (10th May 2022)
9. Gold anomaly coincides with high-grade rock chips (31st May 2022)
10. VTEM Conductor Survey commences (27th June 2022)
11. VTEM Survey completed and Soil Sampling Recommences (11th July 2022)
12. Drill Rigs mobilising to the West Tanami, shallow gold potential (14th July 2022)
13. Drilling Commences at West Tanami (20th July 2022)
14. Rare Earth Element Drilling Completed (29th August 2022)
15. Conductors identified at Ravenswood North (20th September 2022)

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Ms Kathryn Cutler. Ms Cutler is a Member of The Australasian Institute of Mining and Metallurgy. Ms Cutler has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ms Cutler consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Results information included in this report, and that all material assumptions and parameters underpinning Exploration Results, as reported in the market announcements dated continue to apply and have not materially changed.

REVIEW OF OPERATIONS

Tenements Schedule

The Company has an interest in the following tenements in Australia.

Project	Tenement Number	Status	Holder	Ownership
West Tanami (Western Australia)	E80/5100	Granted	Iron Bull Bangemall Pty Ltd	100%
	E80/5101	Granted	Iron Bull Bangemall Pty Ltd	100%
	E80/5102	Granted	Iron Bull Bangemall Pty Ltd	100%
	E80/5103	Granted	Iron Bull Bangemall Pty Ltd	100%
Ravenswood Nth (Queensland)	EPM 26889	Granted	Access Australia Mining Pty Ltd	100%
	EPM 26890	Granted	Access Australia Mining Pty Ltd	100%
	EPM 26892	Granted	Access Australia Mining Pty Ltd	100%
	EPM 26908	Granted	Access Australia Mining Pty Ltd	100%
	EPM 26909	Granted	Access Australia Mining Pty Ltd	100%
	<i>EPM 28413</i>	<i>Application</i>	<i>Access Australia Mining Pty Ltd</i>	<i>100%</i>
Mt Rawdon West (Queensland)	EPM 27828	Granted	Access Australia Mining Pty Ltd	100%
Balfour (Western Australia)	E46/1383	Granted	Access Australia Mining Pty Ltd	100%

DIRECTORS' REPORT

Your Directors present the following report on Killi Resources Limited and its controlled entities (referred to hereafter as "the Group") for the year ended 30 June 2022.

Directors

The persons who were Directors of Killi Resources Limited during the reporting period and up to the date of this report are:

Name	Role	Appointment/Resignation Date
Mr Richard Bevan	Non-Executive Chairperson and Director	Appointed 18 August 2021
Mr Gregory Miles	Non-Executive Director	Appointed 18 August 2021
Mr Phil Warren	Non-Executive Director	Appointed 18 August 2021
Mr Paul L'Herpinier	Director	Resigned 18 August 2021
Mr Geoffrey McNamara	Director	Resigned 2 July 2021
Mr Peter Stuntz	Director	Resigned 2 July 2021
Mr Sonu Cheema	Director	Resigned 18 August 2021
Mr Jason Rogers	Director	Resigned 18 August 2021

Chief Executive Officer

Ms Kathryn Cutler (appointed on 4 November 2021)

Company Secretary

Mr Cameron O'Brien (appointed 26 October 2021)

Ms Emma Wates (appointed on 18 August 2021)

Principal Activities

During the year the principal activities of the Group consisted of:

- Identification and assessment of commercially attractive resource exploration projects;
- Acquisition of commercially attractive resource exploration projects; and
- Exploration and development of Killi's portfolio of tenements and projects.

There were no significant changes in the nature of the activities of the Group during the year.

Dividends

There were no dividends paid or proposed during the year.

DIRECTORS' REPORT

The Consolidated Statement of Profit or Loss and other Comprehensive Income shows a net loss from continuing operations attributable to owners of \$2,567,867 for the financial year ended 30 June 2022.

Significant Change in State of Affairs

There were no significant changes in the state of affairs of the Group during the year.

Matters Subsequent to Reporting Date

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future years.

Likely developments and expected results of operations

The Group will continue its mineral exploration and development activity at and around its projects with the object of identifying commercial resources.

The Group will also continue to identify and assess potential acquisitions suitable for the Group.

Environmental Regulation

The Group is subject to significant environmental regulation in respect of mineral exploration activities.

The Group operates within the resources sector and conducts its business activities with respect for the environment while continuing to meet the expectations of the shareholders, employees and suppliers. The Company's exploration activities are currently regulated by significant environmental regulation under laws of the Commonwealth and states and territories of Australia. The Group aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation.

The Directors have considered the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduced a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the Directors have determined that the NGER Act will have no effect on the Group for the current, or subsequent financial year. The Directors will reassess this position as and when the need arises. The Directors are mindful of the regulatory regime in relation to the impact of the organisational activities on the environment. There have been no known breaches by the Group during the year.

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DIRECTORS' REPORT

Information on Directors

The names of the directors of Killi who held office during the financial year and at the date of this report are:

Mr Richard Bevan

Non-Executive Chairperson

Qualifications

BAppSc

Appointed

Non-Executive Chairperson since 18 August 2021

Experience

Mr Bevan has been involved in business areas as diverse as healthcare, construction and engineering, resources and information services. He has extensive senior management experience having been the Managing Director, CEO and Chairperson of several listed and unlisted companies, including most recently being the founding Managing Director of Cassini Resources Limited.

Interest in Shares, Options and Performance Rights

550,000 Ordinary fully paid shares
700,000 Options
1,400,000 Performance Rights.

Other current directorships

Non-Executive Chairperson: Naryer Metals Limited (ASX: NYM)
Non-Executive Chairperson: TG Metals Limited (ASX: TG6)
Non-Executive Director: Cannon Resources Limited (ASX: CNR)

Former directorships held in past three years

Managing Director: Cassini Resources Limited (ASX: CZI) resigned 5 October 2020
Non-Executive Director: Empire Limited (ASX: EPD) resigned 16 November 2021

Mr Gregory Miles

Non-Executive Director

Qualifications

BSc, Grad Dip (Geol)

Appointed

Non-Executive Director since 18 August 2021

Experience

Mr Miles graduated as a geologist from the Australian National University in Canberra and has gained over 25 years of experience in the exploration and delineation of mineral resources and has led successful teams in the discovery of new precious and base metal deposits throughout Australia.

Mr Miles is the Chief Executive Officer of Caspin Resources Limited which is actively exploring in the Yarawindah Brook Project and Mount Squires Projects in Western Australia. Previous leadership roles have included executive and non-executive board positions with numerous junior mining companies, providing expertise in exploration, project management and acquisitions. Greg is a member of the Australian Institute of Geoscientists.

Interest in Shares, Options and Performance Rights

350,000 Ordinary fully paid shares
500,000 Options
880,000 Performance Rights.

Other current directorships

N/A

Former directorships held in past three years

N/A

DIRECTORS' REPORT

Mr Phil Warren

Non-Executive Director

Qualifications

B. Com, CA.

Appointed

Non-Executive Director since 18 August 2021

Experience

Mr Warren is a Chartered Accountant and managing director of West Perth based corporate advisory firm Grange Consulting. Mr Warren has over 20 years of experience in finance and corporate roles in Australia and Europe. He has specialized in company valuations, mergers and acquisitions, capital raisings, debt financing, financial management, corporate governance, and company secretarial services for a number of public and private companies.

Mr Warren has established a number of ASX listed companies and continues to act as corporate advisor to some of these companies.

Interest in Shares, Options and Performance Rights

200,000 Ordinary fully paid shares
1,000,000 Options
880,000 Performance Rights.

Other current directorships

Non-Executive Director: Rent.com.au Limited
(ASX: RNT)

Non-Executive Director: Narryer Metals Limited
(ASX: NYM)

Non-Executive Director: Anax Metals Ltd
(ASX: ANX)

Non-Executive Director: Family Zone Cyber Safety Ltd
(ASX: FZO)

Former directorships held in past three years

Non-Executive Director: Cassini Resources Ltd
(ASX: CZI) resigned on 1 October 2020.

Non-Executive Director: Jupiter Energy Ltd
(ASX:JPR) resigned 24 November 2020.

DIRECTORS' REPORT

Director Meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the year are:

Director	Number of Director Meetings Eligible to Attend	Number of Director Meetings Directors' Attended
Mr Richard Bevan	2	2
Mr Gregory Miles	2	2
Mr Phil Warren	2	2
Mr Paul L'Herpinier	2	2
Mr Geoffrey McNamara	2	2
Mr Peter Stuntz	2	2
Mr Sonu Cheema	2	2
Mr Jason Rogers	2	2

Company Secretaries

Ms Wates is a director of Grange Consulting Group with over 15 years' experience providing corporate advisory and company secretarial services, including capital raising, compliance, governance and valuation advice. Ms Wates has advised on a number of successful ASX listings as well as being involved in various secondary and seed capital raisings for public and private companies. Emma has acted as Company Secretary for a number of ASX listed companies. Emma is a Chartered Accountant and a senior associated of FINSIA.

Mr O'Brien is a corporate advisor at Grange Consulting where he specialises in corporate advisory, company secretarial and financial management services. Mr O'Brien is a qualified Chartered Accountant and, prior to joining Grange, spent four years in external audit at one of the leading international Audit, Tax & Advisory firms focused on engagements across the natural resources and industrial sectors. Following this he spent two years in the firm's Corporate Finance division where he was focused on due diligence, expert reports, valuations and ASX listings.

Financial Position

The net assets of the consolidated Group have increased to \$6,016,430 (2021: \$1,410,213) as at 30 June 2022. The Group's working capital, being current assets less current liabilities was \$4,551,559 at 30 June 2022 (2021: \$20,740).

Shares under option and performance rights

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

Security Code	Date Options Granted	Expiry Date	Exercise Price	Number Under Option	Number Under Performance Rights
KLIOPT01 – Broker Options	10 Feb 2022	31 Jan 2026	\$0.30	500,000	-
KLIOPT01– Advisor Options	16 Nov 2021	31 Jan 2026	\$0.30	3,000,000	-
KLIOPT01– Incentive Options	22 Dec 2021	31 Jan 2026	\$0.30	3,000,000	-
KLIPERF1E– Performance Rights	22 Dec 2021	31 Jan 2027	\$0.00	-	2,750,000
KLIPERF2E– Performance Rights	22 Dec 2021	31 Jan 2027	\$0.00	-	1,850,000
KLIPERF3E – Performance Rights	22 Dec 2021	31 Jan 2027	\$0.00	-	510,000
			Total	6,500,000	5,110,000

DIRECTORS' REPORT

Securities granted during the year

Performance rights granted during the year as share-based payments are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Disposal Restriction
A	Directors & CEO performance rights	22 Dec 2021	2,750,000	Nil – Vest on achievement of performance conditions ⁽ⁱ⁾	31 Jan 2027	Subject to 24 months escrow from date of ASX quotation
B	Directors & CEO performance rights	22 Dec 2021	1,850,000	Nil – Vest on achievement of performance conditions ⁽ⁱ⁾	31 Jan 2027	Subject to 24 months escrow from date of ASX quotation
C	Directors & CEO performance rights	22 Dec 2021	510,000	Nil – Vest on achievement of performance conditions ⁽ⁱ⁾	31 Jan 2027	Subject to 24 months escrow from date of ASX quotation

(i) Refer to note 17 for details of these performance rights.

Options granted during the year as share-based payments are as follows:

Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Disposal Restriction
Advisor Options ⁽ⁱ⁾	16 Nov 2021	3,000,000	\$0.30	31 Jan 2026	Subject to 24 months escrow from date of ASX quotation
Board and CEO Options ⁽ⁱ⁾	22 Dec 2021	3,000,000	\$0.30	31 Jan 2026	Subject to 24 months escrow from date of ASX quotation
Broker Options ⁽ⁱ⁾	10 Feb 2022	500,000	\$0.30	31 Jan 2026	Subject to 24 months escrow from date of ASX quotation

(i) Refer to note 17 for details of these options.

DIRECTORS' REPORT

Insurance of Officers

During the year, Killi Resources Limited paid a premium to insure the directors and secretary of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

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.

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

The Group may decide to employ its auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group is important.

The amounts paid or payable to the auditor for non-audit services provided was \$nil and is disclosed in note 21 (2021: \$11,000). The Board of Directors has considered the position and is satisfied that the provision on non-audit services is compatible with the general standard of independence of auditors imposed by the Corporation Act 2001. The Directors also satisfied that the provision on non-audit services by the auditor, did not compromise the auditor independence requirements of the Corporation Act 2001.

Auditor's Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the page following this Directors' Report.

DIRECTORS' REPORT

REMUNERATION REPORT - Audited

The remuneration report outlines the remuneration arrangements which were in place during the year and remain in place as at the date of this report, for the Directors and key management personnel of Killi Resources Limited.

This is the first year that Killi Resources Limited has prepared a remuneration report, as it is the first year the Group has been listed on the Australian Stock Exchange. On this basis, the remuneration report does not contain comparative information for the year ended 30 June 2021.

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

The remuneration report is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration**
- B. Details of remuneration**
- C. Service agreements**
- D. Share-based compensation**
- E. Equity instruments held by key management personnel**
- F. Loans to key management personnel**
- G. Other transactions with key management personnel**

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

Non-Executive Directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the board. The Chair's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market.

Directors' fees

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders.

Remuneration of executives consists of an un-risked element (base pay) and performance-based cash bonuses based on performance in relation to key strategic, non-financial measures linked to drivers of performance in future reporting periods. No performance-based cash bonuses were paid during the year ended 30 June 2022.

Additional fees

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

A Director may also be reimbursed for out-of-pocket expenses incurred as a result of their directorship or any special duties.

Retirement allowances for directors

Superannuation contributions required under the Australian Superannuation Guarantee Legislation continue to be made and are deducted from the directors' overall fee entitlements where applicable.

DIRECTORS' REPORT

REMUNERATION REPORT – Audited (continued)

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

Executive pay

In determining executive remuneration, the Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- transparent; and
- acceptable to shareholders.

The executive remuneration framework has three components:

- base pay and benefits, including superannuation;
- short-term performance incentives; and
- long-term incentives through participation in the Killi Employee Securities Incentive Plan.

Base pay

Executives receive their base pay and benefits structured as a total employment cost (TEC) package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards.

Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any executives' contracts.

There are no short-term incentives outstanding.

Benefits

No benefits other than noted above are paid to Directors or management except as incurred in normal operations of the business.

Short term incentives

No benefits other than remuneration disclosed in the remuneration report are paid to Directors or management except as incurred in normal operations of the business.

Long term incentives

During the year, the Company issued performance rights and Unlisted Options to Chief Executive Officer and Board Members. The performance rights have nil exercise prices and will expire five years from the issue date. The unlisted options have a \$0.30 exercise price and expire 4 years from the issue date. The performance rights will convert to ordinary shares on achievement of performance conditions as detailed in note 17. Unlisted options are exercisable on or before the fourth anniversary from the date of issue as detailed in note 17.

Link between performance and director's remuneration

The table below set out summary information about the Group's earnings and movement in shareholder wealth for the year to 30 June 2022:

	30 June 2022
	\$
Other income	200,432
Net loss before tax	(2,567,867)
Net loss after tax	(2,567,867)

No dividends have been paid for the year to 30 June 2022.

DIRECTORS' REPORT

REMUNERATION REPORT – Audited (continued)

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

Link between performance and director's remuneration (continued)

	30 June 2022
	\$
Share price at listing date (10 February 2022)	0.53
Share price at end of year	0.17
Basic loss per share (cents)	(8.09)
Diluted loss per share (cents)	(8.09)

Remuneration consultants

The Company did not engage any remuneration consultants during the period.

The Company will engage independent remuneration consultants should it look to make any changes to director fee levels to ensure they are in line with market conditions and any decisions are made free from undue influence from members of the Company's KMP's.

B. Details of remuneration

Amounts of remuneration

Details of the remuneration of the directors and the key management personnel of the Group are found below:

Director	Role
Mr Richard Bevan	Non-Executive Chairperson (appointed 18 August 2021)
Mr Phil Warren	Non-Executive Director (appointed 18 August 2021)
Mr Gregory Miles	Non-Executive Director (appointed 18 August 2021)
Ms Kathryn Cutler	Chief Executive Officer (appointed 4 November 2021)

The below directors, while officers of the Group during 2022, received no remuneration, and are therefore not disclosed:

Director	Role
Mr Paul L'Herpinere	Director (resigned 18 August 2021)
Mr Geoffrey McNamara	Director (resigned 2 July 2021)
Mr Peter Stuntz	Director (resigned 2 July 2021)
Mr Sonu Cheema	Director (resigned 18 August 2021)
Mr Jason Rogers	Director (resigned 18 August 2021)

DIRECTORS' REPORT

REMUNERATION REPORT – Audited (continued)

B. Details of remuneration (continued)

Key management personnel of the Group

30 June 2022	Short-term employee benefits			Long-term employee benefits	Post-employment benefits		Share-based payments	Total	Total remuneration represented by Options/ Performance Rights
	Cash salary & fees	Other	Annual Leave	Long Service Leave	Superannuation Pensions	Retirement benefits	Options/ performance rights		
Directors	\$	\$	\$	\$	\$	\$	\$	\$	%
Non-Executive directors									
Richard Bevan	25,536 ⁽ⁱ⁾	-	-	-	-	-	238,493	264,029	90%
Phil Warren	17,411	-	-	-	1,741	-	225,372	244,524	92%
Greg Miles	17,411	-	-	-	1,741	-	162,263	181,415	89%
Sub-total Non-executive directors	60,358	-	-	-	3,482	-	626,128	689,968	91%
Key Management Personnel									
Kathryn Cutler	144,560	-	12,925	-	14,456	-	302,645	474,586	64%
Total key management personnel compensation (Group)	204,918	-	12,925	-	17,938	-	928,773	1,164,554	80%

(i) This amount is invoiced to the Company by Bayreef Investments Pty Ltd in relation to Mr Bevan's services as a Non-Executive Chairperson to the group.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Performance based remuneration 2022	Fixed remuneration 2022
Key Management Personnel		
Richard Bevan	90%	10%
Phil Warren	92%	8%
Greg Miles	89%	11%
Kathryn Cutler	64%	36%

DIRECTORS' REPORT

REMUNERATION REPORT – Audited (continued)

C. Service agreements

Executive Services Agreement – Chief Executive Officer

The Group has entered into an executive services agreement with Ms Kathryn Cutler in respect of her employment as Chief Executive Officer of the Company (Executive Services Agreement).

Name	Base salary excluding superannuation	Termination benefit
Executive		
Kathryn Cutler (CEO)	\$220,000	3 months' notice in writing to Ms Cutler and paying a further three months' salary in addition to the notice period.

Non-executive directors

On appointment to the Board, all non-executive directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the Board's policies and terms, including compensation, relevant to the director, and among other things:

- the terms of the director's appointment, including governance, compliance with the Company's Constitution, committee appointments, and re-election;
- the director's duties, including disclosure obligations, exercising powers, use of office, attendance at meetings and commitment levels;
- the fees payable, in line with shareholder approval, any other terms, timing of payments and entitlements to reimbursements;
- insurance and indemnity;
- disclosure obligations; and
- confidentiality.

The following fees applied during the year:

Name	Base salary
Non-Executive	
Phillip Warren	\$45,000 ⁽ⁱ⁾
Greg Miles	\$45,000 ⁽ⁱ⁾
Richard Bevan	\$60,000 ⁽ⁱ⁾

(i) Salary payable from the date of listing of the Company's securities on the Australian Securities Exchange (ASX).

DIRECTORS' REPORT

REMUNERATION REPORT – Audited (continued)

D. Share-based compensation

Performance Rights

The following Performance Rights were granted to Chief Executive Officer and the Board of Directors during the year:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Disposal Restriction
A	Directors & CEO performance rights	22 Dec 2021	2,750,000	Nil – Vest on achievement of performance conditions	31 Jan 2027	Subject to 24 months escrow from date of ASX quotation
B	Directors & CEO performance rights	22 Dec 2021	1,850,000	Nil – Vest on achievement of performance conditions	31 Jan 2027	Subject to 24 months escrow from date of ASX quotation
C	Directors & CEO performance rights	22 Dec 2021	510,000	Nil – Vest on achievement of performance conditions	31 Jan 2027	Subject to 24 months escrow from date of ASX quotation

The performance conditions for the Performance Rights are set out below:

Tranche	Performance Milestones
A	Performance Rights will vest upon the 20-day volume weighted average market price (VWAP) exceeding \$0.40 per share
B	Performance Rights will vest upon the 20-day VWAP exceeding \$0.60 per share
C	Performance Rights will vest upon the 20-day VWAP exceeding \$0.70 per share

Performance Rights were valued using a Monte Carlo Model with the following inputs with the expense recognised over the vesting period:

Tranche	Dividend Yield	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Right (\$)	Total Fair Value (\$)	Value Recognised 30 Jun 2022 (\$)
A	Nil	22 Dec 2021	100%	1.60%	31 Jan 2027	\$0.20	\$0.185	\$508,335	\$508,335
B	Nil	22 Dec 2021	100%	1.60%	31 Jan 2027	\$0.20	\$0.174	\$321,980	\$32,944
C	Nil	22 Dec 2021	100%	1.60%	31 Jan 2027	\$0.20	\$0.169	\$86,358	\$8,836

DIRECTORS' REPORT

REMUNERATION REPORT – Audited (continued)

D. Share-based compensation (continued)

Unlisted Options

The following unlisted options were granted to Chief Executive Officer and the Board of Directors during the year:

Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Vesting Date	Disposal Restriction
Board and CEO Options	22 Dec 2021	3,000,000	\$0.30	31 Jan 2026	22 Dec 2021	Subject to 24 months escrow from date of ASX quotation

Options were valued using a Black-Scholes Model with the following inputs:

Class of Securities	Dividend Yield	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Option (\$)	Total Fair Value (\$)	Value Recognised 30 Jun 22 (\$)
Board and CEO Options	Nil	22 Dec 2021	100%	1.09%	31 Jan 2026	\$0.20	\$0.13	\$378,658	\$378,658

E. Equity instruments held by key management personnel

Shareholdings

The numbers of shares in the Group held during the period by each director of Killi Resources Limited and other key management personnel of the Group, including their personally related parties are set out below. There were no shares granted during the reporting period as compensation.

2022 Name	Balance at the start of the year	Movement during the period	Balance at appointment/ (resignation date)	Balance at the end of the year
Directors				
Richard Bevan	-	550,000	-	550,000
Phil Warren	-	200,000	-	200,000
Greg Miles	-	350,000	-	350,000
Kathryn Cutler	-	450,000	-	450,000
Total	-	1,550,000	-	1,550,000

DIRECTORS' REPORT

REMUNERATION REPORT – Audited (continued)

E. Equity instruments held by key management personnel (continued)

Option holdings

The number of options over ordinary shares in the Group held during the year by each director of Killi Resources Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2022 Name	Balance at the start of the year	Granted as compensation	Vested	Balance at appointment	Balance at end of the year
Directors					
Richard Bevan	-	700,000	-	-	700,000
Phil Warren	-	1,000,000	-	-	1,000,000
Greg Miles	-	500,000	-	-	500,000
Kathryn Cutler	-	800,000	-	-	800,000
Total	-	3,000,000	-	-	3,000,000

Performance Rights holdings

The number of performance rights over ordinary shares in the Group held during the year by each director of Killi Resources Limited and other key management personnel of the Group, including their personally related parties, are set out below

2022 Name	Balance at the start of the year	Granted as compensation	Vested	Balance at appointment	Balance at end of the year	Vested and exercisable	Un-vested
Directors							
Richard Bevan	-	1,400,000	750,000	-	1,400,000	750,000	650,000
Phil Warren	-	880,000	500,000	-	880,000	500,000	380,000
Greg Miles	-	880,000	500,000	-	880,000	500,000	380,000
Kathryn Cutler	-	1,950,000	1,000,000	-	1,950,000	1,000,000	950,000
Total	-	5,110,000	2,750,000	-	5,110,000	2,750,000	2,360,000

F. Loans to key management personnel

No loans were provided to, made, guaranteed, or secured directly or indirectly to any KMP or their related entities during the financial year.

G. Other transactions with key management personnel

Grange Consulting Group Pty Ltd (**Grange**), of which Phil Warren is Managing Director, received \$128,029 excluding GST (2021: \$nil) during the year for financial services, company secretarial work and corporate advisory services. These services are provided on normal commercial terms and at arm's length. \$11,550 balance remained outstanding as at 30 June 2022. Grange (or its nominee) was also issued with 3,000,000 unlisted options (**Advisor Options**) as consideration for corporate advisory and transaction management services. The terms and conditions of these options are disclosed in note 17.

This is the end of the Remuneration Report, which has been audited.

DIRECTORS' REPORT

This report of Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of Directors.



Richard Bevan
Non-Executive Director

Perth, Western Australia, 28 September 2022

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Killi Resources Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
28 September 2022



N G Neill
Partner

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INDEPENDENT AUDITOR'S REPORT

To the Members of Killi Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Killi Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 30 June 2022 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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

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

We have determined the matters described in the next page to be key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
<p>Exploration and evaluation asset Refer to Note 9 of the financial report</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> - Obtaining an understanding of the key processes associated with management’s review of the carrying value of exploration and evaluation; - Considering the Directors’ assessment of potential indicators of impairment in addition to making our own assessment; - Obtaining evidence that the Group has current rights to tenure of its areas of interest; - Considering the nature and extent of future planned ongoing activities; - Substantiating the acquisitions undertaken during the year by agreeing to supporting documentation; and - Ensuring appropriate disclosures are made in the annual report.
<p>Share-based payments Refer to Note 17 of the financial report</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> - Obtaining evidence to verify the key inputs and ensure recognition of the expense in accordance with AASB 2, as well as the allocation across vesting periods where relevant; - For securities with market based vesting conditions, we checked the work performed by the management’s expert, noted the competencies of the expert utilised and relevance of valuation performed in accordance with the accounting standards; - Ensuring appropriate disclosures are made in the annual report.

Information Other than the Financial Report and Auditor’s Report Thereon

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 2022, but does not include the financial report and our auditor’s report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

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

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Killi Resources Limited for the year ended 30 June 2022 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.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
28 September 2022



N G Neill
Partner

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Note	Year ended 30 June 2022 \$	21 January 2021 to 30 June 2021 \$
Other income	2	200,432	1,820
Administration expenses		(111,342)	(15,308)
Public company expenses	3	(236,312)	(63,854)
Marketing expenses		(30,203)	-
Exploration expenses		(954,738)	(91,946)
Share-based payments	17	(1,085,383)	-
Employee benefit expenses	3	(237,205)	-
Depreciation expense		(2,306)	-
Consulting expenses		(110,810)	(20,500)
Loss before income tax		(2,567,867)	(189,788)
Income tax expense	4	-	-
Loss after income tax		(2,567,867)	(189,788)
Other comprehensive loss for the period, net of tax		-	-
Total comprehensive loss for the period		(2,567,867)	(189,788)
Loss per share from continuing operations attributable to the ordinary equity holders of Killi Resources Limited:			
Basic and diluted loss per share (cents)	5	(8.09)	(1.19)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	4,684,488	53,211
Trade and other receivables	8	189,244	83,990
Total current assets		4,873,732	137,201
Non-current assets			
Property, plant and equipment	10	64,922	-
Exploration and evaluation asset	9	1,399,949	1,389,473
Total non-current assets		1,464,871	1,389,473
TOTAL ASSETS		6,338,603	1,526,674
LIABILITIES			
Current liabilities			
Trade payables and other payables	11	303,268	116,461
Provisions	12	18,905	-
Total current liabilities		322,173	116,461
TOTAL LIABILITIES		322,173	116,461
NET ASSETS		6,016,430	1,410,213
EQUITY			
Issued capital	13	7,626,222	1,600,001
Reserves	14	1,147,863	-
Accumulated losses		(2,757,655)	(189,788)
TOTAL EQUITY		6,016,430	1,410,213

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	Issued Capital	Share-Based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2021	1,600,001	-	(189,788)	1,410,213
Loss for the year	-	-	(2,567,867)	(2,567,867)
Total comprehensive income/(loss) for the period	-	-	(2,567,867)	(2,567,867)
Transactions with owners, recorded directly in equity				
Issue of shares, net of costs	6,026,221	-	-	6,026,221
Share-based payments	-	1,147,863	-	1,147,863
Balance at 30 June 2022	7,626,222	1,147,863	(2,757,655)	6,016,430

	Issued Capital	Share-Based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Incorporated on 21 January 2021	1	-	-	1
Total comprehensive income for the period	-	-	(189,788)	(189,788)
Loss for the year	-	-	(189,788)	(189,788)
Total comprehensive income/(loss) for the period	-	-	(189,788)	(189,788)
Transactions with owners, recorded directly in equity				
Acquisition of West Tanami and Ravenswood North Projects	1,600,000	-	-	1,600,000
Balance at 30 June 2021	1,600,001	-	(189,788)	1,410,213

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Payments to suppliers and employees		(779,857)	(69,703)
Interest received		445	-
Exploration and evaluation expenditure		(764,922)	(36,371)
Proceeds received from JV partners	2	199,987	-
Net cash outflow from operating activities	7	(1,344,347)	(106,074)
Cash flows from investing activities			
Payment for property, plant, and equipment	10	(67,228)	-
Payments of capitalised exploration and evaluation expenditure	9	(10,476)	-
Net cash outflow from investing activities		(77,704)	-
Cash flows from financing activities			
Proceeds from share issue	13	6,600,000	-
Share issue costs	13	(546,672)	-
Cash acquired as part of asset acquisitions		-	159,285
Net cash inflow from financing activities		6,053,328	159,285
Net increase in cash and cash equivalents		4,631,277	53,211
Cash and cash equivalents at beginning of the financial period		53,211	-
Cash and cash equivalents at end of the period	7	4,684,488	53,211

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. Summary of significant accounting policies

(a) Basis of preparation

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. The financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board (IASB). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Comparatives

The Company was incorporated on 21 January 2021 and accordingly the comparative period for these financial periods is from the date of incorporation to 30 June 2021.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 22.

Going Concern

The directors believe that there are reasonable grounds to believe that the Group will continue as a going concern, after consideration of the following factors:

- The Group continues to keep costs at a minimum in order to conserve cash reserves for the financial period ended 30 June 2022. The Group was well funded at 30 June 2022 with \$4,684,488 in cash and cash equivalents.

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 directors plan to continue the Group's operations on the basis as outlined above and believe there will be sufficient funds for the Group to meet its obligations and liabilities for at least twelve months from the date of this report.

(b) New and amended standards adopted by the entity

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(c) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Killi at the end of the reporting period. A controlled entity is any entity over which Killi has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities, which has not had a material impact on the consolidated entity's financial statements.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated Group have been eliminated in full on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

(c) Principles of consolidation (continued)

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the Consolidated Statement of Financial Position and the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

(d) Income tax

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The charge for current income tax expenses is based on the profit for the period adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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 are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(e) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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

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

(f) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

(f) Impairment of assets (continued)

Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-financial assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of financial performance. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

(g) Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instrument at the date at which they are granted when the fair value of goods and/or services cannot be determined. The fair value of options granted is measured using the Black-Scholes option pricing model. The fair value of performance rights granted is measured using the Monte Carlo model. The model uses assumptions and estimates as inputs.

The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the year in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date'). The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting year has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date.

No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a year represents the movement in cumulative expense recognised at the beginning and end of the year.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash at bank.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

(i) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(j) Trade and other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30 days of recognition.

(k) Exploration and Evaluation Expenditure

Mineral exploration and evaluation costs are expensed as incurred. Acquisition costs will normally be expensed but will be assessed on a case-by-case basis and if appropriate may be capitalised.

These acquisition costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the tenement. Accumulated acquisition costs in relation to an abandoned tenement are written off in full against the profit and loss in the year which the decision to abandon the tenement is made. Where a decision has been made to proceed with development in respect of a particular area of interest, all future costs are recorded as a development asset.

(l) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-7 years
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(m) Contributed Equity

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

(n) Employee entitlements

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(o) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

1. Summary of significant accounting policies (continued)

(o) Revenue and other income (continued)

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

(p) Earnings/Loss per share

Basic earnings/loss per share is calculated by dividing:

- The earnings/loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (note 5).

(q) Current and non-current classification

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

(r) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(s) Critical accounting estimates and judgments

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Recoverability of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined using the Black-Scholes option pricing model, and the fair value of performance rights is determined using the Monte Carlo model.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

2. Other income

	2022	2021
	\$	\$
Proceeds received from JV Partner ⁽ⁱ⁾	199,987	-
Bank interest	445	-
Loan forgiveness	-	1,820
Total other income	200,432	1,820

(i) JV proceeds have been recognised as other income as they are non-refundable, and no transfer of project ownership has occurred at 30 June 2022. Refer to note 9 for further details.

3. Material profit and loss items for the year

Loss for the year includes the following items:

	2022	2021
	\$	\$
Employee benefit expenses:		
Employee wages and directors' fees	184,786	-
Other employee expenses (including superannuation)	52,419	-
Total employee benefit expenses	237,205	-
Public company expenses		
Accounting expenses	36,732	3,099
ASX expenses	84,981	-
Share registry expenses	10,517	-
Legal expenses	97,761	13,709
Other expenses	6,321	47,046
Total public company expenses	236,312	63,854

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

4. Income tax

	2022	2021
	\$	\$
(a) Income tax benefit/(expense)		
Current tax	-	-
Deferred tax	-	-
<i>Reconciliation of income tax expense to prima facie tax payable</i>		
Profit/(loss) from ordinary activities before income tax	(2,567,867)	(189,788)
<i>The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:</i>		
Prima facie tax on operating profit at 30 % (2021: 30%)	(770,360)	(56,936)
<i>Add tax effect of:</i>		
Tax losses not brought to account	444,745	56,936
Share-based payments	325,615	-
	-	-
(b) Deferred Income Tax		
Income tax reported in the statement of profit or loss and other comprehensive income	-	-
<i>Deferred income tax at 30 June relates to the following:</i>		
<i>Deferred tax liabilities:</i>		
Exploration assets	30,932	-
Property, plant & equipment	19,477	-
Set-off deferred tax liabilities pursuant to set-off provisions	(50,409)	-
	-	-
<i>Deferred tax assets:</i>		
Tax value of losses carried forward	626,879	56,936
Set-off deferred tax liabilities pursuant to set-off provisions	(50,409)	-
Accrued expenses	7,145	-
Employee benefits	6,732	-
Non-recognition of deferred tax assets	(590,347)	(56,936)
	-	-
(c) Tax losses		
Australian tax losses of a revenue nature carried forward for which no deferred tax asset has been recognised	2,089,597	189,788
Potential Australian tax benefit at 30% (2021: 30%)	626,879	56,936
Australian tax losses of a capital nature recognised upon tax consolidation of the Group carried forward for which no deferred tax asset has been recognised	1,424,574	-
Potential Australian tax benefit at 30% (2021: 30%)	427,372	-

The benefit for tax losses will only be obtained if:

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

At 30 June 2022, there is no recognised or unrecognised deferred income tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiary as the Group has no liability for additional taxation should such amounts be remitted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

5. Loss per share

Basic earnings/(loss) per share amounts are calculated by dividing net profit/(loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the total operations basic and diluted loss per share computations:

Basic and diluted profit/(loss) per share	2022	2021
Loss used to calculate basic and diluted profit/(loss) per share	(2,567,867)	(189,788)
Basic and diluted profit/(loss) per share from continuing operations (cents per share)	(8.09)	(1.19)
Weighted average number of ordinary shares	2022 No.	2021 No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic LPS	31,754,521	16,000,000
Weighted average number of ordinary shares outstanding during the year used in calculating diluted LPS	31,754,521	16,000,000

6. Dividends paid or proposed

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

7. Cash and cash equivalents

	2022 \$	2021 \$
Current		
Cash at bank and in hand ⁽ⁱ⁾	4,684,488	53,211
Total cash and cash equivalents	4,684,488	53,211

(i) Refer to note 15 on financial instruments for details on the Company's exposure to risk in respect of its cash balance.

Significant accounting policy

For cashflow statement presentation proposed, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in rate.

Operating cash flow reconciliation

	2022 \$	2021 \$
Reconciliation of operating cash flows to net profit/(loss)		
Loss for the year	(2,567,867)	(189,788)
Share-based payments	1,085,383	-
Depreciation and amortisation expenses	2,306	5,530
Write down of investments	-	6,201
Change in operating assets and liabilities:		
(Increase) in trade and other receivables	(105,254)	(18,965)
Increase in trade and other payables	241,085	90,948
Cash flow from operations	(1,344,347)	(106,074)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

7. Cash and cash equivalents (continued)

Non-cash investing activities

No non-cash investing activities recorded during the period.

Non-cash financing activities

Options totalling \$62,480 were issued to brokers during the year as a non-cash financing activity.

8. Trade and other receivables

	2022 \$	2021 \$
Current		
Deposits	3,000	3,000
Prepayments	-	67,414
GST receivable	69,294	13,576
Other receivables	116,950	-
Total trade and other receivables	189,244	83,990

Past due but not impaired

The Group did not have any receivables that were past due as at 30 June 2022. The Group did not consider a credit risk on the aggregate balances as at 30 June 2022. Please refer to note 15 for financial instruments, risk management objectives and policies.

9. Exploration and evaluation asset

	2022 \$	2021 \$
Opening balance	1,389,473	-
Acquisition of West Tanami and Ravenswood North Projects	-	1,389,473
Acquisition costs capitalised during the period – Mt Rawdon	7,891	-
Acquisition costs capitalised during the period – Balfour	2,585	-
Total exploration and evaluation asset	1,399,949	1,389,473

The value of the Group's interest in exploration expenditure is dependent upon:

- the continuance of the Company's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

Joint Venture

On 18 August 2021, Killi entered into an arrangement ('Joint Venture Arrangement') with 1315795 B.C Ltd ("Numberco"), which provided Numberco with the exclusive right and option to acquire a 38% interest in Killi's Ravenswood Project, conditional to the issue of C\$850,000 worth of Numberco shares, on or before 31 December 2021. Killi later signed a variation agreement with Numberco on 18 December 2021, extending the deadline of this option to 31 March 2022.

The agreement stipulates, that in order to be granted this right, Numberco shall, on or before the 31 March 2022:

- If the Company has not gone Public, issue to Killi C\$850,000 worth of Numberco Shares; or
- If the Company has gone Public:
 - Where Numberco is the listed Company, issue to Killi; or
 - Where Numberco is not the listed Company, procure the listed Company to issue shares to Killi, C\$850,000 worth of listed Company Shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

9. Exploration and evaluation asset (continued)

The First Option under the Joint Venture Agreement over the Ravenswood North Project was not exercised by Numberco prior to the option expiry date and the Joint Venture Agreement has been terminated. Killi Resources retains 100% ownership over the project and all tenements at 30 June 2022.

10. Property, plant and equipment

	2022	2021
	\$	\$
Motor vehicles – at cost	67,228	-
Less: accumulated depreciation	(2,306)	-
Total property, plant and equipment	64,922	-

Reconciliation of movements in property, plant and equipment

	\$
Balance at 30 June 2021	-
Balance at 1 July 2021	-
Additions	67,228
Depreciation expense	(2,306)
Balance at 30 June 2022	64,922

11. Trade payables and other payables

	2022	2021
	\$	\$
Current		
Accrued expenses	23,817	69,448
Other payables	17,682	42,613
Trade creditors	261,769	4,400
Total trade payables and other payables	303,268	116,461

Significant accounting policy

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 2 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Trade payables are non-interest bearing and are normally settled on 30-day terms. Other payables are non-interest bearing and have an average term of 2 months. All amounts are expected to be settled within 12 months. Please refer to note 15 on Financial Instruments for further discussion on risk management.

12. Provisions

	2022	2021
	\$	\$
Current		
Annual leave provision ⁽ⁱ⁾	18,905	-
Total provisions	18,905	-

(i) All amounts are expected to be settled within 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

13. Issued capital

(a) Issued and fully paid

	30 June 2022		30 June 2021	
	\$	No.	\$	No.
Ordinary shares	7,626,222	52,000,000	1,600,001	63,588,813
	7,626,222	52,000,000	1,600,001	63,588,813

(b) Movement reconciliation

Ordinary Shares	No. of Shares	\$
Opening balance at 21 January 2021	1	1
Issue of 63,588,812 shares	63,588,812	1,600,001
Opening balance at 1 July 2021	63,588,813	1,600,001
Consolidation of shares on a 1 for 3.974 basis - 30 July 2021	(47,588,813)	-
Issue of seed capital shares – 15 October 2021	800,000	80,000
Issue of seed capital shares – 2 November 2021	5,200,000	520,000
Issue of IPO placement shares – 14 December 2021	18,640,713	3,728,143
Issue of IPO placement shares – 31 January 2021	11,359,287	2,271,857
Share issue costs ⁽ⁱ⁾	-	(573,779)
Closing Balance at 30 June 2022	52,000,000	7,626,222

(i) Share issue costs include share-based payment expense of \$62,480 in relation to options issued to Killi's lead broker upon successful admission of the Group to the official list of the ASX. Refer to note 17 for relevant terms.

(c) The share capital of the Group as at 30 June 2022 was 52,000,000 ordinary shares.

18,425,000 shares of the Group were subject to 24 months escrow at 30 June 2022. 575,000 shares of the Group are subject to 12 months escrow at 30 June 2022.

(d) Terms and conditions of issued capital

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

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

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

Grant Date	Expiry Date	Exercise Price	Number Under Option	Number Under Performance Rights
22 Dec 2021	31 Jan 2027	Nil	-	5,110,000
16 Nov 2021	31 Jan 2026	\$0.30	3,000,000	-
22 Dec 2021	31 Jan 2026	\$0.30	3,000,000	-
10 Feb 2022	31 Jan 2026	\$0.30	500,000	-
			6,500,000	5,110,000

(e) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's capital includes ordinary share capital, partly paid shares and financial liabilities, supported by financial assets.

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 programs and corporate overheads.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

13. Issued capital (continued)

e) Capital risk management

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 net working capital position of the Group at 30 June 2022 was \$4,551,559 (30 June 2021: \$20,740) and the net increase in cash held during the year was \$4,631,277 (30 June 2021: \$53,211). The Group had at 30 June 2022 \$4,684,488 of cash and cash equivalents.

14. Reserves

(a) Share-based payments reserves

	30 June 2022		30 June 2021	
	\$	No.	\$	No
Option reserve	597,748	6,500,000	-	-
Performance rights reserve	550,115	5,110,000	-	-
	1,147,863	11,610,000	-	-

(b) Movement reconciliation Performance Rights

	30 June 2022 No.	30 June 2022 \$
Balance at the end of the period – 30 June 2021	-	-
Balance at the beginning of the period – 1 July 2021	-	-
Performance rights granted to Board and CEO as part of remuneration package ⁽ⁱ⁾	5,110,000	550,115
Balance at the end of the period – 30 June 2022	5,110,000	550,115

Options

	30 June 2022 No.	30 June 2022 \$
Balance at the end of the period – 30 June 2021	-	-
Balance at the beginning of the period – 1 July 2021	-	-
Options granted to advisors in accordance with transaction management mandate ⁽ⁱ⁾	3,000,000	156,610
Options granted to Board and CEO as part of remuneration package ⁽ⁱ⁾	3,000,000	378,658
Options granted to brokers in accordance with transaction mandate ⁽ⁱⁱ⁾	500,000	62,480
Balance at the end of the period – 30 June 2022	6,500,000	597,748

(i) Refer to note 17 for further details on options and performance rights issued during the year.

(ii) Expense relating to granting of broker options has been recognised as part of share issued costs. Refer to note 13 for further details.

Nature and purpose of share-based payments reserves

The share-based payment reserve records the value of option and performance rights and performance shares issued to the Group's directors, employees, and third parties. The value of the amount disclosed during the year reflects the value of options and performance shares issued by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

15. Financial instruments

Financial risk management

The Group's activities expose it to a variety of financial risks including market risk (interest rate risk, foreign exchange risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group does not use derivative financial instruments; however, the Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and aging analysis for credit risk.

Risk management is carried out by the Board of Directors with assistance from suitably qualified external and internal advisors. The Board provides written principles for overall risk management and further policies will evolve commensurate with the evolution and growth of the Group.

(a) Market risk

(i) Interest Rate Risk

The Group holds cash at bank with variable interest rates. The interest rate is low and changes in the interest rates will have minimal impact to the Group.

(ii) Foreign exchange risk

The Group operated pre-dominantly in Australia in the year ended 30 June 2022 and had minimal exposure to foreign exchange risk.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company measures credit risk on a fair value basis. The Company does not have any significant credit risk exposure to a single counterparty or any Group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk without taking account of the fair value of any collateral or other security obtained.

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

	2022 \$	2021 \$
Cash and cash equivalents AA-	4,684,488	53,211
Total	4,684,488	53,211

(c) Maturity analysis of financial assets and liabilities

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. As at reporting date the Group had sufficient cash reserves to meet its requirements. The Group therefore had no credit standby facilities or arrangements for further funding in place.

The financial liabilities of the Group at reporting date were trade 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. The Group does not consider this to be material to the Group and have therefore not undertaken any further analysis of risk exposure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

15. Financial instruments (continued)

(c) Maturity analysis of financial assets and liabilities (continued)

2022 Contractual maturities of financial liabilities	Less than 6 months	1 year or less	Over 1 to 5 years	More than 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
Financial liabilities							
Other payables	41,499	-	-	-	-	41,499	41,499
Trade creditors	261,769	-	-	-	-	261,769	261,769
Total financial liabilities	303,268	-	-	-	-	303,268	303,268

2021 Contractual maturities of financial liabilities	Less than 6 months	1 year or less	Over 1 to 5 years	More than 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
Financial liabilities							
Accrued expenses	69,448	-	-	-	-	69,448	69,448
Other payables	42,613	-	-	-	-	42,613	42,613
Trade creditors	4,400	-	-	-	-	4,400	4,400
Total financial liabilities	116,461	-	-	-	-	116,461	116,461

16. Operating segments

Operating segments that meet the quantitative criteria of AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to the users of the financial statements.

The Group operates within the mineral exploration industry within Australia.

The Group determines its operating segments by reference to internal reports that are reviewed and used by the Board of Directors (the chief operating decision maker) in assessing performance and in determining the allocation of resources. The Board of Directors currently receive Statement of Financial Position and Statement of Comprehensive Income information that is prepared in accordance with Australian Accounting Standards.

The Statement of Financial Position and Statement of Comprehensive Income information received by the Board of Directors does not include any information by segment. The executive team manages each exploration activity of each exploration concession through review and approval of statutory expenditure requirements and other operational information. Based on this criterion, the Group has only one operating segment, being exploration, and the segment operations and results are the same as the Group results.

17. Share-based payments

Share-based payments during the year ended 30 June 2022 are summarised below.

(a) Recognised share-based payment expense

	2022 \$	2021 \$
Expense arising from option share-based payment transactions	535,268	-
Expense arising from performance rights share-based payment transactions	550,115	-
Total expenses arising from equity settled share-based payment transactions	1,085,383	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

17. Share-based payments (continued)

(b) Securities granted during the year

Options granted during the year ended 30 June 2022 as share-based payments are as follows:

Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Vesting Date	Disposal Restriction
Advisor Options	16 Nov 2021	3,000,000	\$0.30	31 Jan 2026	16 Nov 2021	Subject to 24 months escrow from date of ASX quotation
Board and CEO Options	22 Dec 2021	3,000,000	\$0.30	31 Jan 2026	22 Dec 2021	Subject to 24 months escrow from date of ASX quotation
Broker Options ⁽ⁱ⁾	10 Feb 2022	500,000	\$0.30	31 Jan 2026	10 Feb 2022	Subject to 24 months escrow from date of ASX quotation

(i) As options issued to Killi's Lead Broker were granted upon successful admission of the Group to the Official List of the ASX, \$62,480 has been recognised within share issue costs (refer to note 13).

Options were valued using a Black-Scholes Model with the following inputs:

Class of Securities	Dividend Yield	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Option (\$)	Total Fair Value (\$)	Value Recognised 30 Jun 22 (\$)
Advisor Options	Nil	16 Nov 2021	100%	1.16%	31 Jan 2026	\$0.10	\$0.05	\$156,610	\$156,610
Board and CEO Options	Nil	22 Dec 2021	100%	1.09%	31 Jan 2026	\$0.20	\$0.13	\$378,658	\$378,658
Broker Options	Nil	10 Feb 2022	100%	1.62%	31 Jan 2026	\$0.20	\$0.12	\$62,480	\$62,480

Performance rights granted during the year ended 30 June 2022 as share-based payments are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Disposal Restriction
A	Directors & CEO performance rights ⁽ⁱ⁾	22 Dec 2021	2,750,000	Nil – Vest on achievement of performance conditions ¹	31 Jan 2027	Subject to 24 months escrow from date of ASX quotation
B	Directors & CEO performance rights	22 Dec 2021	1,850,000	Nil – Vest on achievement of performance conditions ¹	31 Jan 2027	Subject to 24 months escrow from date of ASX quotation
C	Directors & CEO performance rights	22 Dec 2021	510,000	Nil – Vest on achievement of performance conditions ¹	31 Jan 2027	Subject to 24 months escrow from date of ASX quotation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

17. Share-based payments (continued)

(b) Securities granted during the year (continued)

The performance conditions for the Director & CEO performance rights are set out below:

Tranche	Performance Milestones
A	Performance rights will vest upon the 20-day VWAP exceeding \$0.40 per share
B	Performance rights will vest upon the 20-day VWAP exceeding \$0.60 per share
C	Performance rights will vest upon the 20-day VWAP exceeding \$0.70 per share

Management have valued tranches A through C performance rights based on the share price at the grant date. A 100% probability of achieving the vesting condition has been applied to the expense in the current reporting period.

Performance Rights were valued using a Monte Carlo Model with the following inputs with the expense recognised over the vesting period:

Tranche	Dividend Yield	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Right (\$)	Total Fair Value (\$)	Value Recognised 30 Jun 22 (\$)
A	Nil	22 Dec 2021	100%	1.60%	31 Jan 2027	\$0.20	\$0.185	\$508,335	\$508,335 ⁽ⁱ⁾
B	Nil	22 Dec 2021	100%	1.60%	31 Jan 2027	\$0.20	\$0.174	\$321,980	\$32,944
C	Nil	22 Dec 2021	100%	1.60%	31 Jan 2027	\$0.20	\$0.169	\$86,358	\$8,836

(i) Tranche A of performance rights vested upon achievement of VWAP exceeding \$0.40 per share from 10 February 2022 to 9 March 2022.

18. Commitments and contingent liabilities

(a) Exploration expenditure

In order to maintain mining tenements, the economic entity is committed to meet the prescribed conditions under which tenements were granted. These commitments may be met in the normal course of operations by future capital raisings and/or farm-out and under certain circumstances are subject to the possibility of adjustment to the amount and timing of such obligations or by tenement relinquishment.

	2022 \$	2021 \$
Exploration expenditure commitments Payable:		
Not later than 12 months	1,260,940	857,000
Between 12 months and 5 years	1,808,766	828,400
Greater than 5 years	-	-
Total	3,069,707	1,685,400

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

18. Commitments and contingent liabilities (continued)

(b) Other commitments and contingencies

Deferred Consideration

On 24 August 2021, Killi signed a Further Letter Agreement with FMG Resources Pty Ltd ("FMG"). The letter was pursuant to a Letter of Agreement dated 26 March 2020 relating to the surrender of exploration licences 252/3141 and E52/3116 and FMG's subsequent application for a replacement tenement (exploration licence E52/3831).

Under the Further Letter Agreement:

- FMG will pay Iron Bull Bangemall (a subsidiary of Killi) a deferred consideration payment of \$100,000 (plus GST) if FMG is the holder of the replacement tenement on a date which is 3 years after the date of grant of the replacement tenement, provided that as at such date the area the subject of the replacement tenement includes the area the subject of the exploration licences immediately before execution of the Letter of Agreement; and
- FMG will pay Iron Bull Bangemall (a subsidiary of Killi) a deferred consideration payment of \$100,000 (plus GST) if FMG is the holder of the replacement tenement on the date which is 5 years after the date of grant of the replacement tenement, provided that as at such a date the area the subject of the replacement tenement includes the area the subject of the exploration licences immediately before execution of the Letter of Agreement.

In accordance with Australian Accounting Standards, due to the uncertainty in relation to the timing of this Contingent Consideration, no amounts have been recognised in the financial statements in relation to these matters. At the date of the report no other material commitments, contingent assets or contingent liabilities exist that the Company is aware of, other than those disclosed above.

19. Related party disclosure

(a) Parent entities

Killi Resources Limited is the ultimate Australian parent entity.

(b) Subsidiaries

The consolidated financial statements include the financial statements of Killi Resources Limited and the subsidiaries listed in the following table.

	Country of Incorporation	30 June 2022 % Equity Interest	30 June 2021 % Equity Interest	Principal Activity
Access Australia Mining Pty Ltd	Australia	100	100	Operating subsidiary
Iron Bull Bangemall Ltd	Australia	100	100	Operating subsidiary
Iron Bull International Holdings Ltd	BVI	100	100	Non-operating subsidiary

(c) Key management personnel compensation

	2022 \$
Short-term employee benefits	204,918
Post-employment long term benefits	17,938
Long term benefits (annual leave and long service leave)	12,925
Share-based payments	928,773
Total	1,164,554

None of the directors, or their related entities, received any fees or benefits during the period ended 30 June 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

19. Related party disclosure (continued)

(d) Other transactions with key management personnel

Issue of options and performance rights

During the year-ended 2022, the following securities were issued to key management personnel:

Executive and Non-Executive Name	Class of Securities	Grant Date	No. Performance Rights	No. Options	Share-based Payments \$
Gregory Miles	Board and CEO Options and Performance Rights ⁽ⁱ⁾	22 Dec 2021	880,000	500,000	162,263
Richard Bevan	Board and CEO Options and Performance Rights ⁽ⁱ⁾	22 Dec 2021	1,400,000	700,000	238,493
Phillip Warren	Board and CEO Options and Performance Rights ⁽ⁱ⁾	22 Dec 2021	880,000	1,000,000	225,372
Kathryn Cutler	Board and CEO Options and Performance Rights ⁽ⁱ⁾	22 Dec 2021	1,950,000	800,000	302,645
TOTAL			5,110,000	3,000,000	928,773

(i) Refer to notes 13, 14 and 17 for further details regarding options and performance rights granted during the period.

Grange Consulting: Mr Phil Warren, a Director of the Company, is also the Managing Director of Grange Consulting Group Pty Ltd (**Grange**). \$128,029 (ex. GST) was paid to Grange for financial management, company secretarial services, and transaction management services for the year ended 30 June 2022. \$11,550 was outstanding and payable to Grange as at 30 June 2022. Grange (or its nominee) was also issued with 3,000,000 unlisted options (**Advisor Options**) as consideration for corporate advisory and transaction management services. The terms and conditions of these options are disclosed in note 17.

20. Events after the reporting date

No matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

21. Auditor's remuneration

	2022 \$	2021 \$
Audit Services		
Amounts received or due and receivable by HLB Mann Judd		
- An audit and review of the financial reports of the Group (including subsidiaries)	32,931	9,500
- Other assurance services (independent limited assurance report)	-	11,000
Total remuneration for audit & non-audit services	32,931	20,500

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2022

22. Parent entity information

The following details information related to the parent entity, Killi Resources Limited, as at 30 June 2022. The information presented here has been prepared using consistent accounting policies as presented in note 1

	2022 \$	2021 \$
Current assets	4,870,732	1,350
Non-current assets	1,425,149	1,444,236
Total assets	6,295,881	1,445,586
Current liabilities	279,451	35,373
Total liabilities	279,451	35,373
Contributed equity	7,694,370	1,600,001
Accumulated losses	(2,825,803)	(189,788)
Reserves	1,147,863	-
Total equity	6,016,430	1,410,213
Loss after income tax	(2,636,015)	(189,788)
Total comprehensive loss for the period	(2,636,015)	(189,788)

Guarantees

The Company has not entered into any guarantees in relation to the debts of any of its subsidiaries.

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DIRECTOR'S DECLARATION

The directors of the Company declare that:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*, and:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Group.
 - (iii) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements; and
- (b) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) The Directors have been given the declarations by the CEO and CFO as required by section 295A, of the *Corporations Act 2001*.

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



Mr Richard Bevan
Non-Executive Director

Perth, 28 September 2022

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CORPORATE GOVERNANCE STATEMENT

Corporate Governance Statement

In fulfilling its obligations and responsibilities to its various stakeholders, the Board is a strong advocate of corporate governance. This statement outlines the principal corporate governance procedures of Killi Resources Limited ("Company" or "Group"). The Board of Directors ("Board") supports a system of corporate governance to ensure that the management of Killi Resources Limited is conducted to maximise shareholder wealth in a proper and ethical manner.

ASX Corporate Governance Council Recommendations

The Board has adopted corporate governance policies and practices consistent with the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations* ("ASX Principles and Recommendations 4th Edition") where considered appropriate for Group of Killi Resources Limited size and nature. Such policies include, but are not limited to the Board Charter, Board Committee Charters, Code of Conduct, Trading in Securities, Continuous Disclosure, Shareholder Communication and Risk Management Policies.

Further details in respect to the Group's corporate governance practises and copies of Group's corporate governance policies and the 2022 Corporate Governance Statement, approved by the Board, are available of the Group's website:

<https://killi.com.au/who-we-are/corporate-governance/>

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ASX ADDITIONAL INFORMATION

Additional information required by the ASX Listing Rule 4.10 not disclosed elsewhere in this Annual Report is set out below.

1. Number of holders and voting rights of each class of equity securities

Equity class	Number of holders	Total on issue
Quoted:		
Fully paid ordinary shares	1,074	52,000,000
Unquoted:		
Options (\$0.30, 31 January 2026)	10	6,500,000
Performance Rights	4	5,110,000

All issued fully paid ordinary shares (**Shares**) carry one vote. Options and Performance Rights do not entitle the holder to vote on any resolution proposed at a general meeting of Shareholders.

2. Restricted Securities

The following equity securities are subject to ASX escrow restriction for the periods outlined

- 575,000 Shares are restricted for 12 months from the date of issue
- 18,425,000 Shares are restricted for 24 months from the date of quotation
- 6,500,000 Options are restricted for 24 months from the date of quotation
- 5,100,000 Performance Rights are restricted for 24 months from the date of quotation

3. Substantial shareholders as at 13 September 2022

Substantial Shareholder	Number of shares held	% of issued capital held
RUBI HOLDINGS PTY LTD <JOHN RUBINO S/F A/C>	3,000,000	5.77%

4. Distribution schedule of equity securities as at 13 September 2022

a) Shares

Holding Range	Holders	Total Shares	% Total Shares
1-1,000	11	6,195	0.01%
1,001-5,000	136	389,099	0.75%
5,001-10,000	92	784,657	1.51%
10,001-100,000	381	14,873,064	28.60%
100,001 and above	111	35,946,985	69.13%
Total	731	52,000,000	100.00%

There were 343 holders of less than a marketable parcel of Shares based on the share price of \$0.1750 on 13 September 2022.

b) Options (\$0.30, 31 January 2026)

Holding Range	Holders	Total Shares	% Total Shares
1-1,000	-	-	-
1,001-5,000	-	-	-
5,001-10,000	-	-	-
10,001-100,000	1	100,000	1.54%
100,001 and above	9	6,400,000	98.46%
Total	10	6,500,000	100.00%

ASX ADDITIONAL INFORMATION

c) Performance Rights

Holding Range	Holders	Total Shares	% Total Shares
1-1,000	-	-	-
1,001-5,000	-	-	-
5,001-10,000	-	-	-
10,001-100,000	-	-	-
100,001 and above	4	5,110,000	100%
Total	4	5,110,000	100.00%

5. Top 20 Shareholders as at 13 September 2022

	Name	Number of shares	%
1	RUBI HOLDINGS PTY LTD <JOHN RUBINO S/F A/C>	3,000,000	5.77%
2	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	2,500,000	4.81%
3	IKAD ENTERPRISES PTY LTD <THE DONJERKOVICH FAMILY A/C>	1,710,241	3.29%
4	DIMJ HOLDINGS PTY LTD <THE FAMILY FOTI S/F A/C>	1,665,713	3.20%
4	ROBERT VELLETRI & FRANCINE LEE VELLETRI <ROBERT VELLETRI S/F A/C>	1,665,713	3.20%
5	OPTIONS ASIA TRADING AND CONSULTING LIMITED	1,497,160	2.88%
6	UPSKY EQUITY PTY LTD <UPSKY INVESTMENT A/C>	1,370,000	2.63%
7	PAUL JULIAN L HERPINIERE <ATF TYAVA INVESTMENTS A/C>	1,107,649	2.13%
8	PETER WAYNE STUNTZ	921,917	1.77%
9	TANAMERA RESOURCES PTE LTD	636,361	1.22%
10	JAMBETH PTY LTD <UNION FAMILY A/C>	593,061	1.14%
11	RICHARD AND SARA BEVAN	550,000	1.06%
12	SAMMEX CONSULTING PTY LTD	500,000	0.96%
12	MR THOMAS MILENTIS	500,000	0.96%
13	BRU BOY PTY LTD <BRU BOY INVESTMENT A/C>	450,000	0.87%
14	MRS SYEDA RAJANI	441,000	0.85%
15	HENRY WILLIAM RENO	421,945	0.81%
16	PP CAPITAL PTY LTD	398,957	0.77%
17	MR MARK JOHN BAHEN & MRS MARGARET PATRICIA BAHEN <MJ BAHEN SUPER FUND A/C>	375,000	0.72%
18	PRINSEP PARK PTY LTD	360,000	0.69%
18	JRW INVESTMENTS (WA) PTY LTD <THE SHERRY FAMILY A/C>	360,000	0.69%
19	UP AND ABOUT CAPITAL PTY LTD	357,622	0.69%
20	MR GREGORY JAMES MILES & MRS LOUISE ANNE MILES <THE GLAMRO A/C>	350,000	0.67%
20	SKYWALKER HOLDINGS WA PTY LTD	350,000	0.67%
20	MR MATTHEW BANKS <CAMEL ROCK A/C>	350,000	0.67%
20	SHEZAPPLES PTY LTD	350,000	0.67%
	Total Top 20	22,782,339	43.81%
	Total remaining holders balance	29,217,661	56.19%
	Total	52,000,000	100.00%

ASX ADDITIONAL INFORMATION

6. Unquoted securities

There are no holders of unquoted Options or Performance Rights with more than a 20% interest, that were not issued or acquired under the Company's employee securities incentive plan.

7. On-market buyback

There is currently no on market buyback program for any of Killi Resources Limited's listed securities.

8. Group cash and assets

In accordance with Listing Rule 4.10.19, the Group confirms that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way that is consistent with its business objective and strategy for the period from its admission to 30 June 2022.

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