LYCAON RESOURCES LIMITED

ANNUAL REPORT

ABN: 80 647 829 749

30 JUNE 2023

CONTENTS

DIRECTORS

Mr Thomas Langley	Technical Director
Mr Patrick Burke	Non-Executive Chairman
Mr Ranko Matic	Non-Executive Director

COMPANY SECRETARY

Ms Melanie Ross

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Your Directors present their report, together with financial statements on the consolidated entity ('the Group'), consisting of Lycaon Resources Limited and the entities it controlled for the financial year ended 30 June 2023.

DIRECTORS

The names of Directors in office at any time during or since the end of the financial year are listed below. Directors have been in office during the whole financial year and up to the date of this report unless otherwise stated.

NAME OF PERSON	POSITION
Mr Thomas Langley	Technical Director
Mr Patrick Burke	Non-Executive Chairman
Mr Ranko Matic	Non-Executive Director

PRINCIPAL ACTIVITIES

During the financial year, the principal activities of the consolidated entity consisted of mineral exploration.

REVIEW OF OPERATIONS

Operating result

The loss from continuing operations for the financial year ended 30 June 2023 after providing for tax amounted to $1,601,068 (2022: $833,376).

Exploration

Bow River and Salt Lick Project *(Nickel, Copper, PGE's, Cobalt)*

Highlights:

- Ground Electromagnetic survey completed September 2022
- Reprocessing of historic airborne gravity data resulted in large gravity anomaly being modelled 1.2km west of gossan
- Ground gravity survey completed in May 2023 to further refine the large gravity anomaly to assist with drill planning
- Heritage and Flora surveys completed in May 2023
- Diamond drilling commenced August 2023

The Bow River Project is located within the Halls Creek Orogen in the East Kimberley region of Western Australia, Figure 1. The Project area covers two known nickel-copper-cobalt sulphide prospects mapped as the Salt Lick Creek intrusion and the Bow River intrusion. Both intrusives are sulphide-bearing and similar in style and setting to Panoramic Resources' Savannah mine, located approximately 60 kilometres further south. The relatively recent discovery (2014) of the Savannah North resource at depth adjoining the existing mine effectively quadrupled the Ni-Cu-Co resource, highlighting the prospectivity of E80/4955 given its analogous geological setting. Previous drilling is limited to a very small area of the Bow River mafic intrusive, Figure 3, 4.

Outcropping gossans and anomalous soil geochemistry has been mapped at surface over an area of 900m x 300m. The surface expression of the intrusion has received most of the focus of historical exploration however, the broader intrusive undercover and at depth has received little attention. In addition, exploration using more powerful modern day geophysical techniques such as ground gravity surveys to detect density anomalies deeper below surface has only recently been completed for the first time by Lycaon.

The current drill program at Bow River will be critical in demonstrating the potential for a major Ni-Cu-Co resource in the Kimberley analogous to Panoramic's Savannah nickel mine 60km south. Drilling is targeting beneath the current extent of historical drilling, the deeper more primitive part of the intrusion. The historical gravity Falcon data and recent ground gravity data has now been modelled by Southern Geoscience Consultants (SGC) as a 3D inversion to better quantify the magnitude of the gravity anomaly, location at depth and size.

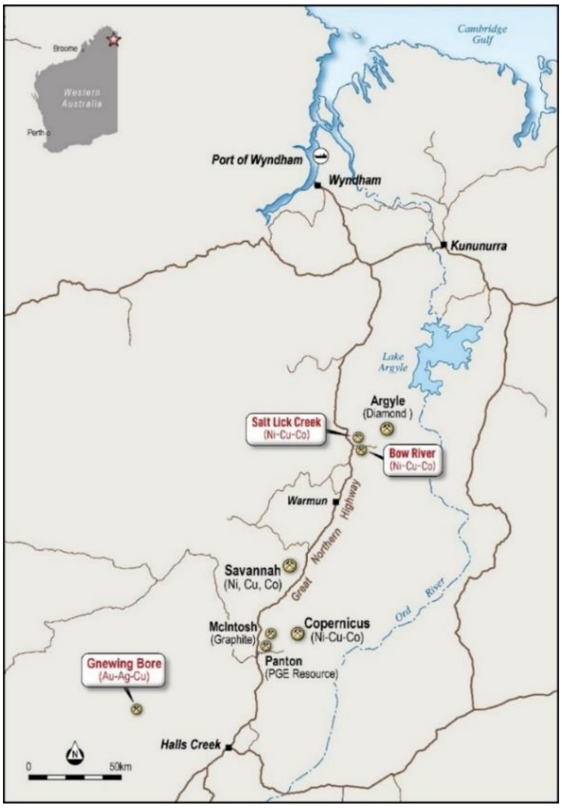

Figure 1. Location of Bow River and Salt Lick nickel copper sulphide projects and Gnewing Bore gold-silver project.

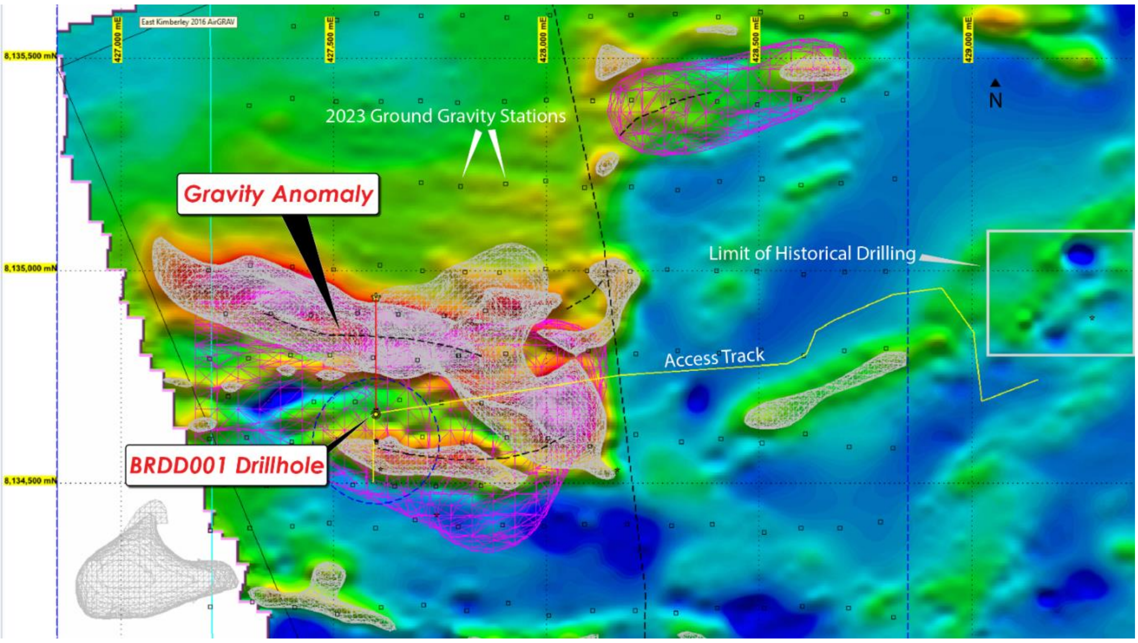

Figure 2. Drillhole BRDD001 (Azimuth 0 degrees) planned to intersect the gravity anomaly, between upper contact at 350m and 750m basal contact.

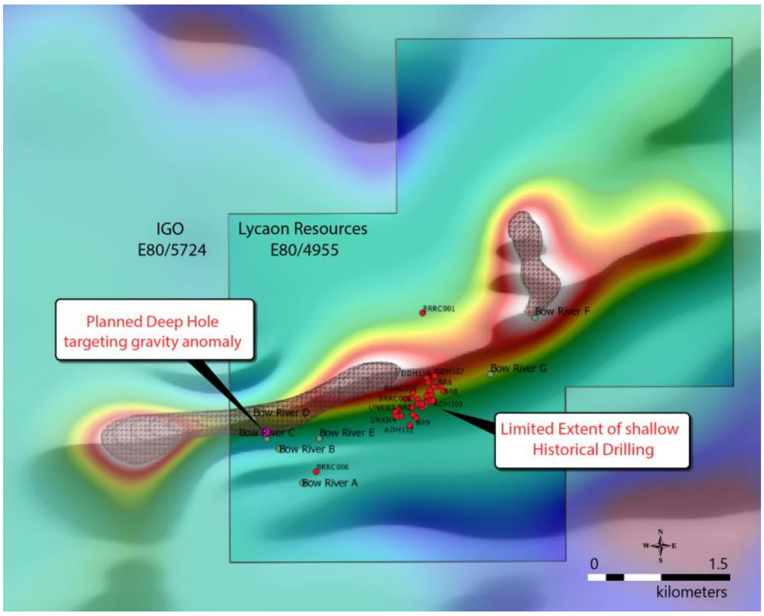

Figure 3. Location of historical drilling at Bow River nickel copper sulphide project, in relation to the large underlying Gravity anomaly inferred to be the Bow River Intrusive

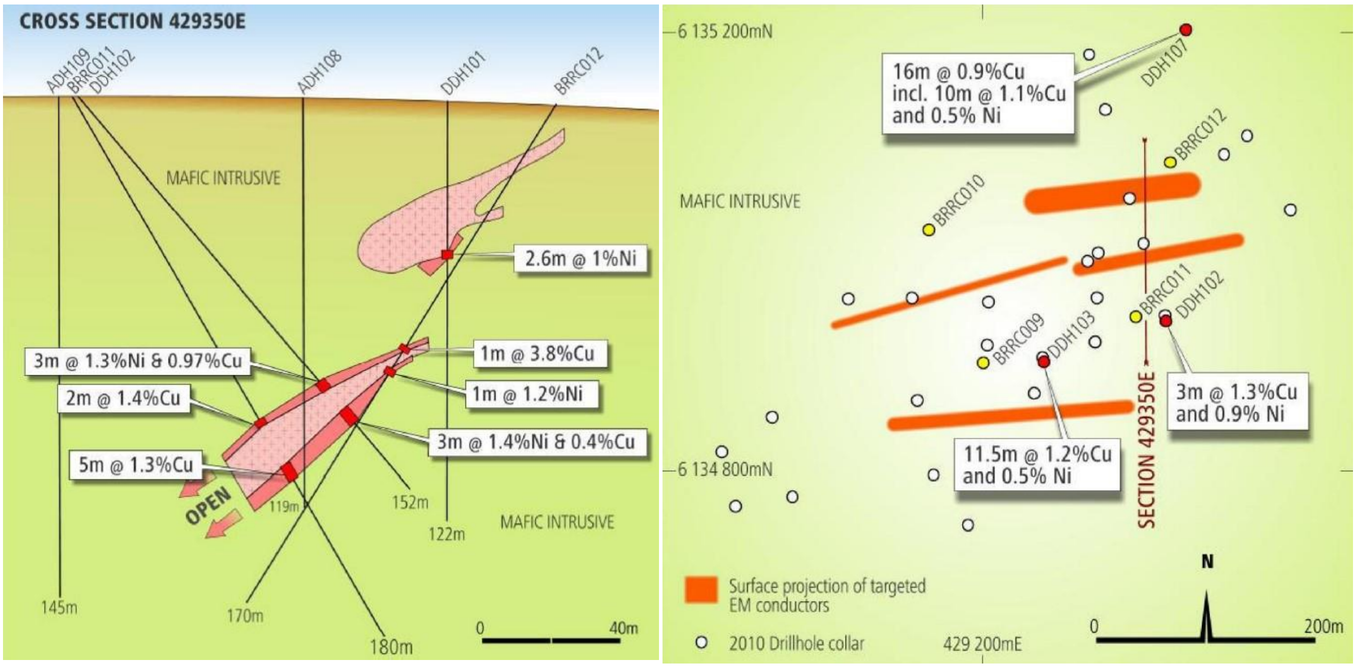

Figure 4. Location of historical drilling at Bow River nickel copper sulphide project.

<u>Stansmore Project</u> *<u>(Niobium, Rare Earths)</u>*

Highlights:

- All tenements held by West Arunta Resources Pty a 100% owned subsidiary of Lycaon Resources, have been granted at the Stansmore Project, comprising E80/5723, E80/5867 and E80/5868.

- Positive traditional owner land access negotiations resulting in an invitation to an on-country meeting at Balgo on the 13th September 2023 to finalise the land access agreement.

The Stansmore carbonatite target consists of a regionally prominent 700m long magnetic feature analogous to WA1's discoveries and Encounter's Worsley prospect. Recent discoveries by WA1 Resources and Encounter Resources have demonstrated the potential for the West Arunta region to host significant REE and IOCG type mineralisation systems, Figure 5.

Alkaline systems are key drivers in the formation of IOCG and carbonatite-hosted REE deposits, with the region seeing a renewed exploration focus these deposit types. Carbonatite deposits are an important source of REE and niobium production. This includes the world's largest REE mine, Bayan Oho in Inner Mongolia, Lynas Rare Earths' Mt Weld deposit and the world's three major operating niobium mines. Niobium is one of a suite of commodities identified by the Australian Government as critical minerals, i.e., minerals (or elements) considered vital for the well-being of the world's economies, yet whose supply may be at risk of disruption.

The Company is currently working through the approvals processes required to enable the drilling of this prospect. Stansmore Nb-REE Project land access negotiations are proceeding well, following meetings with Central Desert Native Title Services and Chairman of Parna Ngururrpa Aboriginal Corporation. Terms of land access agreed to by Lycaon and awaiting on-country meeting to be held at Balgo with the Parna Ngururrpa Board of Directors on 13 September 2023.

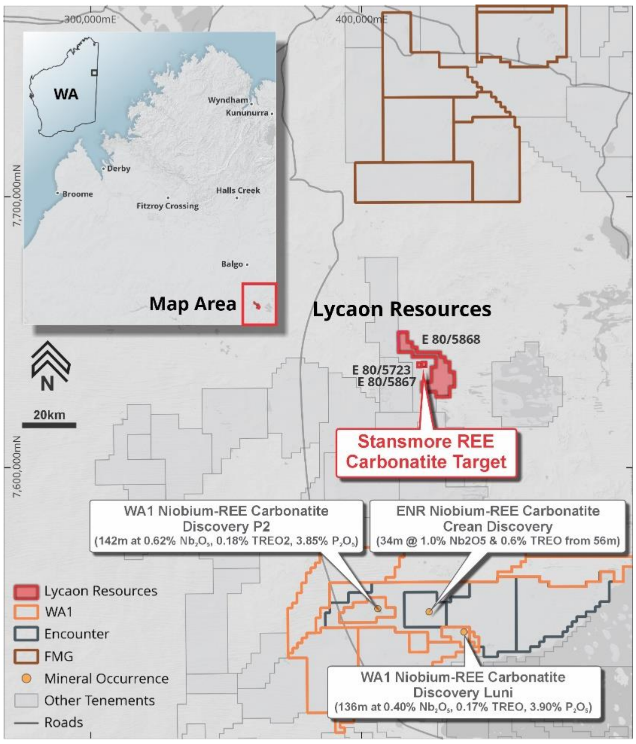

Figure 5. Stansmore Nb-REE Carbonatite ± IOCG Project Location Map

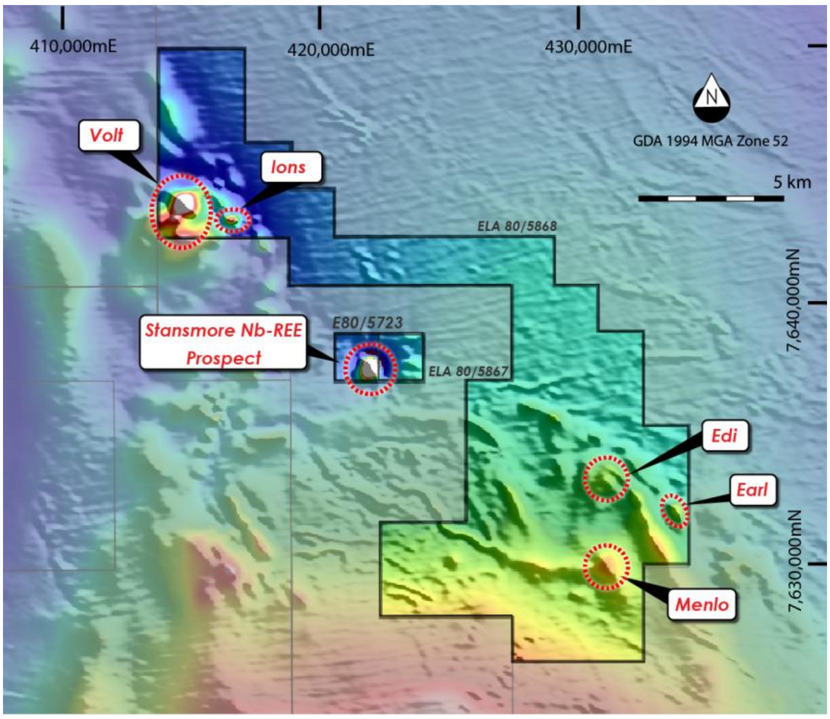

Figure 6. Reduced to Pole Magnetics (TMI grid) highlighting the prominent magnetic anomaly at Stansmore Prospect and other magnetic targets.

Gnewing Bore Project *(Gold, Silver, Copper)*

The Gnewing Bore Project is approximately 28km to the northwest of the Halls Creek townsite, within the Kimberley Region of Western Australia. Figure 6. Halls Creek is situated 350km south of Kununurra and is readily accessible via the sealed Great Northern Highway. The Project has generally good outcrop and easy access via stations tracks on the Moola Bulla pastoral lease.

An RC drilling program has been designed to test the 50m long, gossanous outcrop consisting of brecciated quartz material and iron oxides after sulphides. The Gnewing Bore Project represents a hydrothermal/epithermal gold-silver target, containing some low-level copper anomalism which appears primarily shear controlled. Historic work highlights high-tenor gold grades plus supporting silver and copper grades in the rock chip samples, with a lack of decent exploration work to sufficiently test the target's potential.

To date, notwithstanding its best and continuing efforts, the Company has unfortunately not been able to undertake the necessary Heritage approvals to allow it carry out its proposed drilling program.

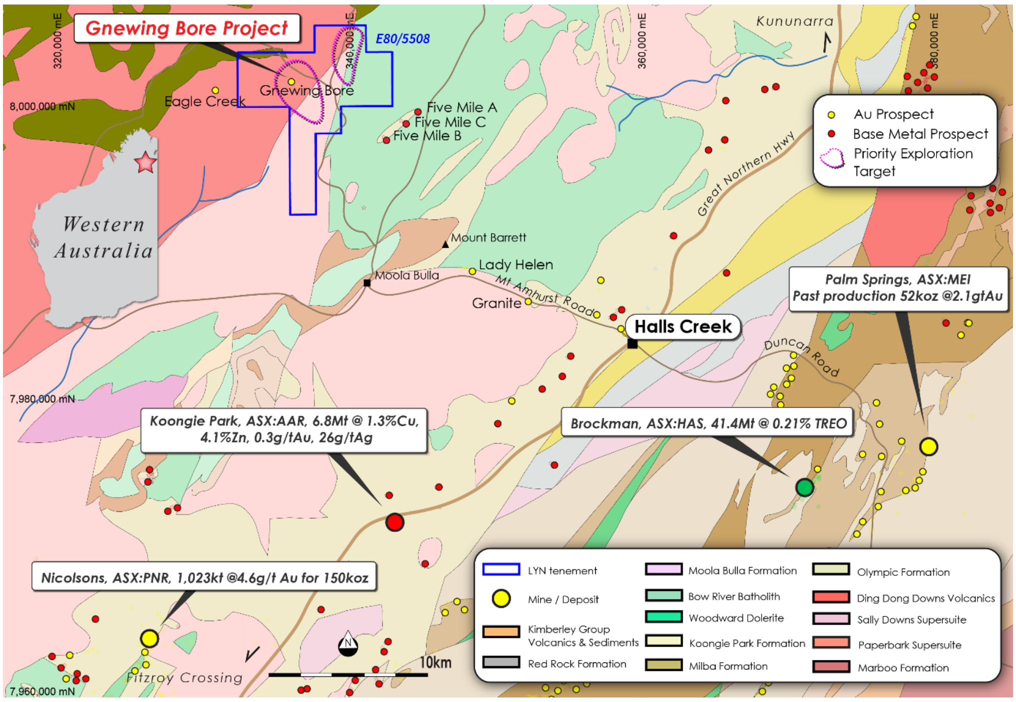

Figure 7. Gnewing Bore Project Location and Geology

Rocky Dam Project *(Gold)*

Review of auger geochemical sampling across all the tenements within the Rocky Dam project did not record any significant anomalies to warrant further exploration. Overall geochemical results have been disappointing with no significant targets identified to warrant follow up drilling. Given the results to date, the Company does not consider it in the best interests of shareholders to expend further funds on this prospect at the current time.

All of the tenements that comprised of Rocky Dam Project were surrendered on 18th July 2023.

Julimar Project *(Nickel-Copper-PGE)*

Recent desktop review of this fieldwork has downgraded the potential for the Julimar project to host Ni-Cu-PGE mineralisation associated with mafic and ultramafic intrusions. The auger sampling program and helicopter EM survey results have not highlighted any priority targets for follow up exploration work.

Given the results to date, the Company does not consider it in the best interests of shareholders to expend further funds on this prospect at the current time.

All of the tenements that comprised of Julimar Project were surrendered on 18th July 2023.

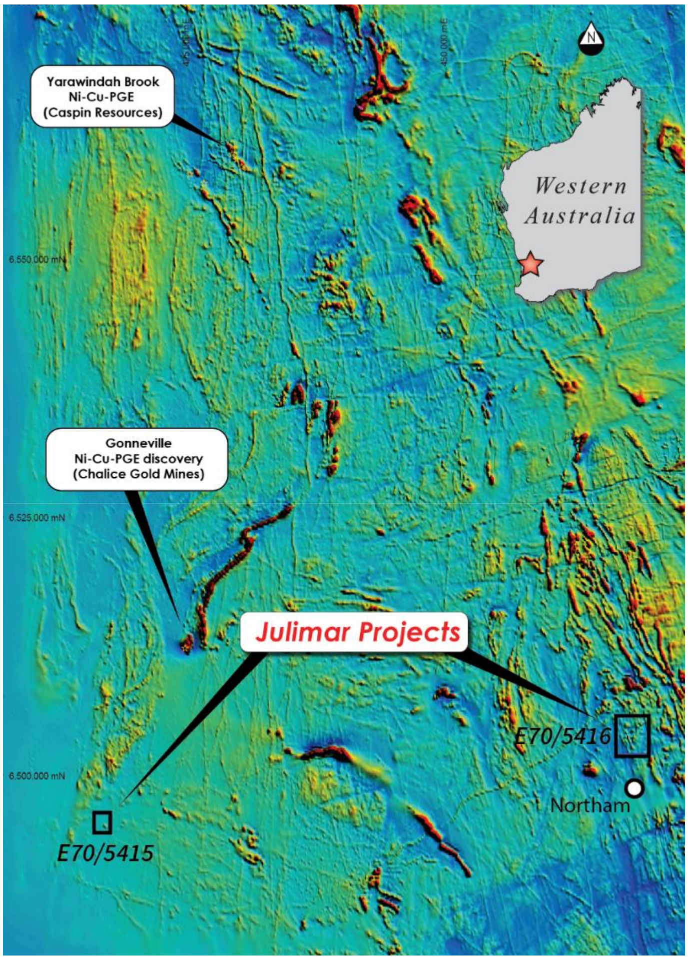

Figure 8. Regional magnetics - Julimar Project

Competent Person's Statement

The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Thomas Langley who is a member of the Australian Institute of Geoscientists (MAIG) and a member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Mr. Thomas Langley is a full-time employee of Lycaon Resources Limited, and is a shareholder, however Mr. Thomas Langley believes this shareholding does not create a conflict of interest, and Mr. Langley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Langley consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information in the original reports, and that the forma and context in which the Competent Person's findings are presented have not been materially modified from the original reports.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

EVENTS AFTER THE REPORTING DATE

On 31 July 2023 it was announced that two tenement applications E80/5867 and E80/5868 held by West Arunta Resources Pty Ltd, a 100% owned subsidiary of the Company were granted by the Department of Mines Industry Regulation and Safety (DMIRS).

On 3 August 2023, the Company successfully completed a $1.5 million placement through the issue of 6,000,000 fully paid ordinary shares at an issue price of $0.25 per share. Inyati acted as Lead Manager to the placement and were paid a 6% fee on the funds raised and received 600,000 unlisted options exercisable at 37.5c expiring on 3/08/2026.

On 18 August 2023, the Company announced that it will be holding a General Meeting on 19 September 2023.

The Directors are not aware of any other matters or circumstances that have arisen since the end of the financial 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.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

MATERIAL BUSINESS RISKS

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

Future capital raisings

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

Exploration risk

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

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

Feasibility and development risks

It may not always be possible for the consolidated entity to exploit successful discoveries which may be made in areas in which the consolidated entity has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as the consolidated entity's.

Regulatory risk

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

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

Mineral resource estimate risk

Mineral resource estimates are expressions of judgement based on knowledge, experience and industry practice. These estimates were appropriate when made but may change significantly when new information becomes available. There are risks associated with such estimates. Mineral resource estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect the consolidated entity's future plans and ultimately its financial performance and value. Nickel-cobalt price fluctuations, as well as increased production costs or reduced throughput and/or recovery rates, may render resources containing relatively lower grades uneconomic and may materially affect resource estimations.

Environmental risk

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

Availability of equipment and contractors

Prior to the COVID-19 pandemic, appropriate equipment, including drill rigs, was in short supply. There was also high demand for contractors providing other services to the mining industry. The COVID-19 pandemic only served to exacerbate these issues. Consequently, there is a risk that the consolidated entity may not be able to source all the equipment and contractors required to fulfil its proposed activities. There is also a risk that hired contractors may underperform or that equipment may malfunction, either of which may affect the progress of the consolidated entity's activities.

ENVIRONMENTAL REGULATION

The consolidated entity is subject to and is compliant with all aspects of environmental regulation of its exploration and mining activities. The Directors are not aware of any environmental law that is not being complied with.

INFORMATION ON DIRECTORS

Mr. Patrick Burke Non-Executive Chairman

Mr. Burke has extensive legal and corporate advisory experience and over the last 17 years has acted as a director for a large number of ASX companies, as well as NASDAQ and AIM listed companies. His legal expertise is in corporate, commercial and securities law, in particular capital raisings and mergers and acquisitions. Mr. Burke's corporate advisory experience includes identification and assessment of acquisition targets, strategic advice, deal negotiation, structuring and pricing, funding, due diligence and execution.

Mr. Burke is currently Non-Executive Chairman of Province Resources Limited and Torque Metals Limited and Non-Executive Director of Triton Minerals Limited and Western Gold Resources Limited, all companies listed on ASX. Mr. Burke holds a Bachelor of Laws from the University of Western Australia.

Mr. Burke resigned as director from Mandrake Resources Limited on 24 March 2022 and Meteoric Resources NL on 11 April 2023.

Mr. Thomas Edward Langley Technical Director

Mr. Langley holds a BSc Geology from the University of Western Australia and a MSc Economic Geology from the University of Tasmania (CODES). He has worked for several resource companies including BHP Nickel West, Northern Star Resources and Creasy Group.

Mr. Langley has extensive experience in both exploration and mining geology, including overseeing large scale resource definition drill programs, early-stage project evaluation, project generation and grassroots exploration programs across multiple commodities and deposit types in the Proterozoic Albany - Fraser Range, Proterozoic Paterson Province and the Archean Yilgarn Craton.

Mr. Langley is currently a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM), the Australian Institute of Company Directors (MAICD) and the Australian Institute of Geoscientists (MAIG).

Mr. Langley resigned as Non-Executive Director from Province Resources in April 2021.

Mr. Ranko Matic Non-Executive Director

Mr. Matic is a Chartered Accountant with over 30 years' experience in the areas of financial and executive management, accounting, audit, business and corporate advisory. Mr. Matic is a director of a corporate advisory company based in Perth, Western Australia and has specialist expertise and exposure in areas of audit, corporate services, due diligence, mergers and acquisitions, and valuations. Through these positions Mr. Matic has been involved in an advisory capacity to over 40 initial public offerings and other re-capitalisations and re-listings of ASX companies in the last 20 years.

Mr. Matic is currently a director of ASX listed company Panther Metals Limited and NASQAD listed company Locafy Limited. Mr. Matic is also Executive Chairman of ASX listed company Cavalier Resources Limited. Mr. Matic was a Non-Executive Director of ASX listed company Australian Gold and Copper Limited for the period 4 November 2020 - 12 August 2022. Mr. Matic resigned as Non-Executive Director of Argosy Minerals Limited on 3 September 2021 and Ragusa Minerals Limited on 15 May 2020. Mr. Matic is a director of East Energy Resources Limited which was an ASX Listed Company up until 19 September 2022. Mr. Matic has acted as chief financial officer and company secretary for companies in both the private and public listed sectors and continues to hold various roles in this capacity with publicly listed companies.

Ms. Melanie Jane Ross Chief Financial Officer and Company Secretary

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

Ms. Ross is currently a director of a corporate advisory company based in Perth, Western Australia that provides corporate management and other advisory services to public listed companies. Ms. Ross is a director and company secretary for Tempus Resources Limited (ASX: TMR) and Ragusa Minerals Limited (ASX: RAS) and the company secretary for Great Boulder Resources Limited (ASX: GBR), NT Minerals Limited (ASX: NTM), Cosmo Metals Limited (ASX:CMO) and Bubalus Resources Limited (ASX:BUS).

INTERESTS IN THE SHARES AND OPTIONS OF THE CONSOLIDATED ENTITY AND RELATED BODIES CORPORATE

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

	Ordinary Shares	Options over Ordinary Shares
Thomas Langley	450,000	650,000
Patrick Burke	-	600,000
Ranko Matic	775,001	612,500

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of the remuneration for each key management personnel of Lycaon Resources Limited for the financial year ended 30 June 2023.

The remuneration report is set out under the following headings:

A Principles used to determine the nature and amount of remuneration

B Service agreements

C Details of remuneration

D Share-based compensation

E Related party disclosures

The information provided under the headings A-E includes remuneration disclosures that are required under Accounting Standards AASB 124 *Related Party Disclosures*. These disclosures have been transferred from the financial report and have been audited.

The remuneration arrangements detailed in this report relate to the following Directors and key management personnel as follows:

Mr Patrick Burke	Non-Executive Chairman
Mr Thomas Langley	Technical Director
Mr Ranko Matic	Non-Executive Director

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

In determining competitive remuneration rates, the Board, acting in its capacity as the remuneration committee, seeks independent advice on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes benefit plans and share plans. Independent advice should be obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices. The Board recognises that Lycaon Resources Limited operates in a global environment. To prosper in this environment we must attract, motivate and retain key executive staff.

Market comparisons

Consistent with attracting and retaining talented executives, the board endorses the use of incentive and bonus payments. The board will continue to seek external advice to ensure reasonableness in remuneration scale and structure, and to compare the consolidated entity's position with the external market. The impact and high cost of replacing senior employees and the competition for talented executives requires the committee to reward key employees when they deliver consistently high performance.

Board remuneration

The total maximum remuneration of Non-Executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act 2001 and the ASX Listing Rules, as applicable. The determination of Non-Executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value of the consolidated entity of the respective contributions by each Non-Executive Director. The current amount has been set an amount not to exceed $300,000 per annum. The Board determines actual payments to Directors and reviews their remuneration annually based on independent external advice with regard to market practice, relativities, and the duties and accountabilities of Directors.
A review of Directors' remuneration is conducted annually to benchmark overall remuneration including retirement benefits. There was no use of external consultants for remuneration advice for the financial year ended 30 June 2023.

Performance Based Remuneration

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

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

(a) Reward Directors and employees for their past performance;
(b) Provide long term incentives for participation in the Company's future growth;
(c) Motivate Directors and generate loyalty from senior employees; and
(d) Assist to retain the services of valuable Directors and employees.

Consolidated entity performance, shareholder wealth and directors and executives remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholders investment objectives and Directors and executives' performance. Currently, Directors and executives are encouraged to hold shares in the consolidated entity to ensure the alignment of personal and shareholder interests. The consolidated entity provides performance based remuneration via their employee inventive option plan.

B. Service agreements

Employment contracts of key management personnel

Each member of the consolidated entity's key management personnel are employed on open-ended employment contracts between the individual person and the consolidated entity.

Non-Executive Directors and the Technical Director have entered into a service agreement with the consolidated entity in the form of a letter of appointment.

The below is at the date of this financial report:

Key Management Personnel	Appointment	Terms of Agreement	Base Salary (incl. super $p.a.)	Termination Benefit
Patrick Burke	Non-Executive Chairman	No fixed term	$60,000	Nil
Thomas Langley	Technical Director	No fixed term	$90,000	Nil
Ranko Matic	Non-Executive Director	No fixed term	$36,000	Nil

C. Details of remuneration

Amounts of remuneration

The remuneration for each key management personnel of the consolidated entity during the financial year was as follows:

2023

Key Management Personnel	Short-term Benefits				Post-employment Benefits	Share based Payments				
	Cash, salary & Commissions	Cash profit Share	Non-Cash Benefit	Other	Super-annuation	Performance Rights	Options	Total	Performance Related	Remuneration Consisting of Options
	$	$	$	$	$	$	$	$	%	%
Patrick Burke	60,000	-	-	-	-	-	-	60,000	-	0%
Thomas Langley (ii)	81,448	-	-	-	8,552	-	-	90,000	-	0%
Ranko Matic (i)	36,000	-	-	-	-	-	-	36,000	-	0%
	177,448	-	-	-	8,552	-	-	186,000	-	0%

(i) Mr. Matic is a director and shareholder of Consilium Corporate Pty Ltd, which provides directorship, corporate secretarial and accounting services to the consolidated entity.
(ii) Mr. Langley fee increase from $5,000 per month to $7,500 per month effective from 1st July 2022.

2022

Key Management Personnel	Short-term Benefits				Post-employment Benefits	Share based Payments				
	Cash, salary & Commissions	Cash profit Share	Non-Cash Benefit	Other	Super-annuation	Performance Rights	Options	Total	Performance Related	Remuneration Consisting of Options
	$	$	$	$	$	$	$	$	%	%
Patrick Burke (ii)	42,000	-	-	7,000	-	-	57,120	106,120	-	54%
Thomas Langley (iii)	54,545	-	-	7,862	5,455	-	57,120	124,982	-	46%
Ranko Matic (i)	36,000	-	-	-	-	-	57,120	93,120	-	61%
	132,545	-	-	14,862	5,455	-	171,360	324,222	-	53%

(i) Mr. Matic is a director and shareholder of Consilium Corporate Pty Ltd, which provides directorship, corporate secretarial and accounting services to the consolidated entity.
(ii) Mr. Burke fee increase from $3,000 per month to $5,000 per month effective from 1st April 2022. Patrick Burke also received a $7,000 cash payment as remuneration for additional services provided.
(iii) Mr. Langley received a cash payment of $7,862 for reimbursement for his Director's course.

D. Share-based compensation

Options

There were no options issued to the key management personnel during the financial year ended 30 June 2023 (2022: 1,800,000 unlisted options granted).

Shares

There were no shares issued to the key management personnel during the financial year ended 30 June 2023 (2022: Nil).

Performance rights

There were no performance rights issued to key management personnel during the financial year ended 30 June 2023 (2022: Nil).

Option holding

The number of unlisted options in the consolidated entity held during the financial year by each Director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Name	Balance at start of the year	Number granted during the year	Exercised during the year	Other changes during the year	Balance at the end of the year
Patrick Burke	600,000	-	-	-	600,000
Thomas Langley	650,000	-	-	-	650,000
Ranko Matic	612,500	-	-	-	612,500
	1,862,500	-	-	-	1,862,500

Shareholdings

The number of shares in the consolidated entity held during the financial year by each Director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Name	Balance at start of the year	Number granted during the year	Purchased on-market or IPO acquisitions	Other changes during the year	Balance at the end of the year
Patrick Burke	-	-	-	-	-
Thomas Langley	450,000	-	-	-	450,000
Ranko Matic	775,001	-	-	-	775,001
	1,225,001	-	-	-	1,225,001

E. Related party disclosures

(i) Other transactions with key management personnel and their related parties

Consilium Corporate Pty Ltd, a company of which Mr. Matic is a shareholder and director, is also engaged to perform company secretarial and accounting services at a rate of $7,500 per month (excluding GST). During the financial year ended June 2023, $91,337 (excluding GST) (2022: $79,545) was paid or payable under this agreement.

The Company's subsidiary, West Arunta Resource Pty Ltd entered into a Binding Heads of Agreement with Mr. Thomas Langley on 13 November 2022 to acquire 100% of the rights to tenement licence E80/5723. The consideration payable consists of 1,000,000 fully paid ordinary shares at a deemed issue price of $0.25 per share equating to $250,000. The acquisition and consideration is conditional upon shareholder approval and pursuant to the conditions within the agreement. The Company's General Meeting is to be held on 19 September 2023,

(ii) Payables owing to related parties

	2023 $	2022 $
Consilium Corporate Pty Ltd(i)	7,559	7,554
	7,559	7,554

(i) Consilium Corporate Pty Ltd, a company of which Mr. Matic is a shareholder and director, is also engaged to company secretarial and accounting services to the consolidated entity, during the financial year ended 30 June 2023.

There are no other transactions with related parties during the financial year ended 30 June 2023.

ADDITIONAL INFORMATION

The loss of the Company for the financial year ended 30 June 2023 is summarised below:

	2023 $	2022 $	2021 $
Other income	41,198	628	5
EBITDA	(1,601,057)	(833,376)	(163,627)
EBIT	(1,601,068)	(833,376)	(163,627)
Loss after income tax	(1,601,068)	(833,376)	(163,627)

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

	2023	2022	2021
Share price at financial year end (dollars per share)	0.245	0.30	-
Total dividends declared (cents per share)	-	-	-
Basic loss per share (cents per share)	(4.34)	(3.33)	(2.47)

END OF AUDITED REMUNERATION REPORT.

MEETING OF DIRECTORS

The number of meetings of the consolidated entity's Board of Directors ("the Board") held during the financial year ended 30 June 2023, and the number of meetings attended by each director were:

Name	Number eligible to attend	Number attended
Patrick Burke	2	2
Thomas Langley	2	2
Ranko Matic	2	1

There were two Directors meetings held during the financial year, however many board matters were dealt with via circular resolutions. The consolidated entity does not have a formally constituted audit committee or remuneration committee as the board considers that the consolidated entity's size and type of operation do not warrant such committees.

SHARES UNDER OPTION

The number of options over ordinary shares in the consolidated entity as at the date of this report are set out below. Options granted carry no dividend or voting rights.

Grant date	Expiry date	Exercise price $	Number of Options
23/02/2021	23/02/2025	0.3	5,000,000
25/03/2021	23/02/2025	0.3	1,500,000
29/09/2021	23/02/2025	0.3	1,800,000
28/09/2021	23/02/2025	0.3	3,000,000
3/08/2023	3/08/2026	0.375	600,000
			11,900,000

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares of Lycaon Resources Limited that were issued during the financial year and up to the date of this report on the exercise of options granted (2022: Nil).

INDEMNITY AND INSURANCE OF OFFICERS

The consolidated entity has indemnified the Directors and executives of the consolidated entity for the costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the consolidated entity paid a premium in respect of a contract to insure the Directors and executives of the consolidated entity against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITOR

The consolidated entity has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the consolidated entity or any related entity against a liability incurred by the auditor.

During the financial year, the consolidated entity has not paid a premium in respect of a contract to insure the auditor of the consolidated entity or any related entity.

PROCEEDINGS ON BEHALF OF THE CONSOLIDATED ENTITY

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

OFFICERS OF THE CONSOLIDATED ENTITY WHO ARE FORMER PARTNERS OF CRITERION AUDIT PTY LTD.

There are no officers of the consolidated entity who are former partners of Criterion Audit Pty Ltd.

AUDITOR

Criterion Audit Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001*.

NON-AUDIT SERVICES

There are no payments to the auditor for non-audit services provided during the financial year ended 30 June 2023 (2022: $2,000).

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' Independence declaration as required under section 307C of the *Corporations Act 2001* is included within this annual financial report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the Directors,

Patrick Burke

Non-Executive Chairman

Date: 4 September 2023
Perth

CRITERION AUDIT

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 233 LEEDERVILLE WA 6902

Suite 2, 642 Newcastle Street
LEEDERVILLE WA 6007

Phone: 9466 9009

To The Board of Directors

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

As lead audit director for the audit of the financial statements of Lycaon Resources Limited and its controlled entities for the financial year ended 30 June 2023 I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

CHRIS WATTS CA
Director

CRITERION AUDIT PTY LTD

DATED at PERTH this 4th day of September 2023

CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Notes	30 June 2023	30 June 2022
		$	$
Other income	3	41,198	628
Accounting and company secretary fees		(116,200)	(78,667)
Audit fees	19	(24,656)	(25,500)
Directors fees		(96,000)	(114,999)
Impairment of exploration and evaluation expenditure	7	(938,306)	-
Professional fees		(75,000)	(70,000)
Marketing fees		(213,361)	(15,257)
Legal fees		(46,245)	(159,857)
Share based payments	11	-	(171,360)
Other expenses		(132,498)	(198,364)
Loss before income tax		**(1,601,068)**	**(833,376)**
Income tax expense	4	-	-
Loss for the year		**(1,601,068)**	**(833,376)**
Other comprehensive loss		-	-
Total comprehensive loss for the year		**(1,601,068)**	**(833,376)**
Loss per share			
- Basic and diluted loss per share (cents)	16	(4.34)	(3.33)

The accompanying notes form part of this financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Notes	30 June 2023 $	30 June 2022 $
ASSETS			
Current assets			
Cash and cash equivalents	5	2,477,336	3,589,250
Other assets	6	240,438	238,977
Total current assets		2,717,774	3,828,227
Non-current assets			
Other assets	6	-	207,946
Exploration and evaluation	7	1,513,799	1,570,732
Total non-current assets		1,513,799	1,778,678
Total assets		**4,231,573**	**5,606,905**
LIABILITIES			
Current liabilities			
Trade and other payables	8	81,315	105,579
Provisions	9	250,000	-
Total current liabilities		331,315	105,579
Total liabilities		**331,315**	**105,579**
Net assets		**3,900,258**	**5,501,326**
EQUITY			
Issued capital	10	6,041,369	6,041,369
Reserves	12	456,960	456,960
Accumulated losses		(2,598,071)	(997,003)
Total equity		**3,900,258**	**5,501,326**

The accompanying notes form part of this financial report.

	Issued capital $	Accumulated losses $	Reserves $	Total $
Balance at 1 July 2021	400,000	(163,627)	-	236,373
Loss for the year	-	(833,376)	-	(833,376)
Total comprehensive loss for the year	-	(833,376)	-	(833,376)
Transactions with owners in their capacity as owners				
Issue of capital	6,262,500	-	-	6,262,500
Share issue costs	(621,131)	-	-	(621,131)
Share based payments	-	-	456,960	456,960
Balance at 30 June 2022	**6,041,369**	**(997,003)**	**456,960**	**5,501,326**
Balance at 1 July 2022	6,041,369	(997,003)	456,960	5,501,326
Loss for the year	-	(1,601,068)	-	(1,601,068)
Total comprehensive loss for the year	-	(1,601,068)	-	(1,601,068)
Balance at 30 June 2023	**6,041,369**	**(2,598,071)**	**456,960**	**3,900,258**

The accompanying notes form part of this financial report.

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

	Notes	30 June 2023 $	30 June 2022 $
Cash flows from operating activities			
Interest received		34,039	628
Interest paid		(11)	-
Payments to suppliers and employees		(483,767)	(738,146)
Payments for exploration and evaluation		(30,478)	(5,918)
Other receipts		29,310	-
Net cash outflow from operating activities	21	(450,907)	(743,436)
Cash flows from investing activities			
Payments for exploration and evaluation		(661,007)	(612,788)
Payments for acquisition of tenements		-	(88,282)
Net cash outflow from investing activities		(661,007)	(701,070)
Cash flows from financing activities			
Proceeds from issue of shares		-	5,000,000
Share issue costs paid		-	(307,116)
Net cash inflow from financing activities		-	4,692,884
Net (decrease)/ increase in cash held		(1,111,914)	3,248,378
Cash at the beginning of the year		3,589,250	340,872
Cash at the end of the year	5	**2,477,336**	**3,589,250**

The accompanying notes form part of this financial report.

1. Summary of significant accounting policies

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with *Corporations Act 2001*, Australian Accounting Standards, Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated. Except for cash flow information, these financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a) Comparatives

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

b) 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 17.

c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Lycaon Resources Limited at the end of the financial year. A controlled entity is an entity over which Lycaon Resources Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the consolidated entity during the year, the financial performance of those entities are included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated entity have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

d) 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.

e) Current and non-current classification

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

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

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting year; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting year. All other liabilities are classified as non-current.

f) Income tax

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

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

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

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

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

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

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

g) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method, less any allowances for expected credit losses. Trade and other receivables are generally due for settlement within 120 days.

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists and in any event when the debt is more than 60 days overdue.

h) Exploration and evaluation

Exploration and evaluation expenditures are written off as incurred, except when such costs are expected to be recouped through successful development and exploitation, or sale, of an area of interest. In addition, exploration assets recognised on acquisition of an entity are carried forward provided that exploration and/or evaluation activities in the area have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

The expenditure carried forward when recovery is expected represents an accumulation of direct net exploration and evaluation costs incurred by or on behalf of the consolidated entity and applicable indirect costs, in relation to separate areas of interest for which rights of tenure are current.

If it is established subsequently that economically recoverable reserves exist in a particular area of interest, resulting in the decision to develop a commercial mining operation, then in that year the accumulated expenditure attributable to that area, to the extent that it does not exceed the recoverable amount for the area concerned, will be transferred to mine development. As such it will be subsequently amortised against production from that area. Any excess of accumulated expenditure over recoverable amounts will be written off to the statement of profit or loss and other comprehensive income.

i) Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate valuation model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next reporting period but may impact profit or loss and equity.

j) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

k) Trade and other payables

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

l) Provisions

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

m) Issued capital

Ordinary shares are classified as equity.

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

n) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with short years to maturity and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

o) Other income

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant year using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial interest to the net carrying amount of the financial asset.

Other income is recognised when it is received or when the right to receive payment is established.

p) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the year in which they are incurred.

q) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Equity-settled compensation

The consolidated entity operates equity-settled share based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting year, with a corresponding increase to an equity account.

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

The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using an appropriate valuation model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting year such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

r) Goods and services tax (“GST”)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

s) Earnings per share

(i) Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the consolidated entity, 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.

(ii) Diluted earnings per share

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

t) Critical accounting judgments, estimates and assumptions

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

There have been no judgements, apart from those involving estimation, in applying accounting policies that have a significant effect on the amounts recognised in these financial statements.

Following is a summary of the key assumptions concerning the future and other key sources of estimation at reporting date that have not been disclosed elsewhere in these financial statements.

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

Share based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting year but may impact profit or loss and equity.

u) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual financial year ended 30 June 2023. The new or amended Accounting Standards and Interpretations are unlikely to have a significant impact on the consolidated entity.

2. Segment information

The consolidated entity has only one operating segment based on the information provided to the chief operating decision makers, being the board of Directors. Therefore, as the results are the same as the consolidated entity, no further disclosure is required.

3. Other income

	2023 $	2022 $
Interest income	41,198	628
	41,198	628

4. Income tax expense

	2023 $	2022 $
Loss before income tax expense	(1,601,068)	(833,376)
Tax at the Australian tax rate of 30% (2022: 30%)	(480,321)	(250,013)
Amounts not deductible/(taxable) in calculating taxable income	295,366	51,808
Tax effect of exploration expenditure	(189,412)	(186,682)
Tax effect of temporary differences	(35,849)	38,749
Tax effect of deferred tax asset not brought to account	410,216	346,138
Income tax expense	-	-
Unused tax losses for which no deferred tax asset has been recognised	2,699,604	1,332,218
Potential tax benefit at the Australian tax rate of 30% (2022: 30%)	809,881	399,665

5. Cash and cash equivalents

	2023 $	2022 $
Cash at bank	2,477,336	3,589,250

6. Other assets

	2023 $	2022 $
Current		
Prepayments	207,282	225,924
GST receivables	25,998	13,053
Interest receivables	7,158	-
	240,438	238,977
Non-Current		
Prepayments	-	207,946
	-	207,946

7. Exploration and evaluation

	2023 $	2022 $
Opening balance	1,570,732	-
Acquisitions during the year[1,2, 3,4,5]	250,000	948,458
Expenditure incurred during the year	631,373	622,274
Impairment losses incurred during the year[6]	(938,306)	-
Closing balance	1,513,799	1,570,732

[1]As part of the IPO on 11 November 2021, the consolidated entity completed its acquisition of 100% of Matmetals WA Pty Ltd by issuing 500,000 fully paid ordinary shares (escrowed to 17 November 2023) at $0.20 per share.

MATMETALS WA PTY LTD **Purchase consideration**	**11 November 2021** **$**
Shares issued	100,000
	100,000
Net assets acquired	
Cash and cash equivalents	-
Trade and other receivables	492
Exploration and evaluation[4]	110,176
Trade and other payables	(10,668)
	100,000

[2]As part of the IPO on 11 November 2021, the consolidated entity completed its acquisition of 100% of the Julimar and Rocky Dam projects by issuing 500,000 fully paid ordinary shares (escrowed to 11 November 2022) at $0.20 per share per project. Consideration paid also consists of transaction costs (i.e. stamp duty) of $3,282 total (i.e. $1,641 per project).

JULIMAR AND ROCKY DAM PROJECTS **Purchase consideration**	**11 November 2021** **$**
Shares issued	200,000
Stamp duty	3,282
	203,282

Net assets acquired	
Cash and cash equivalents	-
Trade and other receivables	-
Exploration and evaluation[4]	203,282
Trade and other payables	-
	203,282

[3] On 10 June 2022, the consolidated entity completed its acquisition of 100% of East Kimberly Resources Pty Ltd. The consideration paid consists of consideration shares of 1,250,000 fully paid ordinary shares (50% of the shares issued are escrowed to 17 November 2023) at $0.40 per share, facilitation fee of 125,000 fully paid ordinary shares at $0.40 per share and $85,000 cash payment to reimburse the shareholder for past expenditure incurred on the tenement.

EAST KIMBERLEY RESOURCES PTY LTD	**10 June 2022**
Purchase consideration	**$**
Shares issued	550,000
Cash paid	85,000
	635,000

Net assets acquired	
Cash and cash equivalents	-
Trade and other receivables	-
Exploration and evaluation[4]	635,000
Trade and other payables	-
	635,000

[4] On 13 November 2022, the consolidated entity completed its acquisition of 100% of West Arunta Resources Pty Ltd. The consolidated entity entered into a Binding Heads of Agreement with Related Party Thomas Edward Langley to acquire 100% of the rights to tenement licence E80/5723.

WEST ARUNTA RESOURCES PTY LTD

Purchase consideration

The consideration payable consists of 1,000,000 fully paid ordinary shares at a deemed issue price of $0.25 per share equating to $250,000. The acquisition and consideration is conditional upon shareholder approval and pursuant to the conditions within the agreement. The Company's General Meeting is to be held on 19 September 2023, . As the entity has a present obligation to pay the consideration payable which can be reliably measured and it is probable that an outflow required to settle the obligation, the Company has recognised a provision as per AASB 137.

[5] Management has determined that the acquisition of 100% of Matmetals WA Pty Ltd, East Kimberley Resources Pty Ltd, West Arunta Resources Pty Ltd, Julimar and Rocky Dam Projects does not meet the definition of a business under AASB 3 Business Combinations and as such, has been accounted for as an asset acquisition under AASB 116.

[6] Subsequent to year end, the company relinquished its tenement licences associated with the Rocky Dam and Julimar Projects. As the right to explore in the specific has expired subsequent to year end and is not expected to be renewed, the expenditure incurred on the Julimar and Rocky Dam Projects have been impaired in accordance with AASB 6 paragraph 20.

	2023	**2022**
	$	**$**
8. Trade and other payables		
Trade creditors	59,787	49,747
Accrued expenses	21,528	55,832
	81,315	105,579

	2023 $	2022 $
9. Provisions		
Provision to acquire exploration tenements/for consideration payable(i)	250,000	-
	250,000	-

(i) The entity has a present obligation to pay the consideration payable which can be reliably measured and it is probable that an outflow required to settle the obligation, the Company has recognised a provision as per AASB 137. Refer to Note 7 for further information.

	2023 $	2022 $
10. Issued capital		
Ordinary shares – fully paid	6,041,369	6,041,369
	6,041,369	6,041,369

Ordinary shares

Date	No. of shares	Issue price $	$
Opening balance - 1 July 2022	36,906,251		6,041,369
Closing balance - 30 June 2023	36,906,251		6,041,369

	2023 $	2022 $
11. Share based payment transactions		
Opening balance	456,960	-
Options – recognised in equity (share issue costs)	-	285,600
Options – recognised as a share based payment expense	-	171,360
	456,960	456,960

There were no options issued during the financial year ended 30 June 2023 (2022: 1,800,000 unlisted options granted at a value per option of $0.0952 totalling to $171,360 in value and 3,000,000 unlisted options granted at a value per option of $0.0952 totalling to $285,600 in value, All options vested immediately upon issue. Any shares issued upon exercise are escrowed to 17 November 2023.

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

Grant date	Expiry date	Exercise price $	Balance at the start of the year	Granted	Exercised	Expired/ forfeited	Balance at the end of the year
23/02/2021	23/02/2025	0.30	5,000,000	-	-	-	5,000,000
25/03/2021	23/02/2025	0.30	1,500,000	-	-	-	1,500,000
29/09/2021	23/02/2025	0.30	1,800,000	-	-	-	1,800,000
28/09/2021	23/02/2025	0.30	3,000,000	-	-	-	3,000,000
			11,300,000	-	-	-	11,300,000
Weighted average exercise price			$0.30	-	-	-	$0.30

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

Grant date	Expiry date	Exercise price $	2023 #	2022 #
23 February 2021	23 February 2025	0.30	5,000,000	5,000,000
25 March 2021	23 February 2025	0.30	1,500,000	1,500,000
29 September 2021	23 February 2025	0.30	1,800,000	1,800,000
28 September 2021	23 February 2025	0.30	3,000,000	3,000,000
			11,300,000	11,300,000

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.65 years (2022: 2.65 years).

12. Reserves

	2023 $	2022 $
Reserves		
Share based payments reserve	456,960	456,960
	456,960	456,960
Movements		
Balance at beginning of year	456,960	-
Share based payments expense for the year (Note 11)	-	171,360
Share based payments recognised in equity as share issue costs (Note 11)	-	285,600
Balance at end of year	456,960	456,960

13. Key management personnel disclosures

The aggregate compensation made to Directors and other members of key management personnel of the consolidated entity is set out below:

	2023 $	2022 $
Short-term employee benefits	177,448	147,407
Post-employment benefits	8,552	5,455
Share-based payments	-	171,360
	186,000	324,222

14. Related party transactions

Consilium Corporate Pty Ltd, a company which Mr. Matic is a Director, is also engaged to perform CFO and corporate secretarial services. During the financial year, Consilium Corporate Pty Ltd invoiced the consolidated entity $91,337 (2022: $79,545) for CFO and corporate secretarial fees. As at 30 June 2023, amount owing to Consilium Corporate was $7,559 (2022: $7,554).

The Company's subsidiary, West Arunta Resource Pty Ltd entered into a Binding Heads of Agreement with Mr. Thomas Langley on 13 November 2022 to acquire 100% of the rights to tenement licence E80/5723. The consideration payable consists of 1,000,000 fully paid ordinary shares at a deemed issue price of $0.25 per share equating to $250,000. The acquisition and consideration is conditional upon shareholder approval and pursuant to the conditions within the agreement. The Company's General Meeting is to be held on 19 September 2023,

15. Commitments for expenditure

Capital

There are no capital commitments at 30 June 2023 (2022: Nil).

Exploration and evaluation

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

	2023 $	2022 $
The consolidated entity has tenement rental and expenditure commitments payable of:		
- Not later than 12 months	162,000	275,000
- Between 12 months and 5 years	270,000	465,000
- Over 5 years	570,000	1,190,000
	1,002,000	1,930,000

16. Earnings per share

	2023 $	2022 $
Loss after income tax	(1,601,068)	(833,376)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	36,906,251	25,002,056
Basic and diluted loss per share (cents)	(4.34)	(3.33)

17. Parent entity information

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

Investments in subsidiaries
Investments in subsidiaries are accounted for at cost less impairment.

Financial position

	Parent	
	2023 $	**2022 $**
Assets		
Current assets	2,717,282	4,035,681
Non- current assets	1,506,733	1,567,315
Total assets	4,224,015	5,602,996
Liabilities		
Current liabilities	323,757	98,020
Total liabilities	323,757	98,020
Net assets	3,900,258	5,504,976
Equity		
Issued capital	6,041,369	6,041,369
Reserves	456,960	456,960
Accumulated losses	(2,598,071)	(993,353)
Total equity	3,900,258	5,504,976
Financial performance		
Loss for the year	1,604,715	829,727
Other comprehensive loss	-	-
Total comprehensive loss	1,604,715	829,727

Contingent assets
The parent entity had no contingent assets as at 30 June 2023 and 30 June 2022.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments
The parent entity had no capital commitments as at 30 June 2023 and 30 June 2022.

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

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

			Percentage Owned (%)	
Name of entity	**Country of Incorporation**	**Class of Shares**	**2023**	**2022**
Matmetals WA Pty Ltd	Australia	Ordinary	100%	100%
East Kimberley Resources Pty Ltd	Australia	Ordinary	100%	100%
West Arunta Resources Pty Ltd[1]	Australia	Ordinary	100%	-

[1]As disclosed in Note 7, Lycaon Resources Limited acquired 100% interest in West Arunta Resources Pty Ltd during the financial year.

18. Contingent liabilities

On 10 June 2022, the consolidated entity entered into a royalty deed with Uramin Pty Ltd (Uramin). As part of the deed, the consolidated entity has agreed to pay Uramin a 0.5% Net Smelter Return Royalty (NSRR) on gross revenue arising from all minerals produced from the tenement area E80/4955. (2022: 0.5%).

19. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Criterion Audit Pty Ltd, the auditor of the consolidated entity:

	2023 $	2022 $
Audit and review of the financial statements - Criterion Audit	24,656	23,500
Investigating Accountant's Report - Criterion Audit	-	2,000
	24,656	25,500

20. Dividends

The consolidated entity has not declared nor paid a dividend for the financial year (2022: Nil).

21. Cash flow information

	2023 $	2022 $
(a) Reconciliation of cash flow from operations with operating loss		
Operating loss after income tax	(1,601,068)	(833,376)
- Share based payments	-	186,617
- Depreciation	-	-
- Exploration expenditure written off	938,306	-
Changes in assets and liabilities:		
- Decrease/(increase) in other assets	193,839	(22,422)
- Decrease/ (increase) in exploration and evaluation	29,186	(5,918)
- (Decrease) increase in trade and other payables	(11,170)	(68,337)
Net cash flow used in operating activities	(450,907)	(743,436)

22. Financial management

The consolidated entity's principal financial instruments comprise cash and short-term deposits. The consolidated entity has various other financial assets and liabilities such as other receivables and payables, which arise directly from its operations.

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

Risk management is carried out by the Board of Directors, who evaluate and agree upon risk management and objectives.

(a) Market risk

(i) Interest rate risk

The consolidated entity is not materially exposed to interest rate risk.

(b) Credit risk

The consolidated entity does not have significant concentrations of credit risk. Credit risk is managed by the Board of Directors and arises from cash and cash equivalents as well as credit exposure including outstanding receivables.

All cash balances are held in Australia.

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

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

(c) Liquidity risk

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

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

The Directors monitor the cash-burn rate of the consolidated entity on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

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

Maturity analysis for financial liabilities

Financial liabilities of the consolidated entity comprise of trade and other payables. As at 30 June 2023, all financial liabilities are contractually maturing within 60 days.

(d) Foreign exchange risk

The consolidated entity is not exposed to any foreign exchange risk.

(e) Fair value estimation

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

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

23. Events after the reporting date

On 31 July 2023 it was announced that two tenement applications E80/5867 and E80/5868 held by West Arunta Resources Pty Ltd, a 100% owned subsidiary of the Company were granted by the Department of Mines Industry Regulation and Safety (DMIRS).

On 3 August 2023, the Company successfully completed a $1.5 million placement through the issue of 6,000,000 fully paid ordinary shares at an issue price of $0.25 per share. Inyati acted as Lead Manager to the placement and were paid a 6% fee on the funds raised and received 600,000 unlisted options exercisable at 37.5c expiring on 3/08/2026.

On 18 August 2023, the Company announced that it will be holding a General Meeting on 19 September 2023.

The Directors are not aware of any matters or circumstances that have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the Directors

Patrick Burke
Non-Executive Chairman

Date: 4 September 2023
Perth

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 233 LEEDERVILLE WA 6902

Suite 2, 642 Newcastle Street
LEEDERVILLE WA 6007

Phone: 9466 9009

Independent Auditor's Report

To the Members of Lycaon Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Lycaon Resources Limited ("the Company") and its controlled entities ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of Lycaon Resources Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

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.

Key audit matter	How our audit addressed the key audit matter

Exploration and Evaluation Expenditure – $1,513,799
(Refer to Note 7)
 	
Exploration and evaluation is a key audit matter due to:
• The significance of the balance to the Consolidated Entity's financial position.
• The level of judgement required in evaluating management's application of the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources*. AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset.
• The assessment of impairment of exploration and evaluation expenditure being inherently difficult.
	Our procedures included, amongst others:
	
	• Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Consolidated Entity holds an interest and the exploration programmes planned for those tenements.
	• For each area of interest, we assessed the Consolidated Entity's rights to tenure by corroborating to government registries and evaluating agreements in place with other parties as applicable;
	• We tested the additions to capitalised expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB 6;
	• We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets for each area of interest.
	• We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure:
	    • the licenses for the right to explore expiring in the near future or are not expected to be renewed;
	    • substantive expenditure for further exploration in the specific

	area is neither budgeted or planned • decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and • data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale. • We assessed the completeness and adequacy of the related disclosures in the financial report.

Other Information

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

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

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 Consolidated Entity 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 Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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 Consolidated Entity'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 Consolidated Entity'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 Consolidated Entity 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.

Report on the Remuneration Report

Opinion on the Remuneration Report

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

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

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

CRITERION AUDIT PTY LTD

CHRIS WATTS CA
Director

DATED at PERTH this 4th day of September 2023

ADDITIONAL INFORMATION

Additional information required by Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows.
The information is current as at 30 August 2023.

(a) Corporate governance statement

The Company's 2023 Corporate Governance Statement has been released as a separate document and is located on our website at https://www.lycaonresources.com/investors.

(b) Distribution of equity securities

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

Range	Total Holders	Units	% of Issued Capital
1 – 1,000	28	11,738	0.03
1,001 – 5,000	193	531,990	1.24
5,001 – 10,000	130	1,090,485	2.54
10,001 – 100,000	388	14,732,148	34.34
100,001 – 9,999,999,999	89	26,539,890	61.86
Total	**828**	**42,906,251**	**100**

Unmarketable Parcels

Minimum $500.00 parcel at $0.235 per unit is 107 holders with 139,762 shares.

(c) Twenty largest shareholders

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

Rank	Name	Units	% of Units
1	Inyati Fund Pty Ltd <Inyati Fund No2 Unit A/C> [1]	2,250,000	5.24
2	S3 Consortium Holdings Pty Ltd <NextInvestors Dot Com A/C>	1,631,250	3.80
3	Reco Holdings Pty Ltd <Reco Super Fund A/C>	1,343,000	3.13
4	Peter & Tanya-Lee Wall <Wall Family Super Fund A/C>	904,879	2.11
5	UPSKY EQUITY PTY LTD <UPSKY INVESTMENT A/C>	800,000	1.86
6	CONSILIUM CORPORATE ADVISORY PTY LTD	775,000	1.81
7	GREENSEA INVESTMENTS PTY LTD	700,000	1.63
8	JRW INVESTMENTS (WA) PTY LTD <THE SHERRY FAMILY A/C>	618,000	1.44
9	MELBOR PTY LTD <RJW FAMILY A/C>	562,500	1.31
10	Julian Rodney Stephens <One Way A/C>	500,000	1.17
11	MR NATHAN CARATTI	500,000	1.17
12	"MR JOHN HARDING &	500,000	1.17
13	"GLOBAL CONSORTIUM HOLDINGS PTY LTD	500,000	1.17
14	OKAWARI CONSORTIUM PTY LTD <THE OKA T A/C>	500,000	1.17
15	AMBERGATE NOMINESS PTY LTD <AMBERGATE SUPER FUND A/C>	500,000	1.17
16	BLUE COASTERS PTY LTD	500,000	1.17
17	WESTBELLE PTY LTD <THE STATION A/C>	450,000	1.05
18	ALBANY MECHANICAL SERVICES PTY LTD <THE DERRICK FAMILY A/C>	389,559	0.91
19	Anthony Stephen Cormack	387,960	0.90
20	MR THOMAS EDWARD LANGLEY <LANGLEY MINERAL HOLDINGS A/C>	350,000	0.82
Total		**14,662,148**	**34.17**

[1] Inyati Fund Pty Ltd <Inyati Fund No2 Unit A/C> is a substantial holder of Lycaon Resources Limited, holding 5.24% of total ordinary shares.

(d) Voting rights

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

(e) The number of restricted equity securities / securities subject to voluntary escrow

- 6 shareholders holding 3,987,501 fully paid ordinary shares are restricted until 17 November 2023
- 2 shareholders holding 625,000 fully paid ordinary shares are voluntary escrowed until 17 September 2023
- 8 optionholders holding 8,662,500 unlisted options restricted until 17 November 2023

(f) Unlisted securities

The following options are on issue:

- 2 optionholders holding 1,250,000 unlisted options with an exercise price of $0.30 expiring 23 February 2025
- 19 optionholders holding 1,387,500 unlisted options with an exercise price of $0.30 expiring 23 February 2025
- 8 optionholders holding 8,662,500 unlisted options with an exercise price of $0.30 expiring 23 February 2025
- 2 optionholders holding 600,000 unlisted options with an exercise price of $0.375 expiring 3 August 2026

Inyati Fund Pty Ltd holds 4,000,000 unlisted options which equates to 34% of the unlisted options on issue.

(g) Second Annual Report after admission

The Company confirms that the cash raised has been used consistently with its business objectives.

(h) Schedule of tenements

Project	Tenement	Location	Interest at 30 August 2023
Gnewing Bore (Matmetals WA Pty Ltd)	E 80/5508	WA	100%
Bow River and Salt Lick (East Kimberley Resources Pty Ltd)	E80/4955	WA	100%
Stansmore Project (West Arunta Resources Pty Ltd)	E80/5723,E80/5867, E80/5868	WA	100%