DMC MINING LIMITED

# ANNUAL

# FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2023

DMC MINING LIMITED AND ITS CONTROLLED ENTITIES
(ABN 25 648 372 516)

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# CORPORATE DIRECTORY

**DIRECTORS**
David Sumich
Executive Chairman

Frank Knezovic
Non-executive Director

Bruce Franzen
Non-executive Director

**COMPANY SECRETARY**
Bruce Franzen

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**PRINCIPAL PLACE OF BUSINESS**
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**SHARE REGISTRY**
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**SECURITIES EXCHANGE LISTING**
DMC Mining Limited - shares and options are listed on the Australian Securities Exchange
(ASX Codes: DMM, DMMO)

**WEBSITE AND E-MAIL ADDRESS**
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# DIRECTORS' REPORT

The Directors present their report on DMC Mining Limited (the Company) and the entities it controlled (the Group) at the end of and during the year ended 30 June 2023.

## 1. Directors

The names and details of the Directors of DMC Mining Limited at any time from 1 July 2022 up to the date of this report are:

**David Sumich, Executive Chairman**

(B.Bus MAICD)

Age - 54 Years

Mr Sumich is an accomplished Executive Chairman with a track record of over 25 years in the mining industry. Throughout his career, he has garnered extensive experience and expertise in various facets of the mining sector.

Mr. Sumich has successfully operated mining and/or exploration projects across multiple countries, including Gabon, Mali, Republic of Congo, Burkina Faso, Guinea, Tanzania, Madagascar, Malawi, Mozambique, Argentina, and Australia. His extensive geographical reach highlights his ability to navigate diverse regulatory environments, adapt to local conditions, and capitalize on unique opportunities presented by each location.

With his extensive background, Mr. Sumich brings a wealth of knowledge and leadership to his role as Executive Chairman, enabling him to effectively steer mining projects, foster partnerships, and drive sustainable growth for shareholders.

Mr Sumich holds a Bachelor of Business degree and has been a Member of the Australian Institute of Company Directors for 15 years.

| | |
|---|---|
| Interest in Securities | 3,000,000 Fully paid ordinary shares<br>1,500,000 options exercisable at $0.20 on or before 30 April 2026 |
| Directorships held in other listed entities | Nil |

**Frank Knezovic, Non-Executive Director (Appointed 22 February 2023)**

(Bachelor of Laws LLB; BA (Psychology))

Age - 55 Years

Mr Knezovic is a lawyer and co-founding director of legal firm Nova Legal. Mr Knezovic has for more than 20 years advised public and private companies, directors, corporate advisors, broking firms, insolvency practitioners and financial services providers on a broad range of corporate and commercial matters.
Mr Knezovic has extensive experience in advising on capital raisings (both IPO and post-IPO) asset acquisitions and disposals, takeovers, mergers and acquisitions, corporate

reconstructions and insolvency, directors' duties, general corporate and commercial advice, and regulatory and strategic advice.
Mr Knezovic is a member of the Australian Institute of Company Directors and the Association of Mining and Exploration Companies.

| | |
|---|---|
| Interest in Securities | Nil Fully paid ordinary shares<br>Nil options exercisable at $0.20 on or before 30 April 2026 |
| Directorships held in other listed entities | Nil |

**Bruce Franzen, Non-Executive Director**

(B.Bus. FCPA, FFin)

Age – 54 years

Mr Franzen is a certified practicing accountant with over 30 years' local and international experience within large, complex organizations in the resources sector. Bruce has substantial executive-level and board experience executing finance and commercial roles related to exploration and development of large capital resource projects. He has recently held a Senior finance leadership position with major Canadian gold producer, Agnico Eagle (formerly Kirkland Lake Gold), where he was focused on underground mining operations at the world renowned Fosterville gold mine in Victoria. Bruce has also held past senior finance positions for large companies such as Woodside Energy, Inpex and Origin Energy.

He served as an Executive director, Co-founder, Company Secretary and Chief Financial Officer of the former DMC Mining Limited from 2006 – 2009 up until its AUD$50mill takeover and subsequent delisting. He was a former Chief Financial Officer and Company Secretary for Globe Metals & Mining Limited from 2007 – 2009. He also previously served as an Executive director, Co-founder, Company Secretary and Chief Financial Officer of Riedel Resources Limited from 2010 – 2014.

| | |
|---|---|
| Interest in Securities | 3,000,000 Fully paid ordinary shares<br>1,500,000 options exercisable at $0.20 on or before 30 April 2026 |
| Directorships held in other listed entities | Nil |

**William (Bill) Witham, Non-Executive Director (Technical)**

**(Resigned 21 February 2023)**

Age - 57 Years

The names and details of the Company Secretary of DMC Mining Limited at any time from 1 July 2022 up to the date of this report are:

**Bruce Franzen,** Company Secretary

## 2. Directors Interests

| Director | Directors' Interests in Ordinary Shares | Directors' Interests in Listed Options | Directors' Interests in Unlisted Options |
|---|---|---|---|
| David Sumich [1] | 3,000,000 | 1,500,000 | - |
| Frank Knezovic [2] | - | - | - |
| Bruce Franzen [3] | 3,000,000 | 1,500,000 | - |

1. Mr Sumich's interests are held directly, and indirectly through Tirol Investments Pty Ltd, of which Mr Sumich is a director and sole shareholder.
2. Nil
3. Mr Franzen's interests are held directly, and indirectly through Ms Vivienne Franzen, spouse of Mr Franzen.

## 3. Directors' Meetings

The number of Directors' meetings held during the reporting period and the number of meetings attended by each Director is as follows:

| | BOARD MEETINGS | |
|---|---|---|
| Director | Meetings entitled to attend | Meetings attended |
| David Sumich | 4 | 4 |
| William Witham | 3 | 3 |
| Bruce Franzen | 4 | 4 |
| Frank Knezovic | 1 | 1 |

## 4. Principal activities

During the period the principal continuing activity has been exploration and evaluation of the Consolidated Group's mineral tenement holdings in Western Australia.

## 5. Results of Operations

The consolidated net loss after income tax for the financial year was $2,111,072 (2022: $549,818).

## 6. Dividends

No dividends were paid during the period.

## 7. Review of operations

The Company is an Australian public company incorporated on 2 March 2021 for the purpose of identifying, acquiring and exploring for critical metals, nickel, copper, gold and other base metal assets.

Wyndham
GIBB RIVER (Cu)
Port Hedland
Newman
Meekatharra
Geraldton
Yilgarn Craton
FRASER RANGE PROJECTS
(Ni,Co,Cu,PGE's, Li)
Kalgoorlie
Perth
RAVENSTHORPE (Ni)
Esperance

## RAVENSTHORPE NICKEL PROJECT

The Ravensthorpe Nickel Project (DMC 100%, EL 74/669) is located in a highly prospective geological setting for nickel sulphide deposits. The Project has approximately 15km strike length of the Bandalup ultramafics, the target host rocks that are prospective for Kambalda-style komatiitic nickel sulphide deposits.

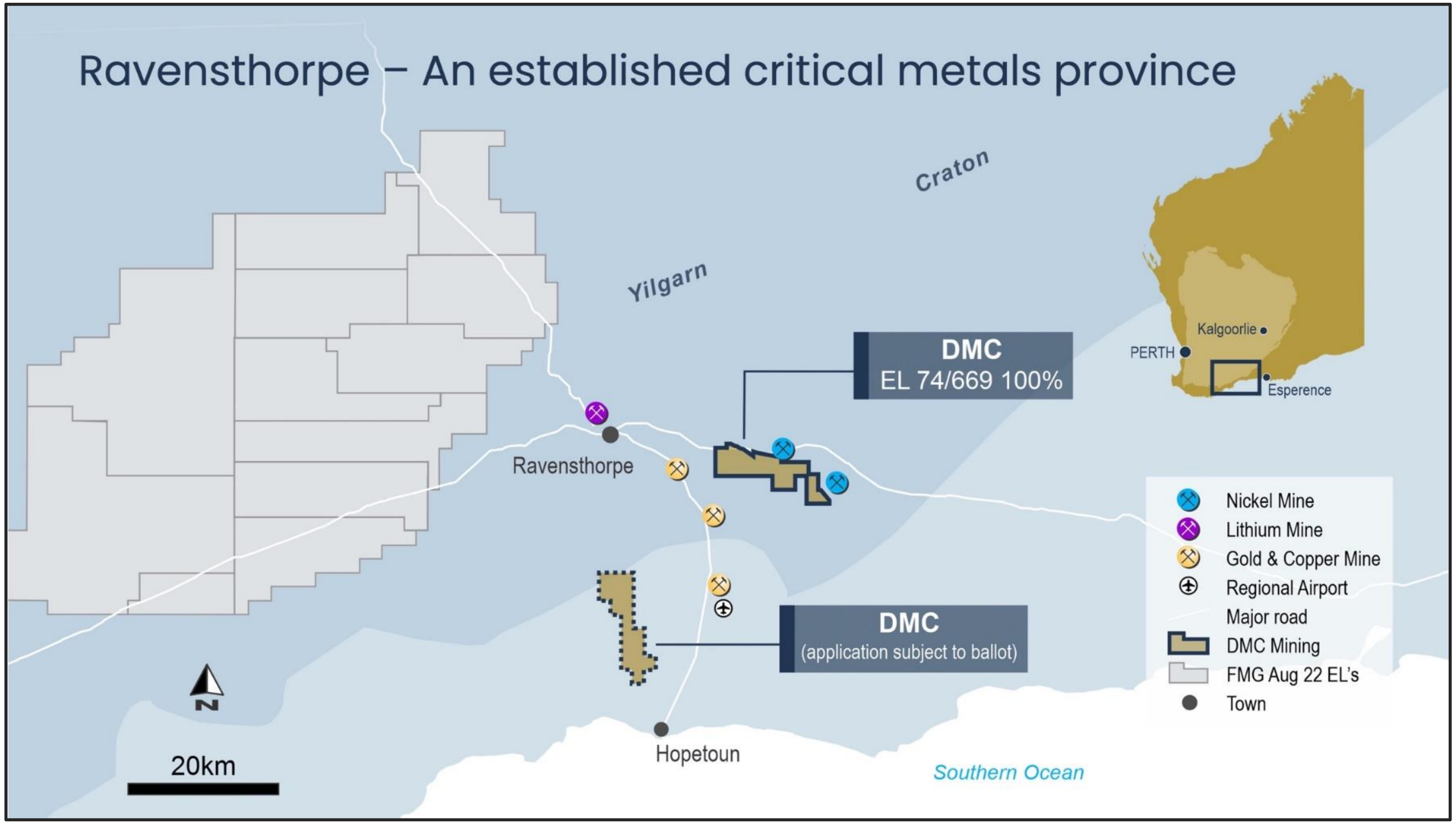


***Figure 1** – Ravensthorpe Nickel Project E74/669 – Regional Map*

The project is very well serviced by roads, power, and other necessary mining infrastructure.

During the period, Vortex Geophysics were contracted to complete the ground EM surveys at the Ravensthorpe Nickel Project (RNP). Ground EM follow-up on Xcite airborne AEM priority anomalies RAV 9 and RAV 11 (Figure 2) comprised:

- RAV 9: a single line of MLEM and three lines of FLEM oriented north-south across the Xcite EM anomaly (Figure 3a).
- RAV 11: 12 lines of FLEM oriented east-west across the Xcite EM anomaly (Figure 3b).

Surface geochemistry conducted over the target areas returned high values for nickel and cobalt consistent with buried ultramafic lithologies but remain inconclusive as to sulphide potential. This is not seen as a negative as nickel sulphide systems are often closed geochemically and entirely contained within the target ultramafic host with little to no wall rock leakage or "halo" of the target metals. Unless intersected by the weathering profile, such buried sulphide systems may be geochemically blind to surface sampling and not return anomalous metal values in geochemical data.

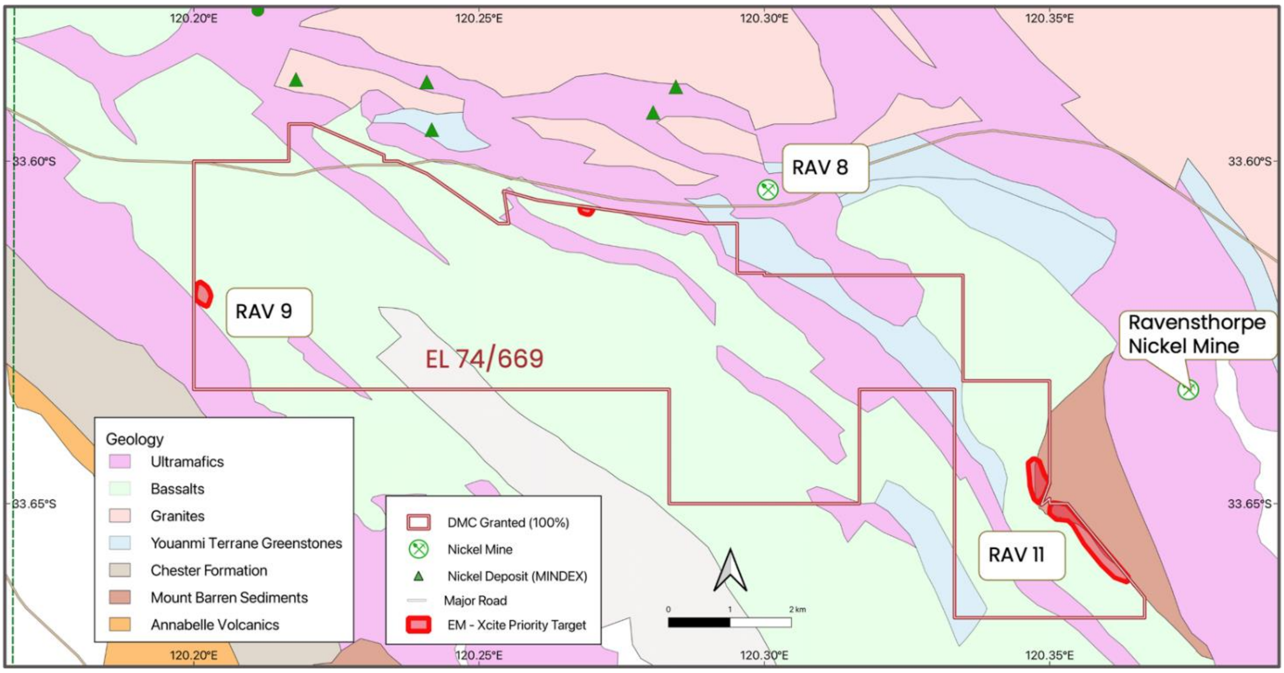


*Figure 2 – Ravensthorpe Nickel Project – RAV 9 & RAV 11 targets & Geology*

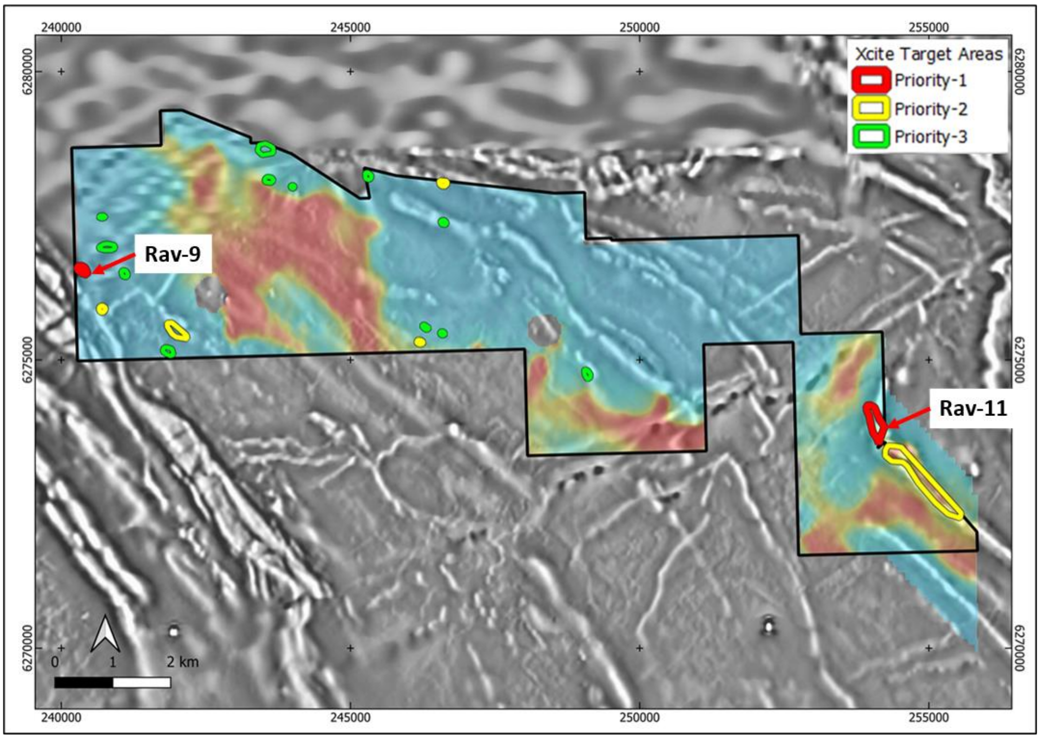


*Figure 2a* – *Priority AEM Conductivity Targets Identified on the Ravensthorpe Nickel Project. Ravensthorpe project tenement E74/669 outline (black) and Xcite target areas coloured by priority over a semi-transparent late-time Xcite EM decay image (dB/dt Z Ch45) over a residual magnetic greyscale image (TMIRTP HP500m)*

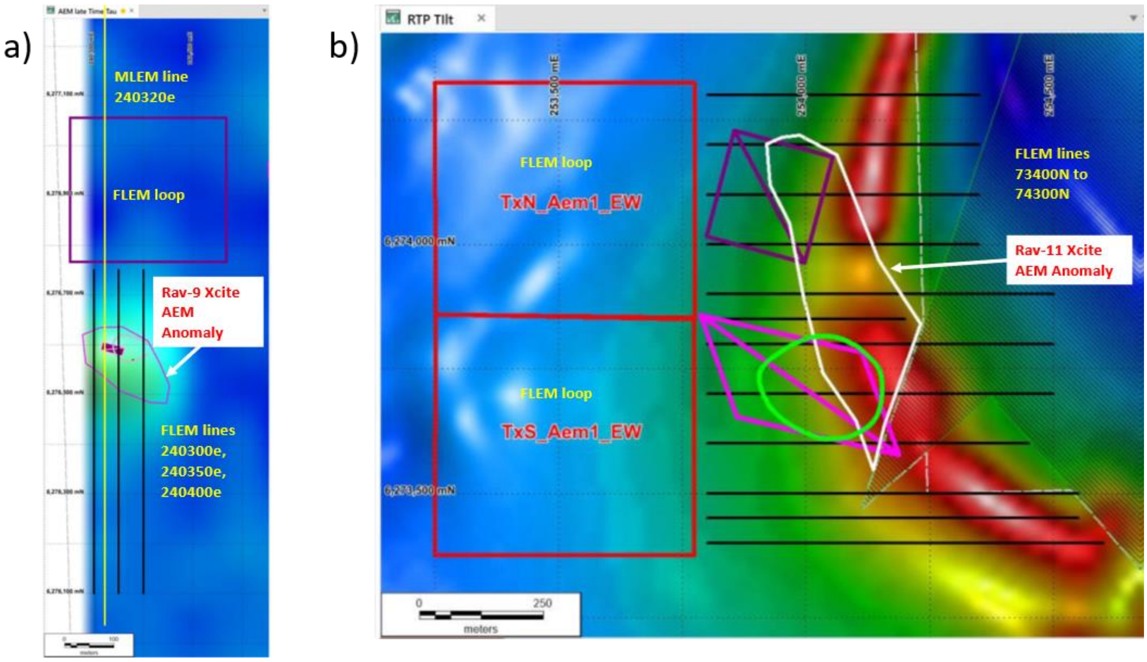


*Figure 3 – a). MLEM and FLEM survey lines on AEM Late time Tau image for RAV 9 AEM target. See Figure 4 for results. Scale bar 100m*

*Figure 3 – b). FLEM survey lines on RTP filtered magnetic image for RAV 11 AEM target. See Figure 5 for results. Scale bar 250m*

## RAV 9

At RAV 9, initial survey design was to collect multiple inside transmitter loop, MLEM traverses over the anomaly in a north south orientation. For technical and logistical reasons, the survey designed was converted to FLEM after the completion of line 240320e which was affected by Induced Polarisation (IP) effects. However, despite this the MLEM recorded a significant late time anomaly. Follow-up with FLEM (Figure 4) delineated a discrete conductor beneath Line 240350e with further potential conductors apparent in the late time Channel 30 response trending towards the east. The plate model is shown in Figure 4 and Table 1.

***Table 1*** *– Modelled FLEM Plate characteristics RAV 9*

| Plate Centre | | Depth | Dip | Dip Direction | Plunge | Length | Depth Extent | Conductance |
|---|---|---|---|---|---|---|---|---|
| Easting | Northing | m | Degrees | Degrees | Degrees | m | m | Siemens |
| 240340 | 627600 | 25 | 85 | 195 | 0 | 45 | 200 | 750 |

Due to constraints of land-owner farming activity at the time, the apparent late-time conductivity responses trailing to the east of the current eastmost survey line (Figure 4) was not immediately followed up and remains to be tested further.

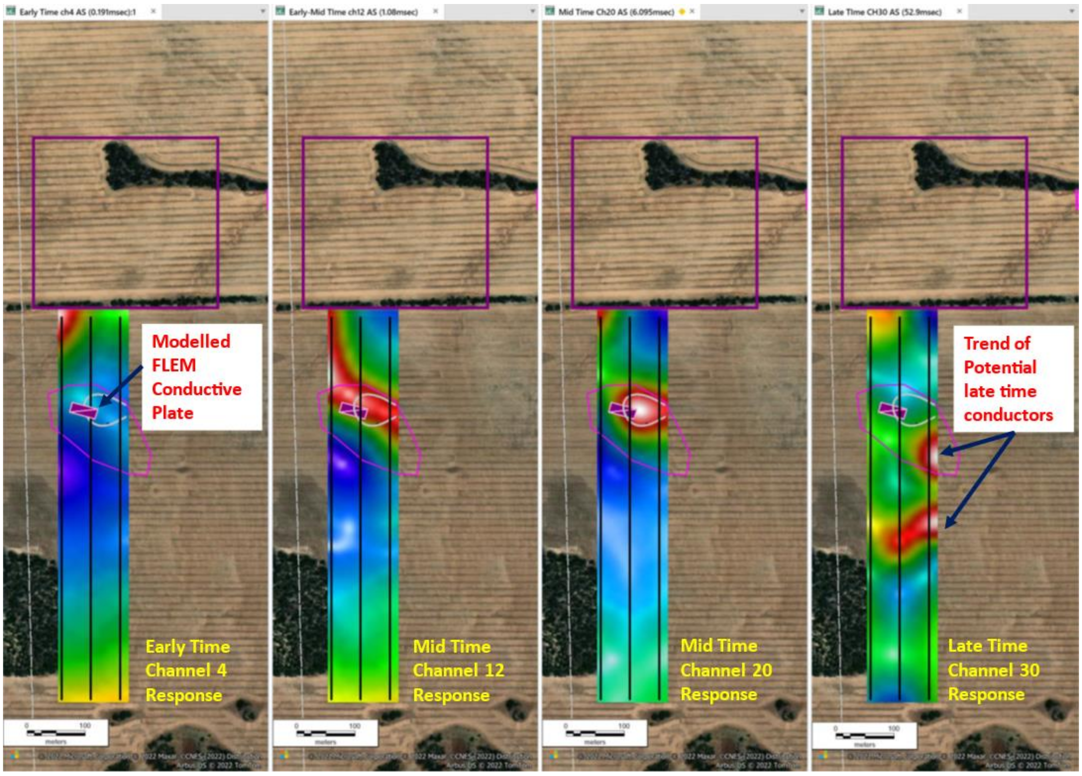


***Figure 4*** *– Processed time channel images for Fixed loop data over RAV 9. Demonstrating the development of the anomaly in time, note the potential good late time conductors to the east of survey line 230400e. Original AEM RAV 9 anomalies out line (magenta), Modelled plate (purple), Channel 20 anomaly outline (grey). Scale bar 100m*

## RAV 11

At RAV 11, twelve lines of east-west oriented FLEM were read over the original AEM Xcite anomaly from two transmitter loops. The survey data recorded a strong anomaly with the response observable past at very late read time over multiple lines. Modelling and processing of the of FLEM survey data has defined three discrete conductors, two of which are highly conductive and represent priority 1 targets. The third is of moderate to low conductance and isn't considered a high priority for immediate follow-up work. The best conducting anomaly (S1) correlates with the boundary of the modelled westerly dipping magnetic body interpreted to represent buried komatiite volcanics. The other good conductor (N1) appears to be slightly displaced from the modelled magnetic body. The plate models are shown in Figure 5 and Table 2.

*Table 2 – Modelled FLEM Plate characteristics RAV 11*

| Plate | Plate Centre | | Depth | Dip | Dip Direction | Plunge | Length | Depth Extent | Conductance |
|---|---|---|---|---|---|---|---|---|---|
| | Easting | Northing | m | Degrees | Degrees | Degrees | m | m | Siemens |
| S1 | 254150 | 6273680 | 125 | 70 | 245 | 155 | 200 | 800 | >7.000 |
| N1 | 254025 | 6274070 | 100 | 70 | 285 | 0 | 220 | 600 | 1500 |
| Low Priority | 254190 | 6273680 | 60 | 80 | 250 | 0 | 280 | 800 | 150 |

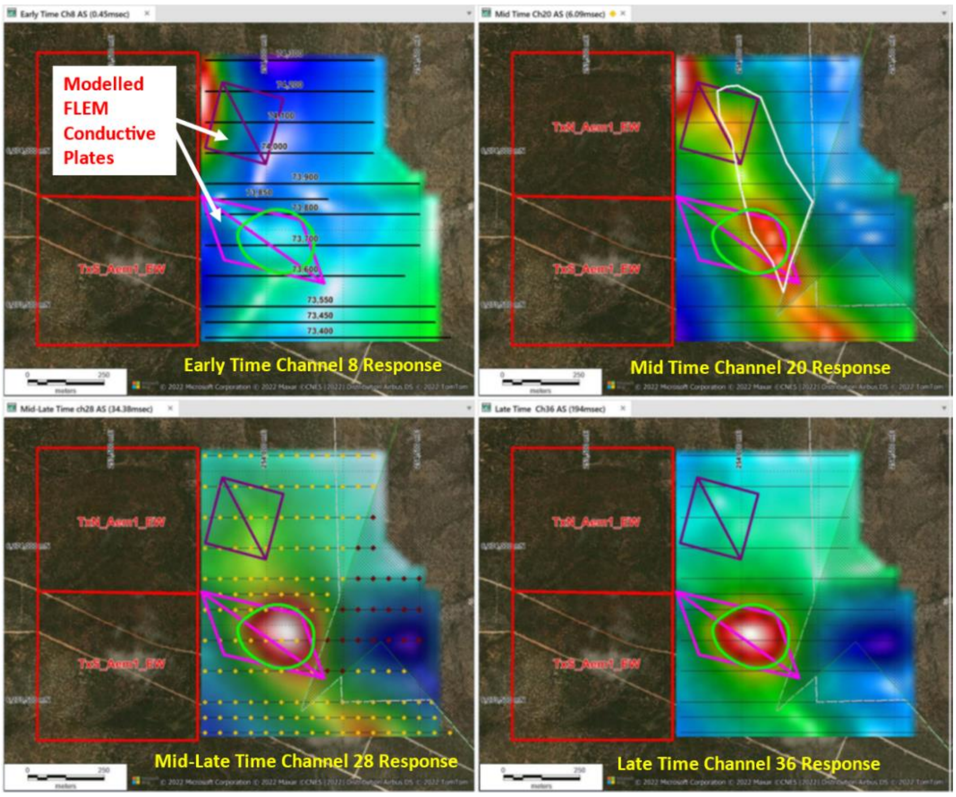


*Figure 5 – Processed time channel images for the Fixed loop data over RAV 11. Demonstrating the development of the anomaly in time. Anomaly outline (lime) and modelled plates (S1: magenta, N1: purple). Transmitter loops (red) with receiver lines (black) & original RAV 11 AEM anomaly (white). Scale bar 250m*

### NEXT STEPS

The EM plates will be tested with diamond drilling. Planning is underway for a program of holes to test the anomalies once appropriate permitting has been completed. Borehole EM will be conducted once drilling is completed, as well as extension of the FLEM to the east of the current RAV 9 FLEM survey.

## FRASER RANGE PROJECTS

The Fraser Range Projects (FRP) are a consolidation of 9 granted Tenements and 4 applications with a combined area of approximately 1200km$^2$, - being one of the largest strategic landholdings of held by any junior explorer in the Fraser Range. Investment by the Company will be undertaken at the Fraser Range Projects to explore for nickel, copper, gold, lithium and other base metals.

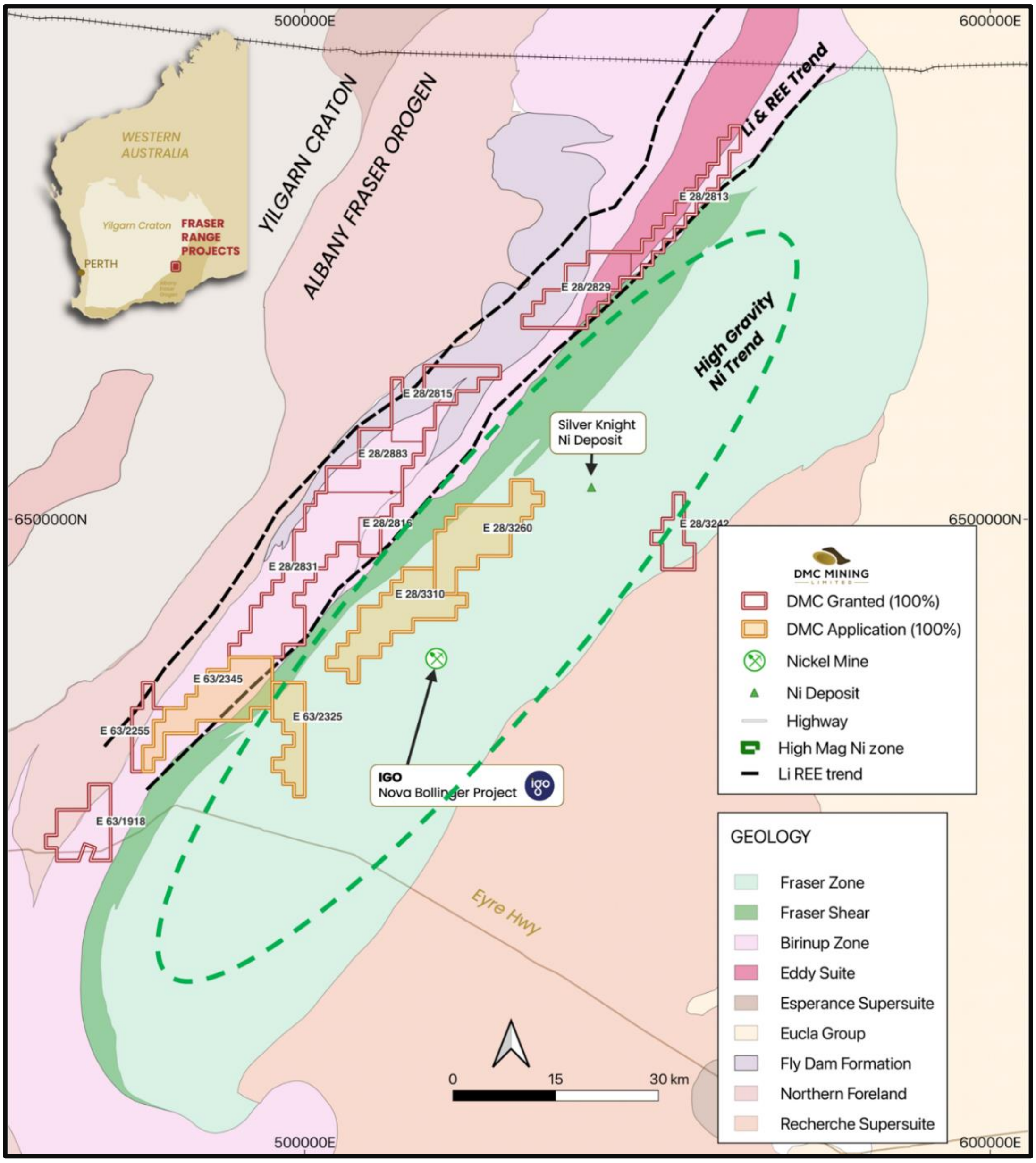


*Figure 6 – Fraser Range Projects – Location Map*

The Tenements comprising the Fraser Range Projects are situated within the highly prospective Proterozoic Albany-Fraser Orogen (AFO).

The AFO hosts and is prospective for a range of mineral deposit styles, including:

(a) magmatic nickel-(copper-cobalt) mineralisation;

(b) orogenic gold mineralisation;

(c) intrusion-related gold mineralisation; and

(d) polymetallic sedimentary exhalative and volcanogenic massive sulphide mineralisation, as exemplified by the Trilogy lead-zinc-silver-copper-gold deposit.

Previous exploration across the Tenements of the Fraser Project has focussed largely on gold, particularly since the Tropicana Discovery in 2005, and on base metals since the discovery of Nova-Bollinger in 2012. Nova-Bollinger is a world class nickel-copper deposit in mafic/ultramafic reporting 13 Mt @ 2% Ni + 0.8% Cu + 0.07% Co.

Since discovery of the Nova-Bollinger Ni-Cu-Co deposit by Sirius Resources Ltd in 2012 the AFO has been subject to intensive exploration efforts by numerous companies.

The Fraser Range is not just prospective for magmatic nickel-copper sulphide and orogenic gold. IGO Limited have identified several VMS occurrences, the most prospective being Andromeda (29.9m @ 1.36% Cu, 2.51% Zn, 19.9ppm Ag, and 0.36ppm Au).

Magmatic nickel and copper sulphide orebodies frequently occur in clusters globally. Thus far there are two discoveries and a large number of mineral occurrences.

## FRASER RANGE – TRINITY PROJECT

The Trinity Project is The Company's flagship project in the Fraser Range and is located approximately 18km from the Nova Operations, owned by IGO (ASX:IGO). The Company is targeting nickel and copper sulphide mineralisation within mafic intrusives.

The company has also obtained several key geophysical datasets covering the FRP. Geophysical data obtained includes detailed heliborne electromagnetic (AEM) VTEM and aeromagnetic surveys and moving loop ground electromagnetic (MLEM) surveys. Palaeochannel cover in some areas has impacted AEM survey effectiveness. However, the dataset largely is good quality and has resolved numerous conductivty anomalies that appear to be bedrock sourced.

## SOIL GEOCHEMISTRY

During the period, Gyro Australia Pty Ltd were contracted to complete an auger soil geochemical sampling program over E28/2831 for 2057 samples collected. The surveys were designed to follow up areas of interest delineated from compilation of data and results of past geochemical and geophysical surveys conducted by previous explorers. Soil samples were collected from 30 cm depth using a motorised augur on 200m x 200m grids. The samples were sieved to -2 mm in the field, however, wet weather necessitated some samples be taken without sieving. In these cases, extra care was taken to remove rock fragments etc.

The samples were analysed at the Bureau Veritas Canningvale, WA facility. The sample preparation included drying and weighing, riffle splitting and pulverisation to 95% passing 105 microns. The samples were treated with an aqua regia digest and analysed using ICP-MS and

ICP-AES. The sample suite was Au, Ca, Fe, Mg, Mn, Ag, As, Bi, Cd, Co, Cr, Cu, Hg, In, Mo, Ni, Pb, Pd, Pt, Sb, Se, Sn, Te, W, Zn.

Although the nickel concentration in the soils is generally low, with a maximum of 56 ppm, no anomalous nickel, cobalt, copper, or platinum group element results were found that would warrant further investigation. Nonetheless, a few individual soil samples showed elevated gold geochemistry results above the background levels, which might require follow-up.

### GROUND ELECTROMAGNETICS GEOPHYSICS

Ground geophysical surveys using a combination of moving loop (MLEM) and fixed loop (FLEM) electromagnetics were conducted by Vortex Geophysics Pty Ltd over 5 target areas. The target areas were delineated from compilation of data and results of past geochemical and geophysical surveys conducted by previous explorers, particularly the results of a VTEM survey acquired in 2009 over an area now encompassing E28/2831.

MLEM data was collected using in loop configuration with 200m square transmitter loops with 100m station spaces along lines nominally 200m apart. FLEM data was acquired on 100m station spaces along lines nominally 100m apart. A transmitter frequency of 0.5Hz was used. In all 20 lines of MLEM and 20 lines of FLEM were acquired over the 5 target areas identified. No good quality conductivity responses were identified.

### IMPROVED STRATEGIC LANDHOLDING – NEW ACQUISITIONS

The company has been making significant progress in its efforts to enhance its strategic position in the Tier 1, world-class Fraser Range region of Western Australia. To this end, it has applied for three exploration licenses (ELs) (Refer Figure 7) with the Department of Mines, Industry Regulation and Safety (DMIRS) –

- EL 28/3260,
- EL 28/3310, and
- EL 63/2325.

These licenses are currently in the application phase and cover a total area of 293 square kilometers, encompassing some of the most prospective geological features of the Fraser Zone.

The Fraser Zone is an important geological province situated to the east of the Yilgarn Craton, which is one of the world's oldest and most stable continental landmasses. The rocks in the Fraser Range date back to the Archean Eon and are dominated by granite-greenstone belts that have been intruded by granitic plutons. These rocks are known to host a variety of mineral deposits, including nickel, copper, gold, and platinum group elements.

Notably, the Fraser Zone is home to several significant mineral discoveries, such as the Sirus/IGO (Nova 2012), Creasy Group (Silver Knight), and Legend Mining (Mawson) deposits. These discoveries have generated significant interest in the region and underscore its potential for hosting world-class mineral deposits.

The Fraser Zone also coincides with a gravity high, which suggests the presence of large masses of dense rock beneath the surface. This geophysical feature is believed to be related to the underlying mafic and ultramafic intrusions that are associated with the mineral deposits in the region. The company's ELs cover a 37-kilometer high-priority target area within the Fraser Zone, which has the potential to contain significant mineralization.

Overall, the company's efforts to secure exploration licenses in the Fraser Range region demonstrate its commitment to exploring for and potentially developing world-class mineral deposits in one of the world's most prospective geological provinces.

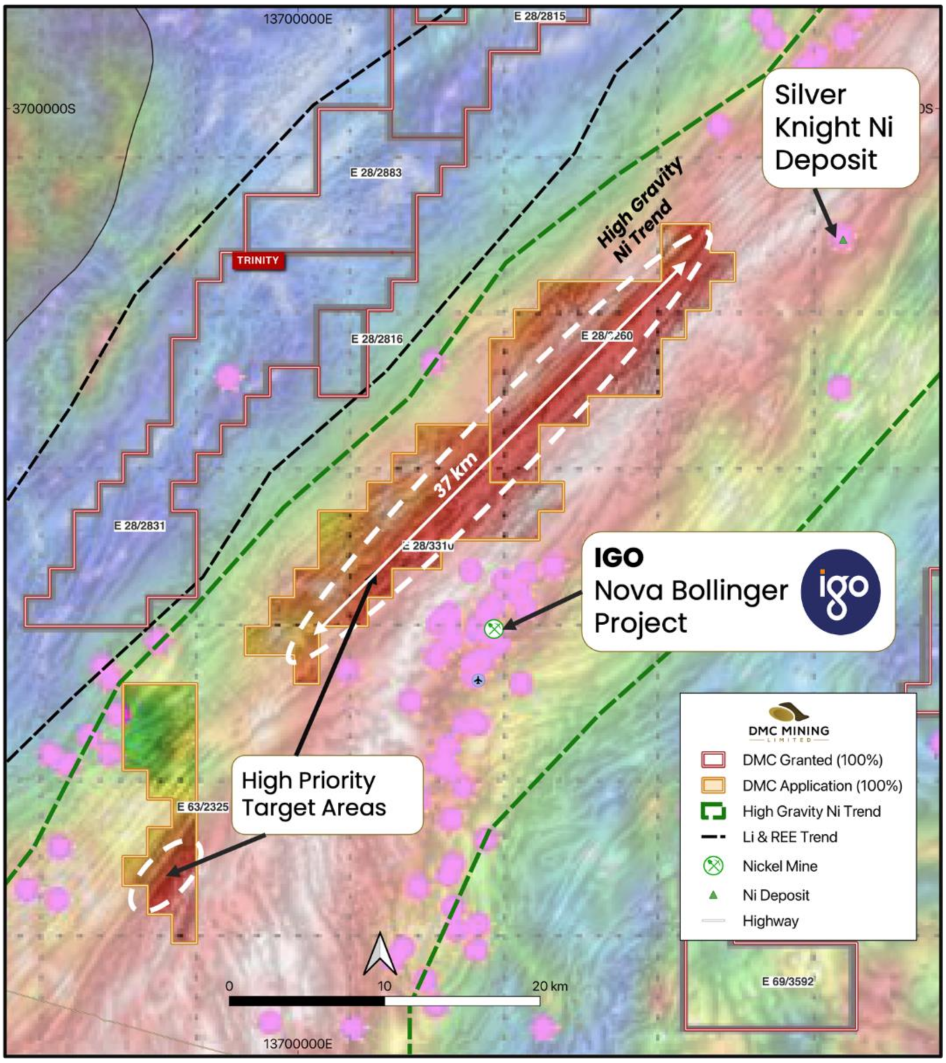


*Figure 7 – Residual Gravity image over filtered magnetic image*

## LITHIUM POTENTIAL WITHIN FRASER RANGE PROJECTS

- The Fraser Range has the potential to host LCT and NYF pegmatites, along with magmatic Ni - Cu sulphide deposits within the metamorphic rocks of the Albany-Fraser Orogen.
- The Biranup Zone Metagranitic Unit and the Eddy Suite (of which DMC holds ~620km2 – Figure 8, "Li & REE Trend") have both been identified by GSWA as potential pegmatite trap lithologies, as well as hosting pegmatites as a minor occurrence.
- Historical mapping surrounding the Fraser Range tenements have shown to identify pegmatites in outcrop and drilling associated with similar geological conditions as the Fraser Range tenements.
- Sentinel-2 VNIR/SWIR spectral processing with multivariate techniques shows several discrete targets for Li potential based on surrounding known Li occurrences.

During the period the Company completed a geological reconnaissance trip to the Fraser Range Projects with the objective of identifying pegmatite outcrops on DMC tenements.

Encouragingly, pegmatite outcrops were observed in surrounding tenements, however no pegmatites were observed at Enduro, Propel or Trinity projects. Due to inclement weather, the field crew were unable to access the Talon Ridge Project. Further work is planned for field mapping at the Talon Ridge Project.

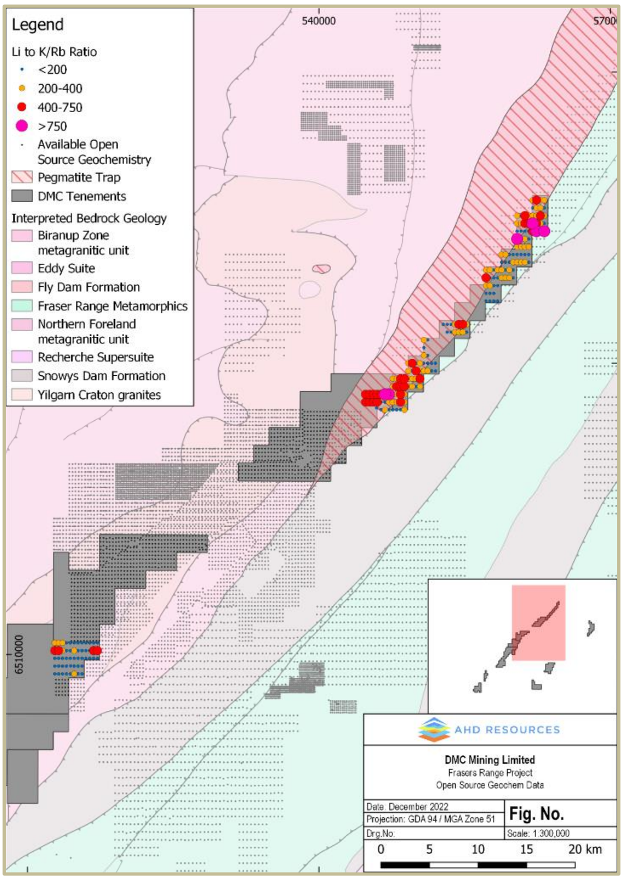


*Figure 8 – Talon Ridge Project – Li to K/Pb ratio anomaly*

## GIBB RIVER Cu PROJECT

Gibb River Cu Project (EL 80/5781, EL 80/5782, EL 80/5783, EL 80/5785, EL 80/5786) - Application

The Gibb River Cu Project (Project) comprises 5 EL applications totalling ~573 km2 in the Kimberley Region of WA. See Figure 9.

### GEOLOGICAL SETTING

Menuaris Dome is a doubly plunging anticlinal structure ('dome'). Lithologies observed in the field of the Pentecost Lower and Middle Members confirm the presence of shale rich horizons containing copper oxides.

Menuairs Dome has the potential to contain Zambian style sedimentary exhalative (SedEx) base metals within the siltstone/shale horizons of the Pentecost Sandstone Formation, predominately found at the transition of Middle Pentacost Sandstone to Lower Pentacost Sandstone. Potential for vein hosted sulphide deposits is also present within the Carson Volcanics units, underlying the Warton sandstone in the center of the Menuairs Dome. Historical Copper mineralization has been identified within shales and siltstones at the Middle Pentacost Sandstone to Lower Pentacost Sandstone boundary.

Lithologically the formations present at the Menuairs Dome align with a shallow shelf depositional environment, with some deeper anaerobic depositional environments towards the base of Lower Pentacost Sandstone as made evident by Glauconite presence.

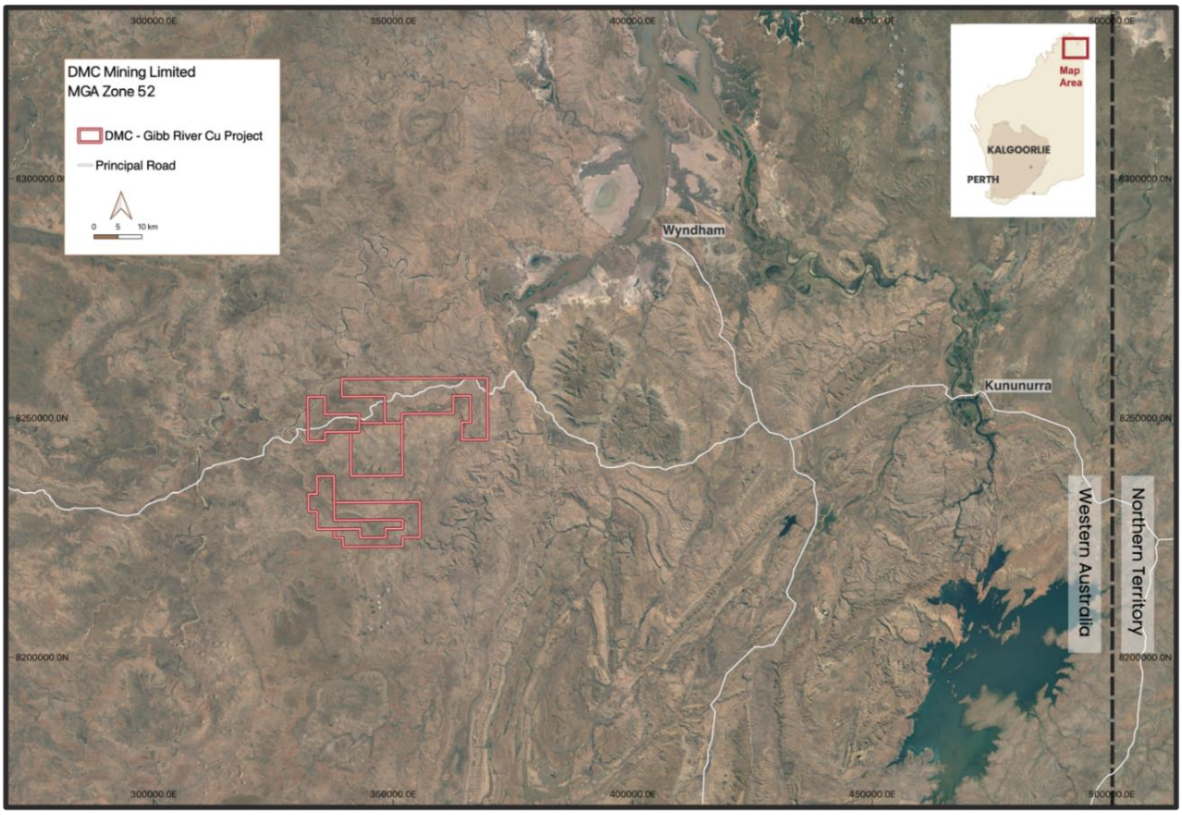


*Figure 9 – Gibb River Cu Project location map*

## PREVIOUS EXPLORATION

Regional exploration was carried out in the late 1960s and early 1970s by Durack Mines ('Durack') and Australian Anglo American ('Anglo') targeting the Middle Pentecost Unit using a syngenetic "Zambian" copper shale model. Both parties reported widespread occurrences of stratiform copper-oxide mineralization in the middle Pentecost Sandstone, in the Teronis member of the Elgee Siltstone, and in the Carson Volcanics.

Anglo drill tested the gray-green silty and shaly lower part of the middle Pentecost Sandstone with 18 shallow core holes and 9 shallow percussion holes in 1971. The best intercepts reported were 6 feet of 0.12% Cu and 1.5 feet of 0.22% Cu. The copper mineralization in the Teronis member of the Elgee Siltstone was not evaluated by Anglo. Anglo did not prospect or evaluate potential copper mineralization in the lower Pentecost, Warton, or Carson Volcanics units on this structure. Anglo drilling logged Chalcopyrite (Cp), Bornite (Bn), Chalcocite (Cc) and Malachite (Mal)

Exploration between the 1980's and early 2000's was focused on diamonds, with no mention of other commodities

EMX NSW 1 ('EMX' – a subsidiary of EMX Royalty Corp) completed a single diamond hole to 249.4m depth in the center of the Menuair Dome (KCDD19001) in 2019. This hole tested the crest of the dome for sedimentary hosted copper mineralisation within the Warton Sandstone, drilling 51.9m into the underlying Carson Volcanics. Drillhole KCDD19001 was not assayed at a laboratory, only spot pXRF analysis was conducted. GSWA co-funded this drilling. Upon initial photo revision of the KCDD19001 core, the following observations are noted;

- Potassium-feldspar fracture alteration noted from 200m.
- Copper sulphide fracture fill and veining from circa 224m to EOH.

## EXPLORATION TARGETS

Exploration model and potential for the Gibb River Project is based on the following observations from historical exploration:

(a) Cu minerals identified at surface including oxide, supergene, and hypogene mineral assemblages.

(b) Anomalous results in drilling associated with Cu oxides with apparent stratigraphic correlation of bedding and anomalies.

(c) Notation of 'White powder' on drilling cross sections suggesting a leached cap potential.

(d) Visible sulphide veining on core imagery in Carson Volcanics.

An oxide with potential enrichment blanket is proposed to be associated with a Strata-bound (SedEx) zone which was partially intercepted by Anglo in their 1971 drilling. The evidence of "white powder" noted in the drill logs while drilling into siltstone and shale beds suggests a blanketing leached cap.

Additionally, the potential for stockwork or lode style copper mineralisation exists within the Carson Volcanics, which the 2019 EMX diamond hole may have flanked the deposit edge (inspection and relogging of the core to confirm). EMX did not assay the diamond core (KDD19001) despite minor chalcopyrite veining, which considering the extent of veining from the photo interpretation, suggests a much larger system could potentially be in the immediate vicinity.

This interpretation means down dip of all historic drilling is open, and the center of the Menuairs Dome is also open especially if a surface expression is evident within the Menuair Dome. EMX did not assay the diamond core (KDD19001) despite chalcopyrite veining.

## EXPLORATION UNDERTAKEN

During the period the Company updated the market on exploration results received from its Gibb River Cu Project in the East Kimberley region of Western Australia.

Diamond core results have been received from an EIS funded drillhole which was drilled by a previous explorer in 2019. The hole was not sampled and analysed in 2019, despite copper sulphides (Chalcopyrite) associated with logged structures and alteration zones.

Analysis of this drillhole aimed to investigate the potential for the Carson Volcanics to host base and previous metal deposits, and to help improve the understanding of the various mineralised observations across the Gibb River project. Sampling was focused on the basal Warton Sandstone (Pkw) and upper Carson Volcanic units (Pkc) contacts. The Pkw unconformably overlies the upper Pkc.

Outcomes of the sampling shows anomalous copper and gold within the Carson Volcanics, which confirms these metals to be widespread both laterally and stratigraphically across the unconformity. Presence of anomalous mineralisation in this hole is over 10 kilometres from the historical outcrop drilling to the north and supports a large area of exploration area potential for targeting sources of mineralisation (including at depth). Anomalous copper and gold results received for KCDD19001 are summarised below in Table 3.

***Table 3** – Anomalous copper and gold results received from KCDD19001*

| Sample ID | Depth From (m) | Depth To (m) | Geology | Cu (ppm) | Au (ppb) |
|---|---|---|---|---|---|
| 610016 | 189 | 190 | Warton Sandstone | 6 | 161 |
| 610017 | 190 | 191 | | 6 | 2 |
| 610018 | 191 | 192 | | 18 | 94 |
| 610026 | 199 | 200 | Brecciated Volcanics | 146 | 37 |
| 610027 | 200 | 201 | | 220 | - |
| 610028 | 201 | 202 | | 366 | 6 |
| 610035 | 208 | 209 | Intensely Altered Volcanics | 226 | - |
| 610036 | 209 | 210 | | 332 | 1 |
| 610037 | 210 | 211 | | 152 | 1 |
| 610038 | 211 | 212 | | 258 | 1 |

Drillhole KCDD19001 is situated in the centre of a doubly plunging anticline structure (Menuairs Dome). The drillhole was ideally located to test the exploration potential of the entirely covered Carson Volcanics unit, a geological unit which has not received economical evaluation in this region.

From the results received by the Company, a background concentration for copper has been determined at a mean of approximately 90 ppm within the Carson Volcanics. Anomalies identified in Table 3 above exceed three times the background levels for this unit and are above the 90$^{th}$ percentile of 202 ppm.

Additionally, anomalous gold (up to 161 ppb) has been identified at the Warton Sandstone to Carson Volcanics transitional zone. This presents previously unidentified exploration potential for the project area.

Figure 10 below shows examples of the nature of copper sulphides observed in the drill core prior to 2022 sampling. Context of the drillhole location and regional context is shown in Figure 11.

*Figure 10 – Left –Chalcopyrite on fracture surface. Right – Tarnished chalcopyrite in carbonate filled fracture. Core from **Sample ID 610027***

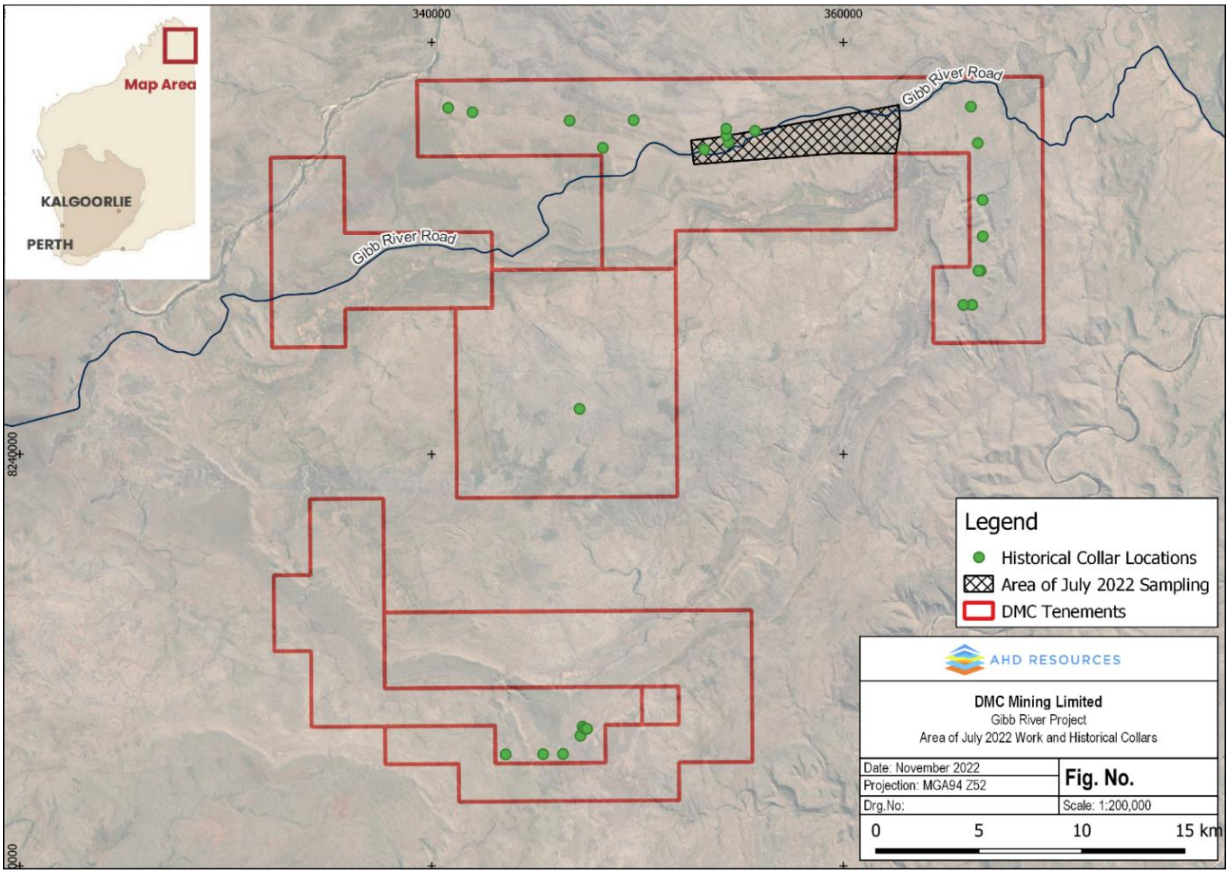


*Figure 11 – Location of KCDD19001 drillhole*

## NEXT STEPS

The company is currently taking steps to progress the application to grant and reviewing exploration rationale for the region. The Company is also anticipating processing of HyLogging to be completed by CSIRO/GSWA and made available soon.

**Competent Person's Statement**

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Tony Donaghy who is a Registered Professional Geoscientist (P.Geo) with the association of Professional Geoscientists of Ontario (PGO), a Recognised Professional Organisation (RPO). Mr Donaghy is an employee of CSA Global, an ERM Company, and is contracted as Exploration Management Consultant to DMC Mining Limited. Mr Donaghy has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Donaghy consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**Competent Person's Statement - Gibb River Cu Project**

The information in this announcement that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Andrew Dawes who is a Member of the Australasian Institute of Mining and Metallurgy and is a Principal Geologist employed by AHD Resources, independent consultants to DMC. Mr Dawes has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Dawes consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## CORPORATE ACTIVITIES

On 25 November 2022, the Company held its Annual General Meeting of Shareholders (AGM). All resolutions put to the meeting were passed by the required majority by way of a poll.

On 21 February 2023, Non-executive Director William Witham resigned as a Director of the Company.

On 22 February 2023, Non-executive Director Frank Knezovic was appointed a Director of the Company.

No other matters or circumstances have arisen subsequent to 30 June 2023 that has significantly affected, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.



**8. Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the Consolidated Entity during the year ended 30 June 2023.

**9. Matters subsequent to the end of the financial year**

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

**10. Likely developments and expected results of operations**

The Directors expect that the Group will continue to carry on exploration and evaluation of the tenements.

**11. Environmental regulation**

The consolidated group holds interests in a number of exploration tenements. The authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement. The Group is subject to environmental regulation under Australian Commonwealth and/or State law.

**12. Shares under option**

As of the date of this report 26,575,000 unissued ordinary shares of the Company are under option as follows:

| Number of options granted | Exercise price | Expiry date |
|---|---|---|
| 1,000,000 | $0.30 | 13 December 2024 |
| 25,575,000 | $0.20 | 30 April 2026 |

25,575,000 options on issue are quoted, ASX: DMMO.

1,000,000 Unquoted Vendor Options exercisable for $0.30 each on or before 13 December 2024 were issued in settlement of the acquisition of the Fraser Range project. Full terms and conditions are set out in the Company's IPO prospectus dated 29 October 2021.

No options were cancelled or expired.

Since the end of the financial year to the date of this report no options have been issued by the Company, no options have been cancelled or expired.

## 13. Shares issued on the exercise of options

There were no ordinary shares of the Company issued on the exercise of options during the year ended 30 June 2023 or since the end of the financial year to the date of this report.

## 14. Issued Capital

Number of shares on issue:

| | 2023 | 2022 |
|---|---|---|
| Ordinary fully paid shares | 46,350,000 | 46,350,000 |

## 15. Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of DMC Mining Limited support and have adhered to the principles of sound corporate governance.

The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that DMC Mining Limited is in compliance with those guidelines to the best extent possible, which are of importance to the commercial operation of a junior listed resources company. During the financial year, shareholders continued to receive the benefit of an efficient and cost-effective corporate governance policy for the Company.

The Board of Directors of DMC Mining Limited is responsible for corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Company's corporate governance policies and procedures are based on the Australian Securities Exchange Corporate Governance Council's (the Council's) "Corporate Governance Principles and Recommendations" (the Recommendations). In accordance with the 4th Edition of the Recommendations, the Corporate Governance Statement must contain certain specific information and must disclose the extent to which the Company has followed the guidelines during the reporting period. Where a recommendation has not been followed that fact must be disclosed, together with the reasons for the departure. The Company has disclosed its corporate governance statement on the Company website at www.dmcmining.com.au.

### 16. Remuneration Report for the year ended 30 June 2023 (audited)

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

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

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

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

## Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

## NON-EXECUTIVE DIRECTORS' REMUNERATION

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

Total remuneration for non-executive Directors shall not exceed $300,000 as disclosed in the Company Constitution and adopted by ordinary resolution of the members at the Annual General Meeting held on the 5th November 2021.

## EXECUTIVE REMUNERATION

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

The executive remuneration and reward framework has four components:

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

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

Executives are offered a competitive level of base salary at market rates (based on comparable ASX listed companies) and are reviewed annually by the Board of Directors to ensure market competitiveness.

The company has not engaged external remuneration consultants to advise the Board on remuneration matters.

## Details of remuneration for the year ended 30 June 2023

**DIRECTORS AND OTHER KEY MANAGEMENT PERSONNEL REMUNERATION**

| | Short-term benefits | Post-employment benefits | Share-based payments | | Total | At risk |
|---|---|---|---|---|---|---|
| | Salary and fees | Superannuation | Equity-settled | Performance rights | | |
| ***2023*** | $ | $ | $ | $ | $ | % |
| ***Executive Chairman:*** | | | | | | |
| David Sumich [(1)] | 240,110 | - | - | - | 240,110 | - |
| ***Non-Executive Directors:*** | | | | | | |
| William Witham [(2)] | 25,629 | - | - | - | 25,629 | - |
| Bruce Franzen [(3)] | 174,833 | - | - | - | 174,833 | - |
| Frank Knezovic [(4)] | 19,414 | - | - | - | 19,414 | - |
| ***Key Management Personnel:*** | | | | | | |
| Nil | - | - | - | - | | - |
| **TOTAL** | **459,986** | **-** | **-** | **-** | **459,986** | **-** |

At 30 June 2023 Directors' fees payable (included in the above table) were as follows:

1. Mr Sumich's remuneration payable includes executive chairman fees pursuant to a consulting agreement with Tirol Investments Pty Ltd.
2. Mr Witham's (resigned 21/02/2023) remuneration payable includes non-executive directors fees pursuant to a consulting agreement with Antler Holdings Pty Ltd.
3. Mr Franzen's remuneration payable includes non-executive directors fees, pursuant to a consulting agreement with Zen Magnolia Pty Ltd. Mr Franzen also received fees for Company secretarial and financial accounting services pursuant to a consulting agreement with Zen Magnolia Pty Ltd.
4. Mr Knezovic's (appointed 22/02/2023) remuneration payable includes non-executive directors fees pursuant to a consulting agreement, and provision of legal advice under a pre existing separate engagement with Nova Legal Pty Ltd at commercial terms.

## Details of remuneration for the year ended 30 June 2022

| DIRECTORS AND OTHER KEY MANAGEMENT PERSONNEL REMUNERATION | | | | | | |
|---|---|---|---|---|---|---|
| | Short-term benefits | Post-employment benefits | Share-based payments | | Total | At risk |
| | Salary and fees | Superannuation | Equity-settled | Performance rights | | |
| ***2022*** | $ | $ | $ | $ | $ | % |
| ***Executive Chairman:*** | | | | | | |
| David Sumich [1] | 154,852 | - | - | - | 154,852 | - |
| ***Non-Executive Directors:*** | | | | | | |
| William Witham [2] | 21,095 | - | - | - | 21,095 | - |
| Bruce Franzen [3] | 138,544 | - | - | - | 138,544 | - |
| ***Key Management Personnel:*** | | | | | | |
| Nil | - | - | - | - | | - |
| **TOTAL** | **314,491** | **-** | **-** | **-** | **314,491** | **-** |

## Service agreements

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

| | |
|---|---|
| Name: | David Sumich |
| Title: | Executive Chairman |
| Agreement commenced: | 2 March 2021 |
| Term of agreement: | Ongoing |
| Details: | The Company has entered into a consulting agreement with David Sumich and his associated entity, Tirol Investments Pty Ltd (ACN 095 622 281) (Tirol Investments) to provide executive chairman services.<br><br>The Company will pay the following fees to Tirol Investments for the above services:<br>A$240,000 (exclusive of GST) per year, commencing upon listing of the Company on the ASX, payable monthly in arrears unless otherwise agreed (Executive Chairman Services Fee).<br><br>The Executive Chairman Services Fee will be reviewed annually by the Company in accordance with the policy of the Company for the annual review of salaries or fees paid to consultants and Directors of the Company. In addition to any change in Executive Chairman Services Fee, the Company may pay to Tirol Investments a performance-based bonus over and above the Executive Chairman Services Fee in cash or |

| | |
|---|---|
| | non-cash form at any time during the term subject to obtaining any applicable regulatory approvals<br><br>Tirol Investments may terminate the consulting agreement without cause by giving the Company 6 months notice or within one month of a material change. |

| | |
|---|---|
| Name: | William Witham |
| Title: | Non-Executive Director |
| Agreement commenced: | 2 March 2021 |
| Term of agreement: | ended 21 February 2023 |
| Details: | The Company has entered into a consulting agreement with William Witham and his associated entity, Antler Holdings Pty Ltd (ACN 603 794 770) (Antler Holdings), to provide Non-Executive Director services.<br><br>In respect of the Non-Executive Director Services, the Company will pay to Antler Holdings, commencing upon listing of the Company on the ASX, a fee of A$40,000.00 (excluding GST) per annum (Non-Executive Director Fee). The Non-Executive Director Fee is payable monthly in arrears.<br><br>The Company will pay Antler Holdings A$1,300.00 (plus GST) per day for the Additional Services (Additional Services Fee). The Additional Services Fee is payable monthly in arrears.<br><br>The Consultant may terminate the consulting agreement without cause by giving the Company 30 business days notice or within one month of a material change. |

| | |
|---|---|
| Name: | Frank Knezovic |
| Title: | Non-Executive Director |
| Agreement commenced: | 22 February 2023 |
| Term of agreement: | Ongoing |
| Details: | The Company has entered into a consulting agreement with Frank Knezovic and his associated entity, Nova Legal Pty Ltd (ACN 158 021 026) (Nova Legal), to provide Non-Executive Director services.<br><br>In respect of the Non-Executive Director Services, the Company will pay to Nova Legal, commencing upon appointment by the Company, a fee of A$48,000.00 (excluding GST) per annum (Non-Executive Director Fee). The Non-Executive Director Fee is payable monthly in arrears.<br><br>The Company will pay Nova Legal A$1,300.00 (plus GST) per day for the Additional Services (Additional Services Fee). The Additional Services Fee is payable monthly in arrears. |

| | |
|---|---|
| | The Consultant may terminate the consulting agreement without cause by giving the Company 30 business days notice or within one month of a material change. |

| Name: | Bruce Franzen |
|---|---|
| Title: | Non-Executive Director and Company Secretary |
| Agreement commenced: | 2 March 2021 |
| Term of agreement: | Ongoing |
| Details: | The Company has entered into a consulting agreement with Bruce Franzen and his associated entity, Zen Magnolia Pty Ltd (ACN 122 858 413) (Zen Magnolia), to provide Non-Executive Director services.<br><br>In respect of the Non-Executive Director Services, the Company will pay to Zen Magnolia, (previously $40,000 excluding GST per annum from listing) commencing from 22 February 2023, a fee of A$48,000.00 (excluding GST) per annum (Non-Executive Director Fee). The Non-Executive Director Fee is payable monthly in arrears.<br><br>The Company will pay Zen Magnolia A$1,300.00 (plus GST) per day for the Additional Services (Additional Services Fee). The Additional Services Fee is payable monthly in arrears.<br><br>The Consultant may terminate the consulting agreement without cause by giving the Company 30 business days notice or within one month of a material change.<br><br>The Company has also entered into a consulting agreement with Bruce Franzen and his associated entity, Zen Magnolia Pty Ltd (ACN 122 858 413) (Zen Magnolia), to provide Company Secretarial and financial accounting services.<br><br>In respect of the Company Secretarial and financial accounting services, the Company will pay to Zen Magnolia, commencing upon listing of the Company on the ASX, a fee of A$11,000.00 (excluding GST) per month (Company Secretary and financial accounting Fee). The Company Secretary and financial accounting Fee is payable monthly in arrears.<br><br>The Company or Consultant may terminate the consulting agreement without cause by giving each other 30 business days notice or within one month of a material change. |

## Share-based compensation

### ISSUE OF SHARES

No shares were issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2023.

### ISSUE OF PERFORMANCE RIGHTS

No performance rights convertible to ordinary shares in the Company were granted as remuneration to Directors and other key management personnel as part of compensation during the year ended 30 June 2023.

### ISSUE OF OPTIONS

No options convertible to ordinary shares in the Company were granted as remuneration to Directors and other key management personnel as part of compensation during the year ended 30 June 2023.

## Additional information and disclosures

### GROUP PERFORMANCE

In considering the Consolidated Group's performance, the Board provides the following information for the current financial year and previous financial years:

| | 2023 ($) | 2022 ($) | 2021 ($) |
|---|---|---|---|
| Profit/(loss) for the year attributable to shareholders | (2,111,072) | (549,818) | (54,676) |
| Basic loss per share for the year ended 30 June | (0.046) | (0.016) | (0.003) |

## DIRECTORS SHAREHOLDING

The number of ordinary shares of DMC Mining Limited held directly, indirectly, or beneficially by each Director including their personally related entities as at reporting date:

| | Opening balance 1 July 2022 | Received as remuneration during the year | Other movements during the year | Closing balance 30 June 2023 |
|---|---|---|---|---|
| David Sumich (1) | 3,000,000 | - | - | 3,000,000 |
| Frank Knezovic (2) | - | - | - | - |
| Bruce Franzen (3) | 3,000,000 | - | - | 3,000,000 |
| **TOTAL** | **6,000,000** | **-** | **-** | **6,000,000** |

1. Mr Sumich's interests are held directly, and indirectly through Tirol Investments Pty Ltd, of which Mr Sumich is a director and sole shareholder.
2. Mr Knezovic's interests are Nil.
3. Mr Franzen's interests are held directly, and indirectly through Ms Vivienne Franzen, spouse of Mr Franzen.

## DIRECTORS OPTIONHOLDING

The number of quoted options of DMC Mining Limited held directly, indirectly, or beneficially by each Director including their personally related entities as at reporting date:

| | Opening balance 1 July 2022 | Received as remuneration during the year | Other movements during the year | Closing balance 30 June 2023 |
|---|---|---|---|---|
| David Sumich (1) | 1,500,000 | - | - | 1,500,000 |
| Frank Knezovic (2) | - | - | - | - |
| Bruce Franzen (3) | 1,500,000 | - | - | 1,500,000 |
| **TOTAL** | **3,000,000** | **-** | **-** | **3,000,000** |

1. Mr Sumich's interests are held directly, and indirectly through Tirol Investments Pty Ltd, of which Mr Sumich is a director and sole shareholder.
2. Mr Knezovic's interests are Nil.
3. Mr Franzen's interests are held directly, and indirectly through Ms Vivienne Franzen, spouse of Mr Franzen.

## Additional disclosures relating to key management personnel and their related parties

### OTHER TRANSACTIONS

During the year there were no other payments made to key management personnel and their related parties.

### END OF AUDITED REMUNERATION REPORT

### 17. Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for 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 year ended 30 June 2023, the Group paid insurance premiums in respect of Directors' and Officers' liability and legal expenses' insurance contracts for current Directors and Officers. The insurance premiums relate to costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome and other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

Details of the amount of the premium paid in respect of the insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract

### 18. Indemnity and insurance of auditor

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

### 19. Non-audit services

During the reporting period PKF performed certain other services in addition to its statutory duties.

The Board has considered the non-audit services provided during the reporting period by the auditor and is satisfied that the provision of those non-audit services is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 (Cth) for the following reasons:

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

### 20. Proceedings on behalf of the company

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

**21. Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

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

On behalf of the Directors.

David Sumich

Executive Chairman

13 September 2023

Perth WA

PKF Perth





## AUDITOR'S INDEPENDENCE DECLARATION

## TO THE DIRECTORS OF DMC MINING LIMITED

In relation to our audit of the financial report of DMC Mining Limited for the year ended 30 June 2023, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

PKF PERTH

SIMON FERMANIS
SENIOR PARTNER

13 SEPTEMBER 2023
WEST PERTH
WESTERN AUSTRALIA

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PO Box 609, West Perth, WA 6872
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# CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

*for the year ended 30 June 2023*

| | Note | 30-June-23 $ | 30-June-22 $ |
|---|---|---|---|
| Interest income | | **20,251** | 344 |
| Other revenue | | **-** | 141,786 |
| ***TOTAL REVENUE*** | | **20,251** | 142,130 |
| | | | |
| Administration expenses | | **15,137** | 18,380 |
| Compliance and regulatory expenses | | **152,632** | 142,717 |
| Exploration expenses | | **87,839** | 168,645 |
| Consultancy expenses | | **132,000** | 66,800 |
| Directors' fees | | **325,462** | 176,188 |
| Marketing and Investor relations expenses | | **127,160** | 80,721 |
| Insurance expenses | 3 | **28,342** | 17,285 |
| Occupancy expenses | 3 | **19,719** | 21,212 |
| Impairment expenses | 9 | **1,243,032** | - |
| Other expenses | | **-** | - |
| ***TOTAL EXPENSES*** | | **2,131,323** | 691,948 |
| | | | |
| Loss before income tax | | **(2,111,072)** | (549,818) |
| Income tax | 4 | **-** | - |
| Loss for the year | | **(2,111,072)** | (549,818) |
| Other comprehensive income | | **-** | - |
| ***TOTAL COMPREHENSIVE LOSS FOR THE YEAR*** | | **(2,111,072)** | (549,818) |
| | | | |
| Basic loss per share | 5 | **(0.046)** | (0.016) |
| Diluted loss per share | 5 | **(0.046)** | (0.016) |

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*as at 30 June 2023*

| | Note | 30-June-23 $ | 30-June-22 $ |
|---|---|---|---|
| ***CURRENT ASSETS*** | | | |
| Cash and cash equivalents | 6 | **1,651,733** | 3,836,261 |
| Other receivables | 7 | **43,806** | 44,756 |
| Other current assets | 8 | **21,585** | 11,189 |
| Total current assets | | **1,717,124** | 3,892,206 |
| ***NON-CURRENT ASSETS*** | | | |
| Exploration and evaluation | 9 | **966,169** | 1,013,640 |
| Total non-current assets | | **966,169** | 1,013,640 |
| ***TOTAL ASSETS*** | | **2,683,293** | 4,905,846 |
| ***CURRENT LIABILITIES*** | | | |
| Trade and other payables | 10 | **89,524** | 201,004 |
| Total current liabilities | | **89,524** | 201,004 |
| ***TOTAL LIABILITIES*** | | **89,524** | 201,004 |
| ***NET ASSETS*** | | **2,593,769** | 4,704,842 |
| ***EQUITY*** | | | |
| Issued capital | 11 | **4,839,724** | 4,839,724 |
| Reserves | 12 | **469,612** | 469,612 |
| Accumulated losses | | **(2,715,567)** | (604,494) |
| ***TOTAL EQUITY*** | | **2,593,769** | 4,704,842 |

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*for the year ended 30 June 2023*

| | Issued Capital $ | Options Reserve $ | Retained Earnings $ | Total $ |
|---|---|---|---|---|
| ***BALANCE AT 1 July 2021*** | 420,340 | - | (54,676) | 365,664 |
| Loss for the Period | - | - | (549,818) | (549,818) |
| Shares Issued During the Period | 5,270,000 | - | - | 5,270,000 |
| Costs of share issue | (850,616) | - | - | (850,616) |
| Options issued to vendors and consultants during the period | - | 469,612 | - | 469,612 |
| ***BALANCE AT 30 JUNE 2022*** | **4,839,724** | **469,612** | **(604,494)** | **4,704,842** |
| Loss for the Period | - | - | (2,111,072) | (2,111,072) |
| Shares Issued During the Period | - | - | - | - |
| Costs of share issue | - | - | - | - |
| Options issued to vendors and consultants during the period | - | - | - | - |
| ***BALANCE AT 30 JUNE 2023*** | **4,839,724** | **469,612** | **(2,715,567)** | **2,593,769** |

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

*for the year ended 30 June 2023*

| | Note | 30-June-23 $ | 30-June-22 $ |
|---|---|---|---|
| ***CASH FLOWS FROM OPERATING ACTIVITIES*** | | | |
| Payments to suppliers and employees | | **(1,066,240)** | (389,536) |
| Payments for exploration and evaluation | | **(1,138,539)** | (564,575) |
| Interest received | | **20,251** | 344 |
| Net cash used in operating activities | 13 | **(2,184,528)** | (953,767) |
| ***CASH FLOWS FROM INVESTING ACTIVITIES*** | | | |
| Payments for acquisition of tenements | | **-** | (82,513) |
| Net cash used in investing activities | | **-** | (82,513) |
| ***CASH FLOWS FROM FINANCING ACTIVITIES*** | | | |
| Proceeds from the issue of shares and options | | **-** | 5,115,875 |
| Payments of share issue costs | | **-** | (603,879) |
| Net cash generated by financing activities | | **-** | 4,511,996 |
| ***NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS*** | | **(2,184,528)** | 3,475,717 |
| Cash and cash equivalents at the beginning of the financial year | | **3,836,261** | 360,544 |
| ***CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR*** | 6 | **1,651,733** | 3,836,261 |

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

# NOTES TO THE FINANCIAL STATEMENTS

## 1. SIGNIFICANT ACCOUNTING POLICIES

DMC Mining Limited and its controlled entities (the 'Consolidated Entity') is domiciled and incorporated in Australia. The consolidated financial report of the consolidated entity for the period ended 30 June 2023 comprises the Company and its subsidiaries. The Consolidated Entity is involved in resource exploration and development in Western Australia.

The financial report was authorized for issue by the Directors on 13 September 2023.

### BASIS OF PREPARATION

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

#### *Historical cost convention*

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

#### *Critical accounting estimates*

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

### 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 20.

### PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of DMC Mining Limited ('company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. DMC Mining Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### GOING CONCERN

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

As of 30 June 2023, the net assets of the Consolidated Entity were $2,593,769 (2022: $4,704,842), the cash & cash equivalents were $1,651,733 (2022: $3,836,261). For the year ended 30 June 2023, the Consolidated Entity incurred a loss of $2,111,072 (2022: $549,818) and experienced operating cash outflow of $2,184,528 (2022: $953,767).

The Consolidated Entity's ability to continue as a going concern and meet its debt obligations and commitments as and when they fall due is depended on the Consolidated Entity's ability to raise sufficient working capital to ensure the continued implementation of the Consolidated Entity's exploration plan.

The Directors are of the opinion that the Consolidated Entity has or will have access to sufficient cash through future equity raising to fund its administrative and other committed expenditure for a period of at least 12 months from the date of this financial report. Accordingly, this financial report has been prepared on a going concern basis.

In the event that the Consolidated Entity does not achieve the above actions, there exists a material uncertainty as to whether the Consolidated Entity will be able to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business.

## 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.

## REVENUE RECOGNITION

The consolidated entity recognises revenue as follows:

### *Interest*

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 period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### *Other revenue*

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

### *New and revised standards that are effective for these financial statements*

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

## INCOME TAX

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

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

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

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

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Highly liquid investments with original maturities greater than three months will be classified as other receivables. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

### EXPLORATION AND EVALUATION ASSETS

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

Impairment is recognised when facts and circumstances suggest that the carrying amount of an area of interest may excessed its future recoverable amount.

### PROPERTY, PLANT AND EQUIPMENT

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

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

| | |
|---|---|
| Plant and equipment | 3-7 years |

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

### 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.

### TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Consolidated Group prior to the end of the financial year and which are 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 days of recognition.

### 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.

### *Other long-term employee benefits*

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

### *Defined contribution superannuation expense*

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

### *Share-based payments*

Equity-settled share-based compensation benefits are provided to employees.

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

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Hoadley Trading & Investment Tools ESO2 valuation model, the Hoadley Barrier1 valuation model, Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option or right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

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

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

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

### FAIR VALUE MEASUREMENT

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

### ISSUED CAPITAL

Ordinary shares are classified as equity. Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

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.

#### *Capital risk management*

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2022 Annual Report.

## EARNINGS PER SHARE

### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of DMC Mining Limited, 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 financial year.

### *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.

## GOODS AND SERVICES TAX ('GST') AND OTHER SIMILAR TAXES

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are reported on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

## 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 and have not been early adopted by the Consolidated Group for the annual reporting year ended 30 June 2023.

There are no material new or amended accounting Standards which will materially affect the Group.

## LEASES

### *Right-of-use-assets*

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Consolidated Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

### *Lease liabilities*

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Consolidated Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option or lease term extension and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

## OPERATING SEGMENTS

### *Identification of reportable operating segments*

The consolidated entity is organised into one operating segment, being exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements

The information reported to the CODM is on a monthly basis.

The reportable segment is represented by the primary statements forming these financial statements.

## 2. Critical accounting judgements, estimates and assumptions

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the consolidated group.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described below:

### *Estimation of useful lives of assets*

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

### *Employee benefits provision*

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

### *Share-based payments*

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 of options is determined by using Black and Scholes 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 annual reporting period but may impact profit or loss and equity.

### *Exploration and evaluation expenditure*

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

## 3. EXPENSES

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| ***Loss before income tax from continuing operations includes the following specific expenses not otherwise disclosed:*** | | |
| Insurance Costs | 28,342 | 17,285 |
| Occupancy Costs | 19,719 | 21,212 |
| | 48,061 | 38,497 |

## 4. INCOME TAX (EXPENSE)/BENEFIT

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| Recognised in the income statement: | | |
| *Current tax (expense) / benefit* | - | - |
| *Deferred tax (expense) / benefit* | - | - |
| Aggregate income tax (expense) / benefit | - | - |
| | | |
| *Reconciliation between tax expense and pre-tax net profit* | | |
| Profit/ (loss) before income tax from continuing operations | (2,111,072) | (549,818) |
| Income tax calculated at 25% (2022: 25%) | (527,768) | (137,455) |
| | | |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: | | |
| Non-deductible/Non-assessable items | 1,474 | 4,779 |
| Income tax benefit (recouped)/ not brought to account | 526,294 | 132,676 |
| Income tax expense on pre-tax net profit | - | - |
| | | |
| The following deferred tax balances have not been recognised: | | |
| | | |
| *Deferred tax assets at 25% (2022: 25%)* | | |
| Provisions and accruals | 4,500 | 9,496 |
| Capital raising costs | 96,369 | 126,929 |
| Carried forward losses | 914,593 | 380,983 |
| | 1,015,462 | 517,408 |
| *Deferred tax liabilities at 25% (2022: 25%)* | | |
| Exploration & Evaluation | 144,908 | 141,913 |
| Prepayments | 2,544 | 2,312 |
| | 147,452 | 144,225 |
| Net deferred tax asset - *Not recognised* | 868,011 | 373,183 |

The tax benefits of the above deferred tax assets will only be obtained if:

a) The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit to be utilised;
b) The Company continues to comply with the conditions for deductibility imposed by law; and
c) No changes in income tax legislation adversely affect the Company in utilising the benefits.

| 5. BASIC AND DILUTED LOSS PER SHARE | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| Basic earnings/(loss) per share | (0.046) | (0.016) |
| Diluted earnings/(loss) per share | (0.046) | (0.016) |
| Loss used in calculation of basic and diluted loss per share | (2,111,072) | (549,818) |
| | No. | No. |
| Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share | 46,350,000 | 34,366,164 |

| 6. CASH AND CASH EQUIVALENTS | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| Cash at bank | 1,651,733 | 3,836,261 |
| | 1,651,733 | 3,836,261 |

| 7. OTHER RECEIVABLES | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| Prepayments | 10,175 | 9,250 |
| GST refundable | 33,631 | 35,506 |
| | 43,806 | 44,756 |

| 8. OTHER CURRENT ASSETS | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| Deposits | 21,585 | 11,189 |
| | 21,585 | 11,189 |

| 9. EXPLORATION AND EVALUATION | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| Opening balance | 1,013,640 | - |
| Expenditure on Ravensthorpe Nickel Project for the year | 326,648 | 182,238 |
| Expenditure on Fraser Range Project for the year | 868,913 | 371,893 |
| Acquisition– Isker Mining Pty Ltd | - | 302,398 |
| Acquisition– Romany Minerals Pty Ltd | - | 129,598 |
| Impairment Expenses – Fraser Range Project | (1,243,032) | - |
| Acquisition of tenement during the year – Ravensthorpe Nickel | - | 27,513 |
| Closing balance | 966,169 | 1,013,640 |

Management has reviewed potential indicators of impairment and is of the opinion that some exist at this time in relation to seven tenements within the Fraser Range Project.
Exploration and Evaluation expenses for the period include impairment of capitalised expenditure in tenements E63/2255, E28/2831, E28/2883, E28/2830, E69/3592, E28/2814, E28/2815,

and E28/2816 in the Fraser Range Project area held by Isker Mining Pty Ltd, and related acquisition costs incurred by DMC Mining Limited.

This impairment has been assessed and accounted for in accordance with AASB 6 and AASB 136.

| **10. TRADE AND OTHER PAYABLES** | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| Trade creditors | 71,524 | 163,017 |
| Employee liabilities | - | - |
| Accrued liabilities | 18,000 | 37,987 |
| | 89,524 | 201,004 |

| **11. ISSUED CAPITAL** | Number of shares | 2023 |
|---|---|---|
| | | $ |
| **Movements in fully paid ordinary shares** | | |
| Opening balance 1 July 2022 | 46,350,000 | 4,839,724 |
| Share Issue Expenses | - | - |
| **Balance at 30 June 2023** | 46,350,000 | 4,839,724 |

| **Movements in fully paid shares** | Number of shares | 2022 |
|---|---|---|
| | | $ |
| **Movements in fully paid ordinary shares** | | |
| Opening balance 1 July 2021 | 20,000,000 | 420,340 |
| Shares issued as consideration for Ravensthorpe Project | 100,000 | 20,000 |
| Shares issued as consideration for Fraser Range Project | 1,250,000 | 250,000 |
| Shares issued under initial public offer | 25,000,000 | 5,000,000 |
| Share Issue Expenses | | (850,616) |
| **Balance at 30 June 2022** | 46,350,000 | 4,839,724 |

| **12. RESERVES** | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| Opening Balance | 469,612 | - |
| Unlisted options issued during the year | - | 107,000 |
| Listed options (DMMO) issued during the year | - | 246,737 |
| Loyalty Entitlement Option Issue (DMMO) | - | 115,875 |
| Balance at 30 June 2023 | 469,612 | 469,612 |

| **Share option reserve** | Number of options | $ | Weighted average Exercise price |
|---|---|---|---|
| Opening Balance 1 July 2022 | 26,575,000 | 469,612 | $0.20 |
| Issued to vendors during the year | - | - | - |
| Balance at 30 June 2023 | 26,575,000 | 469,612 | $0.20 |

| **Share option reserve** | Number of options | $ | Weighted average Exercise price |
|---|---|---|---|
| Opening Balance 1 July 2021 | - | - | |
| Issued to vendors during the year [1] | 1,000,000 | 107,000 | $0.30 |
| Issued to lead manager during the year (DMMO) [2] | 2,400,000 | 246,737 | $0.20 |
| Loyalty Entitlement Option Issue (DMMO) [2] | 23,175,000 | 115,875 | $0.20 |
| Balance at 30 June 2022 | 26,575,000 | 469,612 | $0.20 |

[1] Options exercisable @ $0.30 and expiring by 13/12/2024

[2] Options exercisable @ $0.20 and expiring by 30/04/2026

Since the end of the financial year to the date of this report no options have been granted, exercised or lapsed.

No options were issued, exercised or lapsed during the 2023 financial year.

| **13. CASH USED IN OPERATING ACTIVITIES** | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| **Net cash used in operating activities** | | |
| Loss after tax | (2,111,072) | (549,818) |
| *Add/(less) non-cash items:* | | |
| Share based payments expense | - | - |
| Impairment expense | 1,243,032 | - |
| *Add/(less) movement in operating assets and liabilities:* | | |
| (Increase)/decrease in other current assets | (10,396) | (3,863) |
| Increase/(decrease) in payables | (111,481) | 198,798 |
| (Increase)/decrease in exploration and evaluation assets | (1,195,561) | (554,127) |
| (Increase)/decrease in other receivables | 950 | (44,757) |
| Increase/(decrease) in provisions | - | - |
| **Net cash used in operating activities** | (2,184,528) | (953,767) |

## 14. Financial Instruments

### FINANCIAL RISK MANAGEMENT POLICIES

The Company's financial instruments consist mainly of deposits with banks, short-term investments and accounts receivable and payable.

The main purpose of non-derivative financial instruments is to raise finance for Company investments.

Derivatives are not used by the Company for hedging purposes. The Company does not speculate in the trading of derivative instruments.

(i) *Treasury Risk Management*

Senior Executives of the Company meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Senior Executives overall risk management strategy seeks to minimise potential adverse effects on financial performance.

The Senior Executives operate under the guidance of the Board of Directors. Risk management initiatives are addressed by the Board when required.

(ii) *Financial Risk Exposures and Management*

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk.

(iii) *Capital management policy*

The Company considers net equity to be capital. The primary objective in management of capital is to ensure that sufficient liquidity is maintained to enable the company to continue as a going concern, while meeting its administrative costs and exploration budgets.

The capital management policy has not changed from prior year.

### *Interest rate risk*

Interest rate risk is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates. All of the entity's exposure to interest rate risk is limited to cash and cash equivalents.

At 30 June 2023, the Company is exposed to interest rate risk on cash balances and term deposits held in interest bearing accounts. The Board monitors its interest rate exposure and attempts to maximise interest income whilst ensuring sufficient funds are available for the Group's operating activities. Companies' exposure to interest rate risk at 30 June 2023 approximates reasonable interest rate movements applied to the value of cash and cash equivalents and term deposits recorded as other receivables.

### *Liquidity risk*

The Company manages liquidity risk by monitoring forecast cash flows.

### *Market risk*

Market risk is the risk that the value of the Company's investments will fluctuate as a result of changes in market prices.

At 30 June 2023, the Company does not have any market risk exposure

### *Net fair values of financial assets and liabilities*

Assets and liabilities included in the Consolidated statement of Financial Position are carried at amounts that approximate their fair values. Please refer to Note 1 for the methods and assumptions adopted in determining net fair values for investments.

### *Credit risk*

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognise financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Consolidated statement of Financial Position and notes to the financial statements.

Credit risk is reviewed regularly by the Senior Executives.

The Senior Executives ensure that the Company deals with:

- Only banks and financial institutions with an "A" rating;

The credit risk for counterparties included in trade and other receivables at 30 June 2023 is detailed below:

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| Trade and Other Receivables | - | - |

### *Price risk*

The Company does not have any exposure to price risk.

*(iv)* *Net Fair Values*

As at 30 June 2023, the carrying amounts of all financial assets and liabilities approximated their fair values.

*(v)* *Sensitivity Analysis*

### *Interest rate risk and credit risk*

The Company has performed sensitivity analysis relating to its exposures to interest rate risk at balance date. Sensitivity analysis relating to the Company's exposure to interest rate risk is summarised below and demonstrates the effect on the current year results and equity which could result from a change in interest rates:

| **2023** | Sensitivity | Effect on Profit | Effect on Equity |
|---|---|---|---|
| | % | $ | $ |
| Interest rate | +1.35 | 28,499 | 65,336 |
| | -1.35 | (28,499) | (65,336) |

The Company's effective weighted interest rate for classes of financial assets and liabilities is set out below:

| 2023 | Note | Weighted average interest rate | Fixed interest maturing in: Floating interest | 1 year or less | Non-interest bearing | Total |
|---|---|---|---|---|---|---|
| | | | $ | $ | $ | $ |
| *Financial assets* | | | | | | |
| Cash and cash equivalents | 6 | 1.35% | 1,651,733 | - | - | 1,651,733 |
| Trade and other receivables | 7 | - | 43,806 | - | - | 43,806 |
| | | | 1,695,539 | - | - | 1,695,539 |
| *Financial liabilities* | | | | | | |
| Trade and other payables and liabilities | 10 | - | - | - | 89,524 | 89,524 |
| | | | - | - | 89,524 | 89,524 |

| 2022 | Note | Weighted average interest rate | Fixed interest maturing in: Floating interest | 1 year or less | Non-interest bearing | Total |
|---|---|---|---|---|---|---|
| | | | $ | $ | $ | $ |
| *Financial assets* | | | | | | |
| Cash and cash equivalents | 6 | 0.00% | 3,836,261 | - | - | 3,836,361 |
| Trade and other receivables | 7 | - | 44,756 | - | - | 44,756 |
| | | | 3,881,017 | - | - | 3,881,017 |
| *Financial liabilities* | | | | | | |
| Trade and other payables and liabilities | 10 | - | - | - | 201,004 | 201,004 |
| | | | - | - | 201,004 | 201,004 |

## 15. Key management personnel

Key management personnel remuneration includes the following as disclosed in detail in the remuneration report:

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| Short term benefits | 459,986 | 314,491 |
| Post-employment benefits | - | - |
| Share based payments | - | - |
| **Total remuneration** | 459,986 | 314,491 |

The following transactions occurred with related parties:

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| Payment for professional services to related parties | 455,986 | 280,468 |
| Payables for professional services at reporting date | 4,000 | 37,666 |

Transactions with key management personnel and related parties as disclosed below are made on normal commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

Amounts paid to Director related entities:

| Related party | Relationship to Director/KMP | Services Provided | 2023 |
|---|---|---|---|
| Antler Holdings Pty Ltd | A Company of which (William Witham) is a Director and Shareholder | Directors fees | 25,629 |
| Zen Magnolia Pty Ltd | A Company of which (Bruce Franzen) is a Director and Shareholder | Directors fees, Company Secretarial and Financial Accounting Services | 174,833 |
| Tirol Investments Pty Ltd | A Company of which (David Sumich) is a Director and Shareholder | Directors fees | 240,110 |
| Nova Legal Pty Ltd | A Company of which (Frank Knezovic) is a Director and Shareholder | Directors fees | 15,414 |

The amount of fees due to Antler Holdings Pty Ltd at 30 June 2023 was Nil (2022: 3,333).

The amount of fees due to Nova Legal Pty Ltd at 30 June 2023 was $4,000 (2022: Nil).

The amount of fees due to Zen Magnolia Pty Ltd at 30 June 2023 was Nil (2022: 14,333).

The amount of fees due to Tirol Investments Pty Ltd at 30 June 2023 was Nil (2022: 20,000).

## 16. Auditor remuneration

During the year ended 30 June 2023 total fees paid or payable for services provide by PKF and its related practices were as follows:

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| *Audit services* | | |
| Audit and review of Financial Reports | 32,150 | 32,925 |
| | | |
| *Other services* | | |
| Taxation compliance and advisory | 12,000 | 3,200 |
| Investigating accountant report | - | 20,000 |
| **Total remuneration paid to PKF** | 44,150 | 56,125 |

## 17. Dividends

No dividends were paid or proposed during the financial year ended 30 June 2023 or 30 June 2022.

The Group has no franking credits available as at 30 June 2023 or 30 June 2022.

## 18. Commitments and contingencies

### COMMITMENTS

Exploration Commitments – the Company has an obligation to perform a minimum amount of exploration work and spend a minimum amount of money on its tenements. The minimum amounts of expenditure required is set by the DMIRS at the time of each annual renewal.

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| *Expenditure required on Exploration Licences* | | |
| Within one year | 159,500 | 326,000 |
| More than one year but less than five years | 239,250 | 652,000 |
| Greater than five years | - | - |
| **Total commitments** | 398,750 | 978,000 |

### CONTINGENCIES

There are no contingencies outstanding for the financial year ended 30 June 2023.

## 19. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

| | Country of Incorporation | Ownership 2023 | Ownership 2022 |
|---|---|---|---|
| | | % | % |
| Isker Mining Pty Ltd | Australia | 100 | 100 |
| Romany Minerals Pty Ltd | Australia | 100 | 100 |

## 20. Parent entity information

Set out below is the supplementary information about the parent entity.

| | 2023 | 2022 |
|---|---|---|
| | $ | $ |
| *Statement of profit or loss and other comprehensive income* | | |
| Profit/(loss) after income tax | (2,011,276) | (649,615) |
| Total comprehensive loss | (2,011,276) | (649,615) |
| *Statement of financial position* | | |
| Total current assets | 1,709,769 | 3,885,508 |
| Total non-current assets | 970,174 | 907,724 |
| Total assets | 2,679,943 | 4,793,232 |
| Total current liabilities | 86,174 | 188,186 |
| Total non-current liabilities | - | - |
| Total liabilities | 86,174 | 188,186 |
| **Net assets** | 2,593,769 | 4,605,046 |
| Equity | | |
| Issued capital | 4,839,724 | 4,839,724 |
| Reserves | 469,612 | 469,612 |
| Retained profits/(accumulated losses) | (2,715,567) | (704,291) |
| **Total equity** | 2,593,769 | 4,605,046 |

## 21. Matters subsequent to the end of the financial year

No other matters or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

# DIRECTOR'S DECLARATION

In the opinion of the Directors of DMC Mining Limited ("the Company"):

1. 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;
2. 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;
3. the attached financial statements and notes give a true and fair view of the entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
4. 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

____________________________

David Sumich

Executive Chairman

Dated at Perth this 13th day of September 2023

PKF Perth

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Business Solutions

# INDEPENDENT AUDITOR'S REPORT

# TO THE MEMBERS OF DMC MINING LIMITED

## Report on the Financial Report

### Opinion

We have audited the accompanying financial report of DMC Mining Limited (the company) and its subsidiaries (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 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion the financial report of DMC Mining 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 performance for the year ended on that date; and

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

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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

### Independence

We are independent of the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (including independence requirements) (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.

### Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity has incurred a loss of $2,111,072 (2022: $549,818) and a net operating cash outflows of $2,184,528 (2022: $953,767) for the year ended 30 June 2023. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

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The financial report of the consolidated entity does not include any adjustments in relation to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as going concern.

## Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.



**Recognition and carrying amount of exploration and evaluation assets**

### Why significant

As at 30 June 2023 the carrying value of exploration and evaluation assets was $966,169 (2022: $1,013,640), as disclosed in Note 9. Exploration and Evaluation assets written off during the year amounted to $1,243,032 (2022: NIL).

The consolidated entity's accounting policy in respect of exploration and evaluation expenditure is outlined in Note 1 and 2.

Significant judgement is required:

- In determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources ("AASB 6"); and
- In determining the treatment of exploration and evaluation expenditure in accordance with AASB 6, and the consolidated entity's accounting policy. In particular:
  - whether the particular areas of interest meet the recognition conditions for an asset; and
  - which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest.

### How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Conducting a detailed review of management's assessment of impairment trigger events prepared in accordance with AASB 6 including:
  - assessing whether the rights to tenure of the areas of interest remained current at reporting date as well as confirming that rights to tenure are expected to be renewed for tenements that will expire in the near future;
  - holding discussions with the Directors and management as to the status of ongoing exploration programmes for the areas of interest, as well as assessing if there was evidence that a decision had been made to discontinue activities in any specific areas of interest; and
  - obtaining and assessing evidence of the consolidated entity's future intention for the areas of interest, including reviewing future budgeted expenditure and related work programmes;
- Considering whether exploration activities for the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;
- Testing, on a sample basis, exploration and evaluation expenditure incurred during the year for compliance with AASB 6 and the consolidated entity's accounting policy; and
- Assessing the appropriateness of the related disclosures in Note 1, 2 and 9.

## Other Information

Those charged with governance 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, with the exception of the Remuneration Report.

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 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 consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in 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 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.

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

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

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

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

## Report on the Remuneration Report

### Opinion

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

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

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## Responsibilities

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

PKF Perth

PKF PERTH

SIMON FERMANIS
SENIOR PARTNER

13 SEPTEMBER 2023
WEST PERTH
WESTERN AUSTRALIA

# ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 6 September 2023.

### *(a) Distribution of Shareholders - DMM*

| Number of Shares Held | Number of Shareholders | Number of Shares |
|---|---|---|
| 1 - 1,000 | 12 | 1,656 |
| 1,001 - 5,000 | 35 | 130,913 |
| 5,001 - 10,000 | 95 | 885,610 |
| 10,001 - 100,000 | 269 | 11,756,725 |
| 100,001 and over | 71 | 33,575,096 |
| **Total** | **482** | **46,350,000** |

The number of shareholders holding less than a marketable parcel is 64.

**Top Twenty Shareholders - DMM**

| | Holder name | Securities | % |
|---|---|---|---|
| 1 | COLIN KENNETH LOCKE | 3,700,000 | 7.98 |
| 2 | WILLIAM JOHN ANDREW WITHAM & KATHERINE DARIAN WITHAM JENSEN <ACORN FAMILY A/C> | 3,100,000 | 6.69 |
| 3 | CITYSCAPE ASSET PTY LTD <CITYSCAPE FAMILY A/C> | 2,300,000 | 4.96 |
| 4 | TIROL INVESTMENTS PTY LTD | 2,250,000 | 4.85 |
| 5 | VIVIENNE LAINE FRANZEN | 1,500,000 | 3.24 |
| 5 | BRUCE ROBERT ERROL FRANZEN | 1,500,000 | 3.24 |
| 6 | MR MARX LIN | 1,076,378 | 2.32 |
| 7 | MR GAVIN JEREMY DUNHILL | 950,000 | 2.05 |
| 8 | CPS CAPITAL GROUP PTY LTD | 800,000 | 1.73 |
| 9 | DAVID THOMAS SUMICH | 750,000 | 1.62 |
| 10 | CITYSCAPE ASSET PTY LTD <CITYSCAPE FAMILY A/C> | 700,000 | 1.51 |
| 11 | I M L HOLDINGS PTY LTD | 625,000 | 1.35 |
| 11 | RIDGE STREET CTTR PTY LTD <RIDGE STREET A/C> | 625,000 | 1.35 |
| 12 | MR ALEXANDER LEWIT | 580,000 | 1.25 |
| 13 | 1215 CAPITAL PTY LTD | 534,293 | 1.15 |
| 14 | LEVERSON PTY LTD | 500,000 | 1.08 |
| 14 | MR ROGER BLAKE & MRS ERICA LYNETTE BLAKE <THE MANDY SUPER FUND A/C> | 500,000 | 1.08 |
| 15 | MR AMIN SUDARTIO | 471,274 | 1.02 |
| 16 | ARCHFIELD HOLDINGS PTY LTD | 450,000 | 0.97 |
| 17 | NYSHA INVESTMENTS PTY LTD <SANGHAVI FAMILY A/C> | 437,376 | 0.94 |
| 18 | MR LACHLAN JAMES MCINNES | 400,092 | 0.86 |
| 19 | PANTHER TRADING PTY LTD <PANTHER A/C> | 387,500 | 0.84 |
| 20 | AUKERA CAPITAL PTY LTD <AUKERA DISCRETIONARY A/C> | 360,000 | 0.78 |
| | **Total** | **24,496,913** | **52.85** |

DMC MINING LIMITED

### *(b) Substantial Shareholder (Holding not less than 5%)*

| | Holder name | Securities | % |
|---|---|---|---|
| 1 | JASON PETERSON | 4,084,500 | 8.81 |
| 2 | COLIN KENNETH LOCKE | 3,700,000 | 7.98 |
| 3 | WILLIAM JOHN ANDREW WITHAM | 3,213,333 | 6.93 |
| 4 | DAVID THOMAS SUMICH | 3,000,000 | 6.47 |
| 5 | BRUCE ROBERT ERROL FRANZEN | 3,000,000 | 6.47 |

### *(c) Class of Shares and Voting Rights*

There is only one class of share. All ordinary shares carry one vote per share.

### *(d) Distribution of Quoted Option holders – DMMO exercisable at $0.20 expiring 30 April 2026.*

| Number of Shares Held | Number of Shareholders | Number of Shares |
|---|---|---|
| 1 - 1,000 | 2 | 395 |
| 1,001 - 5,000 | 67 | 295,839 |
| 5,001 - 10,000 | 29 | 233,244 |
| 10,001 - 100,000 | 186 | 5,845,649 |
| 100,001 and over | 38 | 19,199,873 |
| **Total** | **324** | **25,575,000** |

The number of quoted option holders holding less than a marketable parcel is 171.

**Top Twenty Quoted Option holders - DMMO exercisable at $0.20 expiring 30 April 2026.**

| | Holder name | Securities | % |
|---|---|---|---|
| 1 | COLIN KENNETH LOCKE | 1,850,000 | 7.23 |
| 2 | CITYSCAPE ASSET PTY LTD <CITYSCAPE FAMILY A/C> | 1,780,000 | 6.96 |
| 3 | CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C> | 1,753,622 | 6.86 |
| 4 | WILLIAM JOHN ANDREW WITHAM & KATHERINE DARIAN WITHAM JENSEN <ACORN FAMILY A/C> | 1,550,000 | 6.06 |
| 5 | CELTIC CAPITAL PTY LTD <INCOME A/C> | 1,473,402 | 5.76 |
| 6 | TIROL INVESTMENTS PTY LTD | 1,125,000 | 4.40 |
| 7 | LOCKE & PARTNERS PTY LTD | 1,000,000 | 3.91 |
| 8 | VIVIENNE LAINE FRANZEN | 750,000 | 2.93 |
| 8 | BRUCE ROBERT ERROL FRANZEN | 750,000 | 2.93 |
| 9 | CPS CAPITAL NO 5 PTY LTD | 720,000 | 2.82 |
| 10 | MRS KELLY ANNE SEVILLE | 710,000 | 2.78 |
| 11 | HELMSDALE INVESTMENTS PTY LTD | 575,000 | 2.25 |
| 12 | MR GAVIN JEREMY DUNHILL | 400,000 | 1.56 |
| 13 | DAVID THOMAS SUMICH | 375,000 | 1.47 |
| 14 | CRANPORT PTY LTD <NO 10 - A/C> | 350,000 | 1.37 |
| 15 | SUPERHERO SECURITIES LIMITED <CLIENT A/C> | 265,835 | 1.04 |
| 16 | LEVERSON INVESTMENT PTY LTD <LEVERSON INVESTMENT A/C> | 250,000 | 0.98 |
| 17 | PHI GROUP PTY LTD <THE BROUN A/C> | 241,056 | 0.94 |
| 18 | NYSHA INVESTMENTS PTY LTD <SANGHAVI FAMILY A/C> | 217,702 | 0.85 |
| 19 | MR PAUL GREGORY BROWN & MRS JESSICA ORIWIA BROWN <BROWN SUPER FUND A/C> | 200,000 | 0.78 |
| 19 | MRS VANESSA VERSHAW <NOAH BENTLEY VERSHAW A/C> | 200,000 | 0.78 |
| 19 | ALOUISUS PTY LTD | 200,000 | 0.78 |
| 19 | RIDGE STREET CTTR PTY LTD <RIDGE STREET A/C> | 200,000 | 0.78 |
| 20 | PANTHER TRADING PTY LTD <PANTHER A/C> | 193,750 | 0.76 |
| | **Total** | **17,130,367** | **66.98** |

### *(e) Unquoted Options*

The Company has the following class of unquoted options on issue.

| Holder name | Number | Issue date | Expiry Date | Exercise price |
|---|---|---|---|---|
| Ridge Street CTTR Pty Ltd | 500,000 | 13 Dec 2021 | 13 Dec 2024 | $0.30 |
| IML Holdings Pty Ltd | 500,000 | 13 Dec 2021 | 13 Dec 2024 | $0.30 |

### *(f) Restricted Securities*

The Company has the following classes of restricted securities on issue.

| Number | Issue date | Escrow Release Date |
|---|---|---|
| 16,400,000 ordinary fully paid shares | 22 December 2021 | 22 December 2023 |

### *(g) On-Market Buy Back*

There is no current on-market buy back of ordinary shares.

# SCHEDULE OF MINERAL TENEMENTS

Schedule of Mineral Tenements as at 6 September 2023.

| Project Name | Region | Tenement Number | Area ($km^2$) | Grant Date | Expiry Date | Interest Held |
|---|---|---|---|---|---|---|
| Trinity | Fraser Range (WA) | E28/2831 | 187 | 21/02/2020 | 20/02/2025 | 100%[1] |
| Trinity | Fraser Range (WA) | E28/2883 | 82 | 04/03/2020 | 03/03/2025 | 100%[1] |
| Trinity | Fraser Range (WA) | E28/2816 | 18 | 20/02/2020 | 19/02/2025 | 100%[1] |
| Trinity | Fraser Range (WA) | E28/2815 | 88 | 20/02/2020 | 19/02/2025 | 100%[1] |
| Enduro | Fraser Range (WA) | E63/1918 | 69 | 05/03/2020 | 04/03/2025 | 100%[1] |
| Talon Ridge | Fraser Range (WA) | E28/2829 | 97 | 21/02/2020 | 20/02/2025 | 100%[1] |
| Talon Ridge | Fraser Range (WA) | E28/2813 | 62 | 20/02/2020 | 19/02/2025 | 100%[1] |
| Ravensthorpe Nickel Project | Ravensthorpe (WA) | E74/669 | 50 | 22/04/2021 | 21/04/2026 | 100% |
| Enduro North | Fraser Range (WA) | E63/2255 | 32 | 10/03/2023 | 09/03/2028 | 100%[1] |
| Propel North | Fraser Range (WA) | E28/3242 | 34 | 13/03/2023 | 12/03/2028 | 100%[1] |
| Bandalup Hill | Ravensthorpe (WA) | E74/758 | 9 | 19/10/2022 | Application | 100% |
| Trinity East | Fraser Range (WA) | E28/3260 | 119 | 04/08/2023 | 03/08/2028 | 100%[1] |
| Fraser Range | Fraser Range (WA) | E28/3310 | 107 | 27/02/2023 | Application | 100%[1] |
| Buningonia Spring | Fraser Range (WA) | E28/3323 | 107 | 17/04/2023 | Application | 100%[1] |
| Fraser Range | Fraser Range (WA) | E63/2325 | 52 | 08/03/2023 | Application | 100%[1] |
| Gibb River 1 | Kimberley (WA) | E80/5781 | 211 | 14/06/2022 | Application | 100%[2] |
| Gibb River 3 | Kimberley (WA) | E80/5782 | 59 | 14/06/2022 | Application | 100%[2] |
| Gibb River 2 | Kimberley (WA) | E80/5783 | 82 | 14/06/2022 | Application | 100%[2] |
| Palmer Creek | Kimberley (WA) | E80/5785 | 118 | 21/06/2022 | Application | 100%[2] |
| Mazzarol Creek | Kimberley (WA) | E80/5786 | 115 | 21/06/2022 | Application | 100%[2] |

[1] Interest held via DMC Mining Limited wholly owned subsidiary, Isker Mining Pty Ltd.
[2] Application interest to be held via DMC Mining Limited wholly owned subsidiary, Romany Minerals Pty Ltd.