

## Full Year Statutory Accounts for the Year Ended 30 June 2023

**Pure Resources Limited (Pure or Company)** (ASX: PR1) is pleased to provide its Annual Report for the year ended 30 June 2023 (**Annual Report**). Attached to this covering letter is the Annual Report and a reconciliation of the key differences between its Consolidated Statement of Cash Flows reported in the Appendix 5B and Consolidated Statement of Cash Flows reported in the Annual Report.

- END -

Authorised for release by the Board of Pure Resources Limited.

Mr Patric Glovac  
Executive Chairman  
**Pure Resources Limited**

### **About Pure Resources**

Pure's vision is to become an eminent battery metal focussed company on the ASX, either through its existing portfolio of nickel and copper assets, generation of new projects, or acquisitions of existing projects presented to the Company with a strong determination to add Lithium, Rare Earths or Graphite to the company's portfolio.

For personal use only



**ACN 653 330 413**

**Annual Report - 30 June 2023**

## Corporate Directory

<b>Directors</b>	Patric Glovac James Warren Jane Law
<b>Company secretary</b>	Quinton Meyers
<b>Registered office</b>	22 Townshend Road Subiaco WA 6009 Phone: (08) 6489 1600
<b>Share register</b>	Automic Group Level 5 191 St Georges Terrace Perth WA 6000 Phone: 1300 288 664
<b>Auditor</b>	HLB Mann Judd (WA Partnership) Level 4 130 Stirling Street Perth WA 6000
<b>Solicitors</b>	Nova Legal Level 2 50 Kings Park Road West Perth WA 6005
<b>Stock exchange listing</b>	Pure Resources Limited is listed on the Australian Stock Exchange (ASX) (ASX Code: PR1)
<b>Website</b>	<a href="https://pureresources.com.au/">https://pureresources.com.au/</a>

For personal use only

## Contents

Directors' Report .....	4
Auditor's Independence Declaration .....	19
Consolidated Statement of Profit or Loss and Other Comprehensive Income .....	20
Consolidated Statement of Financial Position .....	21
Consolidated Statement of Changes in Equity .....	22
Consolidated Statement of Cash Flows .....	23
Notes to the Financial Statements .....	24
Directors' Declaration .....	42
Independent Auditor's Report.....	43
Additional Securities Exchange Information .....	47

For personal use only

# Pure Resources Limited

## Directors' Report

### For the year ended 30 June 2023

The Directors present their report, together with the financial statements, of Pure Resources Limited, and the entities it controlled, ('Group') for the year ended 30 June 2023.

#### Directors

The following persons were Directors of Pure Resources Limited during the financial year and up to the date of this report, unless otherwise stated:

#### Patric Glovac Executive Chairman

Mr Glovac co-founded GTT Ventures Pty Ltd in 2013, a boutique corporate advisory firm, specialising in the resource and technology sector. Mr Glovac has extensive corporate and commercial experience, financial and capital market knowledge.

Mr Glovac holds a Bachelor of Commerce from Murdoch University.

In the 3 years immediately before the end of the financial year, Mr Glovac served as a Director of the following listed companies:

- Global Oil and Gas (ASX: GLV) (Present) (Appointed 10 August 2018)
- Perionx Ltd (ASX: IPX) (Appointed 5 May 2017, resigned 1 March 2021)
- Prominence Energy Ltd (ASX: PRM) (Appointed 23 August 2019, resigned 16 July 2021)

---

#### Dr James Warren Non-executive Director

Dr Warren is a geologist with extensive experience in the mineral resource sector and has held a variety of technical, operational and leadership roles spanning greenfield target generation to production. Dr Warren started his career in the Eastern Goldfields working at Gold Fields St Ives operation in exploration and underground positions.

Following this, he completed his PhD focusing on the Kunanalling and Zulieka shear zones while working for Phoenix Gold Ltd, and was a key member of the exploration team prior to Phoenix Goldfields eventual takeover by Evolution Mining Ltd (ASX: EVN).

After spending a brief period in the Mineral and Hydrothermal Geochemistry team at CSIRO, Dr Warren was appointed as Exploration Manager at Echo Resources Ltd (**Echo**). At Echo, Dr Warren oversaw the aggressive exploration strategy and growth of Echo's resource base to over 1.8Moz and was involved in corporate strategy development and promotion. Dr Warren is currently the Chief Technical Officer of Marquee Resources Ltd (ASX: MQR) where he has been instrumental in generating original geological frameworks and driving project acquisition, while overseeing exploration and company promotion.

Dr James Warren holds a PHD from the University of Western Australia which he completed at the Centre for Exploration Targeting.

In the 3 years immediately before the end of the financial year, Dr Warren served as a Director of the following listed companies:

- Omnia Metals Group Limited (ASX: OM1) (Present) (Appointed 23 February 2021)

# Pure Resources Limited

## Directors' Report (cont'd)

### For the year ended 30 June 2023

#### Ms Jane Law Non-executive Director

Ms Law has more than 20 years' experience in international trade relation and was most recently engaged as a Trade Commissioner with the Australian Trade Commission. Ms Law previously served as Regional Manager, North Asia with the Department of Commerce and Trade Western Australia. Her main role was to lead a team of business development managers to advise and facilitate Australian companies in designing and implementing export market entry strategies and inward investment attraction strategies.

Ms Law holds a Master in Business Administration (MBA) from Murdoch University.

In the 3 years immediately before the end of the financial year, Ms Law did not serve as a Director of any listed companies.

#### Quinton Meyers Company Secretary

Mr Meyers has over six years of experience working in the equities markets in the capacity of a Stockbroker, Company Secretary and Accountant for multiple ASX listed companies gaining exposure to the Resource, Oil and Gas and technology sectors. During this time, Mr Meyers has worked on multiple initial public offers, reverse takeovers, equity capital markets transactions while developing his knowledge of the ASX Listing Rules and Corporations Act.

Mr Meyers holds a Bachelor of Commerce in Accounting and Finance from Curtin University, a Graduate Diploma in Financial Planning and is a member of Chartered Accountants Australia & New Zealand.

#### Interest in the Share and Options of the Group

As at the date of this report, the interest of the Directors in the shares and options of the Group were:

Name	Shares	Options
Patric Glovac	2,317,510	4,025,416
James Warren	220,000	2,110,000
Jane Law	-	2,000,000

#### Principal Activities

During the financial year the primary activities of the Group were exploration of the Group's Laforge Project, Mount Monger Project, Yandal Project, Yundamindra Project and the acquisition of the Bergby Project, Jarkvissle Project, Kast Project and Kast Project.

#### Review of Operations

The Group's primary focus during the reporting year was the acquisition of new projects and exploration of the Group's projects. During the year, Pure acquired the Laforge Lithium Project, Bergby Project, Jarkvissle Project, Kast Project and Kast Project. The Group explored the Laforge Project, Mount Monger Project, Yandal Project and Yundamindra Project.

# Pure Resources Limited Directors' Report (cont'd) For the year ended 30 June 2023

## Canadian Project

### Laforge Lithium Project

During the year, the Group acquired the Laforge Lithium Project, which is a significant belt-scale project, totaling 261km<sup>2</sup>, situated 65km northeast of Patriot Battery Metals Inc.'s (PMT) (CVE: PMET, ASX: PMT) Corvette discovery in the Superior Province, Quebec, Canada.

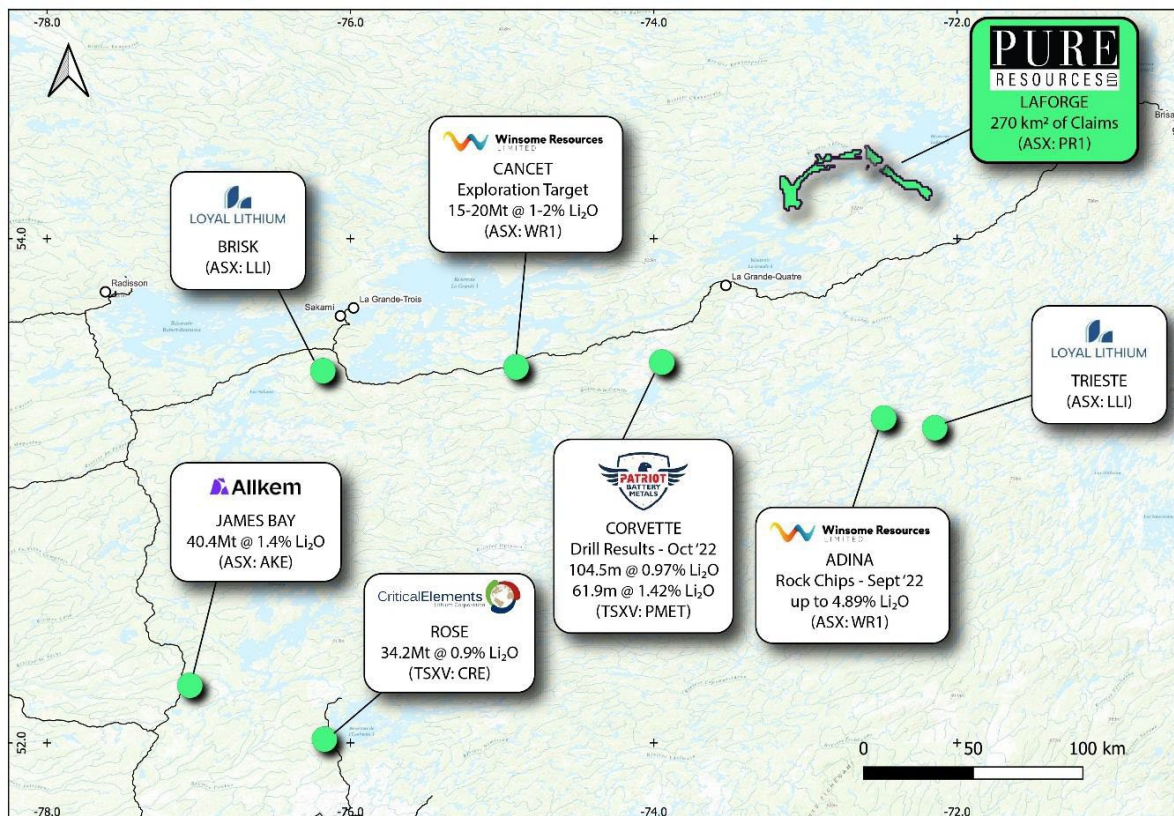


Figure 1: Lithium companies in the James Bay region, Quebec, Canada

For personal use only

The Group performed a winter rock sampling and prospecting program in December 2022 and was successful at defining three zones of granitic-pegmatitic lithologies which possess the following key characteristics:

1. Coarse mineral grain size with visible pegmatitic textures (graphic mineral intergrowths, exsolution laminae in feldspars).
2. Encouraging presence of other phases indicative of a fertile melt (biotite, muscovite, possible tourmaline).
3. Elevated concentrations of pathfinder elements associated with the presence of LCT pegmatites (Li, Ta, Nb, Cs, Rb).

Field work commenced at LaForge on the 20<sup>th</sup> of August 2023.

# Pure Resources Limited Directors' Report (cont'd) For the year ended 30 June 2023

## Finland Projects

During the year, the Group secured the Kast and Kova Prospecting Reservations totaling 680km<sup>2</sup> of highly prospective ground in southern Finland in close proximity to other existing Lithium and critical mineral deposits. Both projects are considered highly prospective for Lithium-Caesium-Tantalum (**LCT**) pegmatite deposits and are also prospective for gold and base metal mineralisation.

### The Kova Reservation

The Kova Reservation is adjacent to, and is geologically analogous to, the Seppälä lithium deposit and partially sits within the Eräjärvi metallogenic area. The Seppälä lithium deposit is defined by the presence of late-orogenic LCT type complex of pegmatites best known for their numerous Li and Be minerals and Fe-Mn phosphates. More than 70 complex and numerous simple pegmatite dykes are known from the area near the Seppälä lithium deposit with pegmatites enriched in B, Be, Li, Nb, Sn and Ta.

The Kova Reservation is poorly explored with no whole-rock geochemical data usable for lithium prospecting purposes. 220 pegmatite sites have been mapped within the Kova Reservation with clusters of pegmatites to be targeted during the first phase of mapping and sampling.

Additionally, 501m of granite pegmatite has been logged from 78 diamond drillholes completed on the Kast reservation, no sampling or assaying for lithium has been completed.

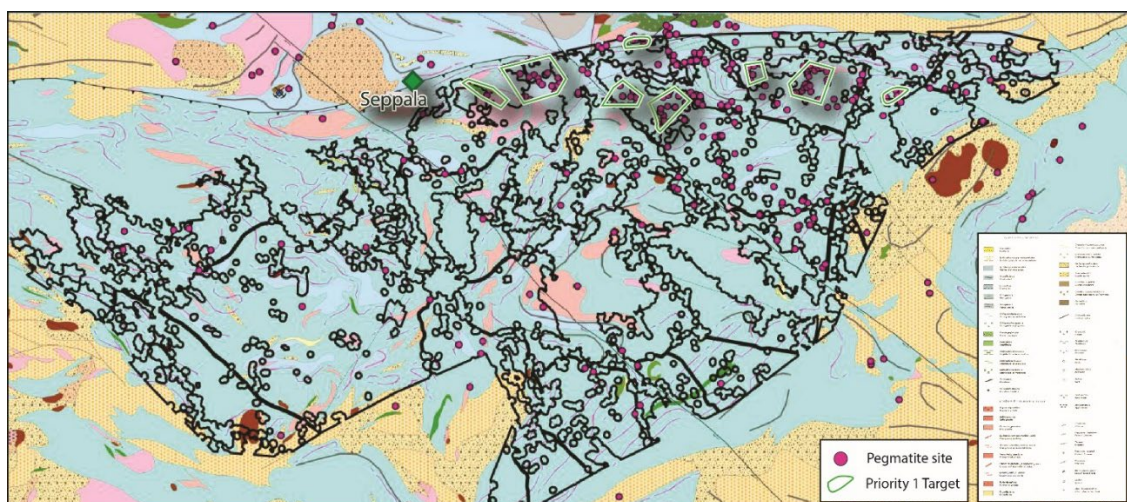


Figure 2: Mapped pegmatite sites and Priority 1 Targets of the Kova Reservation.

### The Kast Reservation

The Kast reservation is adjacent to, and geologically analogous to the Rosendal tantalum deposit, and sits within the Kemiö metallogenic area. The Kemiö metallogenic area is defined by the presence of a late-orogenic granitic, complex pegmatite swarm with a significant potential for lithium, tantalum and beryllium exploitation.

Located in the Kimito suite supracrustal sequence, it is prospective for mixed or 'hybrid' rare-element pegmatites which have blended rare-element (**REE**) signatures and are a mix between LCT pegmatites and Niobium–Yttrium–Fluorine (**NYF**) pegmatites, enriched in Be, Sn, B, Nb > Ta, Ti, Y and REE.



**Pure Resources Limited**  
**Directors' Report (cont'd)**  
**For the year ended 30 June 2023**

Kova reservation is poorly explored with no whole-rock geochemical data usable for lithium prospecting purposes. 78 drillholes have been completed in the Kast Reservation with an average depth of 84m (Figure 3). Drillhole logging reports indicate several intersections of pegmatite/pegmatitic granite, however, none of the pegmatite intercepts have been sampled or assayed.

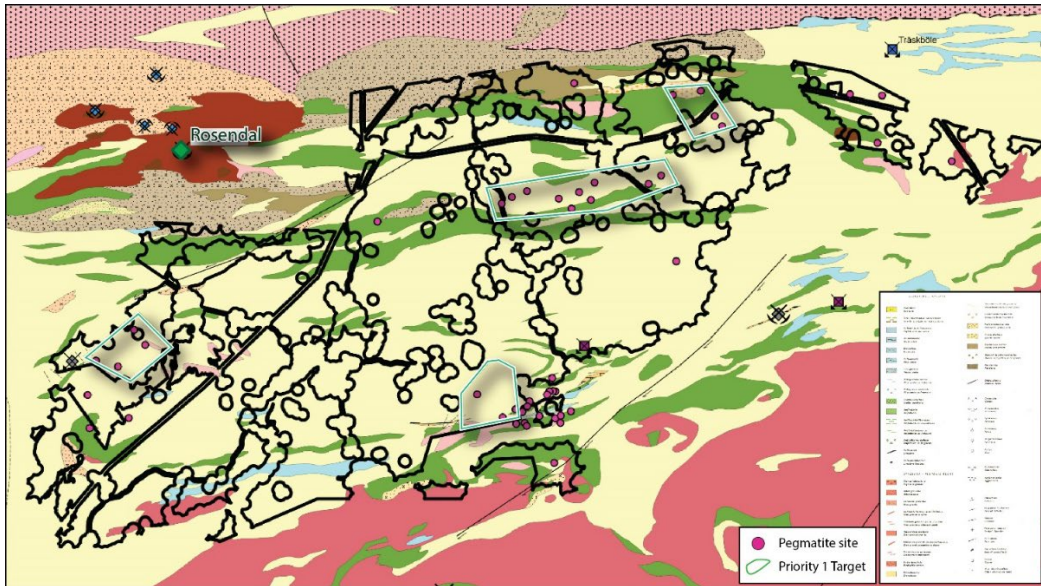


Figure 3: Mapped pegmatite sites and Priority 1 Targets of the Kast Reservation.

**Sweden Projects**

During the year, Pure made applications for two Exploration Claims, Bergby nr 100 and Järkvissle nr 100 Reservations, in central Sweden covering an area of ~252km<sup>2</sup>. These claims are highly prospective for LCT pegmatite deposits, one sits either adjacent and along strike to one of Sweden's well known lithium deposits and the other adjacent to Sweden's latest shallow high-grade lithium spodumene discovery.

**Bergby nr 100**

The Bergby claims, covering an area of 174km<sup>2</sup>, are a 100% owned and situated near the Gulf of Bothnia in central Sweden, a known hard rock lithium district. The first spodumene mineralized boulders in the region were discovered in 2007, followed by the identification of outcropping, mineralized pegmatites soon after. The Bergby area is known for its abundance of LCT pegmatites with mineral assemblages of spodumene, beryl, pollucite, and tourmaline. The Bergby claims are strategically adjacent to United Lithium Corp's (CSE: ULTH) Bergby Lithium Project, underlining the overall lithium potential in the region (Figure 4).

For personal use only

**Pure Resources Limited  
Directors' Report (cont'd)  
For the year ended 30 June 2023**

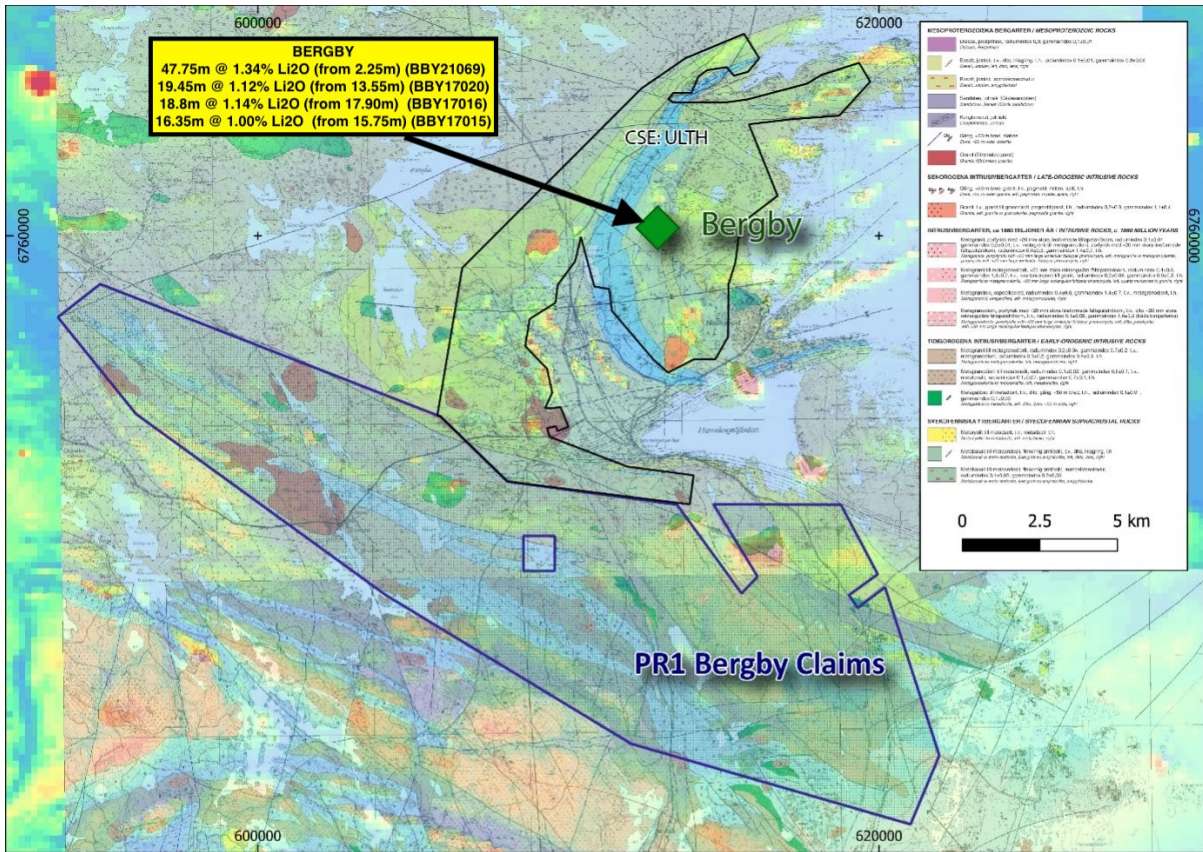


Figure 4: Geology of the Bergby Claims.

**Järkvissle nr 100**

The Järkvissle claims (78km<sup>2</sup>) are situated in the Västernorrland region, 65km Northwest of the Swedish East Coast town of Sundsvall (Figure 5). The Region hosts the country's largest Lithium deposits and are adjacent to and along strike Sweden's most advanced Lithium deposit, the Järkvissle Pegmatite Sites, owned by Asera Mining AB. The Järkvissle nr 100 reservation overlies a high magnetic unit interpreted to be a band of mafic/ultramafic derived amphibolite that is host rock to potential LCT Pegmatites.

Following the acquisition, Pure's in-country geological consultants will commence analysis of satellite imagery to identify additional lithium-bearing pegmatite targets in both the Bergby and Järkvissle areas. Identified outcropping pegmatites will be sampled as part of the extensive fieldwork program commenced early September 2023.

For personal use only

**Pure Resources Limited  
Directors' Report (cont'd)  
For the year ended 30 June 2023**

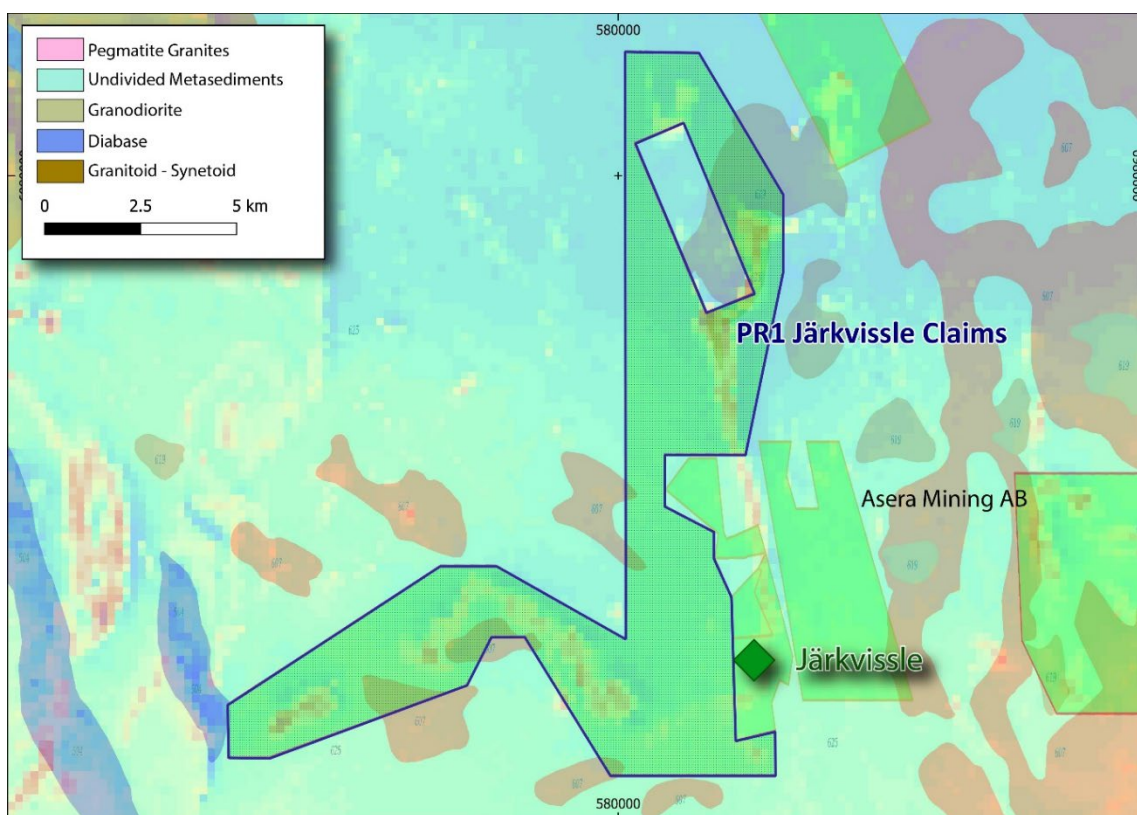


Figure 5: Simplified geology, over magnetics, of the Järkvissle claims highlighting the high-magnetic (interpreted mafic/ultramafic derived amphibolite).

**Australian Projects**

Pure carried out exploration program across three of its Australian projects during the year ending 30 June 2023; Mount Monger Project, Yandal Project and Yundamindra Project.

**Mount Monger Project**

92 air core drill holes for 3,097m were completed at the Mount Monger Project following up on results from historical auger sampling that had been completed over the tenement. Sporadic, low level gold mineralization was intersected (Table 1). The Group will assess its options in regard to the Mount Monger Project.

Table 1: Intercepts >0.5g/t Au from the Mount Monger drilling.

Project	Hole ID	Depth From	Depth To	Interval (m)	Sample ID	Au (g/t)
MTMGER	MMAC022	40	44	4	AC100208	0.801
MTMGER	MMAC046	32	33	1	AC100396	0.513
MTMGER	MMAC076	16	20	4	AC100812	1.69
MTMGER	MMAC081	40	44	4	AC100851	1.65
MTMGER	MMAC051	84	85	1	MMAC1M011	0.529
MTMGER	MMAC087	1	2	1	MMAC1M045	0.9
MTMGER	MMAC081	42	43	1	MMAC1M050	3.34
MTMGER	MMAC081	43	44	1	MMAC1M051	2.01

For personal use only

**Pure Resources Limited**  
**Directors' Report (cont'd)**  
**For the year ended 30 June 2023**

**Yandal**

18 reverse-circulation drill holes for 1,810m were completed at the Yandal Project following up on gold mineralization observed from historical RAB drilling. Low level gold anomalism was detected in several holes with a peak assay of 4m @ 1.41g/t Au (Table 2).

The Group is assessing its options for future work and is considering drilling to a greater depth to test for an underlying source for the near surface anomalism. The Group is also exploring potential commercial transactions relating to the Project tenure.

Table 2: Intercepts >0.5g/t Au from the Yandal drilling

Project	Hole ID	Depth From	Depth To	Interval (m)	Sample ID	Au (g/t)
YANDAL	PRRC004	48	52	4	RC502097	0.631
YANDAL	PRRC008	64	68	4	RC502210	0.743
YANDAL	PRRC010	48	52	4	RC502260	0.63
YANDAL	PRRC010	52	56	4	RC502264	0.516
YANDAL	PRRC012	64	68	4	RC502320	0.644
YANDAL	PRRC012	76	80	4	RC502323	1.41
YANDAL	PRRC012	100	104	4	RC502329	0.608
YANDAL	PRRC012	104	108	4	RC502330	0.548

**Yundamindra**

During September 2022, 1,171 auger drillholes were completed at the Yundamindra Project to systematically test for nickel anomalism over E39/2251. The results from the auger campaign have highlighted a contiguous geochemical anomaly (>2,650ppm Ni, 90th percentile) that extends north-south over 1.8km (Figure 6).

Additionally, the auger drilling has identified multiple, discrete nickel anomalies or 'hot-spots' within broader geochemical haloes. The auger results validate that there exists the potential for near surface nickel mineralisation and the Group will now test the potential for lateritic and sulphide hosted nickel-cobalt mineralisation.

Table 3: Auger Sample Results (>8,000ppm Ni)

Sample ID	Sample Type	Sample Depth	East	North	Ni_ppm	Co_ppm	Cr_ppm	Cu_ppm	S_pct	Au_ppb
003314	AUGER	1.5	422856	6761801	10100	259	3890	39	0.188	2.9
003351	AUGER	1	423552	6761703	8540	176	1700	30.4	0.233	33.3
003478	AUGER	2	423405	6761501	8290	396	1520	31.8	0.331	4.1
003562	AUGER	2	423447	6761412	9050	494	1580	58.7	0.19	5.4
003997	AUGER	1.5	423355	6760705	9800	352	2320	33.4	0.165	9.5
003998	AUGER	2	423407	6760702	11800	378	1610	41.4	0.252	9.9
004083	AUGER	1.5	423401	6760601	13300	234	2440	34.4	0.257	6.7
004128	AUGER	1.25	423395	6760498	8310	201	1680	37.8	0.369	32.5
004129	AUGER	1.25	423452	6760498	13800	243	2350	36.6	0.427	14
004148	AUGER	1.25	423451	6760406	8690	348	1150	13.4	0.354	10.6

For personal use only

**Pure Resources Limited  
Directors' Report (cont'd)  
For the year ended 30 June 2023**

For personal use only

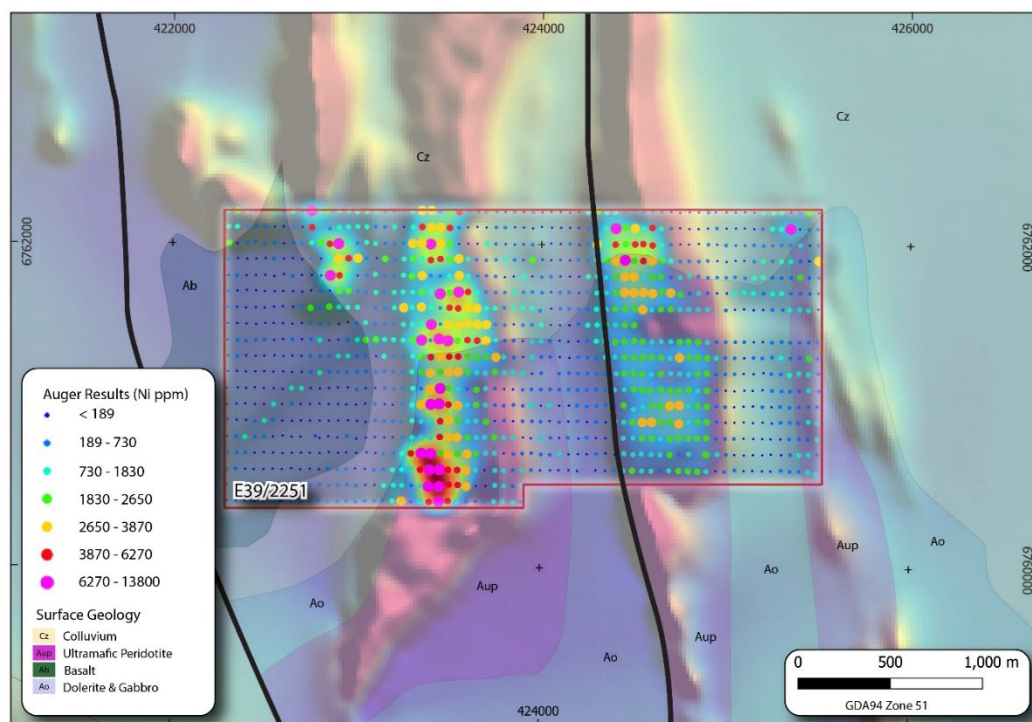


Figure 6: Auger Results with geology over magnetics.

**Business Risks**

The material business risks faced by the Group that could influence the Group's future prospects, and how the Group manages these risks, are outlined below.

**Exploration and operating**

The mineral exploration licences comprising the Projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that future exploration of these licences, or any other mineral licences that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

**Additional requirements for capital**

The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the initial public offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programs as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

# Pure Resources Limited

## Directors' Report (cont'd)

### For the year ended 30 June 2023

#### Tenure

The success of the Company will depend upon the Company being able to maintain title to the mining tenements comprising the Projects and obtaining all required approvals for the contemplated activities, including obtaining the grant of mining leases. In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of the Projects, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the mining tenements comprising the Projects.

#### Native title and Aboriginal Heritage

There are areas of the Company's projects over which legitimate common law and/or statutory Native Title rights of Aboriginal Australians exist. Where Native Title rights do exist, the Company must obtain consent of the relevant landowner to progress the exploration, development and mining phases of its operations. Where there is an Aboriginal Site for the purposes of the Aboriginal Heritage legislation, the Company must obtain consents in accordance with the legislation. The Company has executed a Native Title Land Access Agreement with the Native Title Owners for its projects and established a framework for ongoing engagement and obtaining required consents for the continuity of works, but in the event that it is unable to obtain these consents, its activities may be adversely affected.

#### Global financial conditions may adversely affect the Company's growth and profitability

Many industries, including the mineral resource industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil caused by the COVID-19 pandemic, global geopolitical tensions and inflationary economic environments may result in contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. Due to the current nature of the Company's activities, a slowdown in the financial markets or other economic conditions may adversely affect the Company's growth and ability to finance its activities. If these increased levels of volatility and market turmoil continue, the Company's activities could be adversely impacted and the trading price of the Company's shares could be adversely affected.

- End of review of operations -

#### Operating Results

The net loss after income tax for the year was \$752,399 (2022: \$1,316,046).

#### Dividends

No dividends were paid during the year and no dividend has been declared for the year ended 30 June 2023.

#### Meetings of Directors

The number of meetings of the Group's Board of Directors ('the Board') and of each Board committee held during the year, and the number of meetings attended by each Director were:

Name	Attended	Board Meetings	
		Held	Attended
Patric Glovac	4	4	4
James Warren	4	4	4
Jane Law	4	4	4

#### Remuneration report

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Pure Resources Limited for the financial year ended 30 June 2023. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

## Pure Resources Limited Directors' Report (cont'd) For the year ended 30 June 2023

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

### *Key Management Personnel*

The Directors and other key management personnel of the Group during or since the end of the financial year were:

<b>Directors and Other Key Management Personnel</b>	
Patric Glovac	Executive Chairman
James Warren	Non-executive Director
Jane Law	Non-executive Director
Quinton Meyers	Company Secretary

### *Remuneration philosophy*

The performance of the Group depends upon the quality of the Directors and executives. The philosophy of the Group in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

At this point in the Group's development, the Board does not believe it is appropriate to link director and executive officers' remuneration with Group financial performance but rather project milestones.

### *Remuneration Committee*

The Remuneration Committee of the board of Directors of the Group responsible for determining and reviewing compensation arrangements for the Directors, the CEO and the executive team. The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of Directors and executives on a yearly basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

### *Remuneration structure*

In accordance with best practice corporate governance, the structure of non-executive Director and executive remuneration is separate and distinct. The Board is satisfied that the recommendations were made free from undue influence from any members of key management personnel.

### *Non-executive Director remuneration*

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders. There has not been any use of remuneration consultants during the year ended 30 June 2023.

The Listing Rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting. The Group's constitution states that an aggregate remuneration of \$500,000 per annum can be paid to the non-executive directors. The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external stakeholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Each director receives a fee for being a director of the Group. The current fee for non-executive directors is \$36,000 per annum (excluding statutory entitlements and superannuation). An additional fee is also paid for each Board Committee on which a Director sits. The payment of additional fees for serving on a committee recognises the additional time commitment required by Directors who serve on one or more sub committees.

# Pure Resources Limited

## Directors' Report (cont'd)

### For the year ended 30 June 2023

#### Senior manager and executive Director remuneration

Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

#### Fixed Remuneration

Fixed remuneration is reviewed annually by the Remuneration Committee. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary. Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group. The fixed remuneration component is detailed in Key Management Personnel remuneration for the year ended 30 June 2023 table.

#### Employment Contracts

The Group entered into an executive director service agreement with Mr Patric Glovac (**Executive Chairman Agreement**). Under the Executive Chairman Agreement, Mr Glovac is engaged to provide services to the Group in the capacity of Executive Chairman, based in Perth, Western Australia. Mr Glovac is to be paid remuneration of \$150,000 per annum. The Managing Director Agreement can be terminated by six month's written notice from the Group, while Mr Glovac can terminate by providing one months' written notice.

#### Remuneration of Key Management Personnel

	Short-term employment benefits Cash salary And fees	Post- employment Superannuation	Share-based payments Equity-settled options	Total	Options related	Performance related
2023	\$	\$	\$	\$	%	%
<b>Non-Executive Directors:</b>						
James Warren	36,000	3,780	-	39,780	-	-
Jane Law	36,000	3,780	-	39,780	-	-
<b>Executive Directors:</b>						
Patric Glovac	150,000	15,750	-	165,750	-	-
	<b>222,000</b>	<b>23,310</b>	-	<b>245,310</b>	-	-

	Short-term employment benefits Cash salary And fees	Post- employment Superannuation	Share-based payments Equity-settled options	Total	Options related	Performance related
2022	\$	\$	\$	\$	%	%
<b>Non-Executive Directors:</b>						
James Warren	19,695	615	183,112	203,422	90	-
Jane Law	19,695	615	183,112	203,422	90	-
<b>Executive Directors:</b>						
Patric Glovac	77,937	2,563	262,460	342,960	77	-
	<b>117,327</b>	<b>3,793</b>	<b>628,684</b>	<b>749,804</b>	-	-

No member of key management personnel appointed during the year received a payment as part of his or her consideration for agreeing to hold the position. No cash bonuses were granted as compensation during the current financial year. Payments to key management personnel are processed within the relevant month.



# Pure Resources Limited

## Directors' Report (cont'd) For the year ended 30 June 2023

### Key management personnel equity holdings

#### Fully paid ordinary shares

	Balance at Beginning of Year Number	Granted as compensation Number	Received on exercise of options Number	Net other change Number	Balance at end of year Number	Balance held nominally Number
30 June 2023						
<b>Directors</b>						
James Warren	220,000	-	-	-	220,000	-
Jane Law	-	-	-	-	-	-
<b>Executive</b>						
Patric Glovac	2,317,510	-	-	-	2,317,510	-
	<b>2,537,510</b>	-	-	-	<b>2,537,510</b>	-
30 June 2022						
<b>Directors</b>						
James Warren	-	-	-	220,000 <sup>(1)</sup>	220,000	-
Jane Law	-	-	-	-	-	-
<b>Executive</b>						
Patric Glovac	-	-	-	2,317,510 <sup>(1)</sup>	2,317,510	-
	-	-	-	<b>2,537,510</b>	<b>2,537,510</b>	-

(1) Change in number of securities from director participation in the Initial Public Offer and on market purchases.

#### Share options

	Balance at Beginning of Year Number	Granted as compensation Number	Net other change <sup>(1)</sup> Number	Balance at end of year Number	Vested and exercisable Number	Options vested during the year Number
30 June 2023						
<b>Directors</b>						
James Warren	2,000,000	-	110,000	2,110,000	-	-
Jane Law	2,000,000	-	-	2,000,000	-	-
<b>Executive</b>						
Patric Glovac	2,866,666	-	1,158,750	4,025,416	-	-
	<b>6,866,666</b>	-	<b>1,268,750</b>	<b>8,135,416</b>	-	-
30 June 2022						
<b>Directors</b>						
James Warren	-	2,000,000	-	2,000,000	-	-
Jane Law	-	2,000,000	-	2,000,000	-	-
<b>Executive</b>						
Patric Glovac	-	2,866,666	-	2,866,666	-	-
	-	<b>6,866,666</b>	-	<b>6,866,666</b>	-	-

(1) The change relates to Directors taking up their entitlements in the Loyalty Option Issued announced 25 August 2022. Options are exercisable at \$0.25 on or before the 10 April 2025.

# Pure Resources Limited

## Directors' Report (cont'd)

### For the year ended 30 June 2023

#### Share-based compensation

##### Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant
James Warren	2,000,000	10/4/2022	10/4/2022	10/4/2025	\$0.25	\$0.916
Jane Law	2,000,000	10/4/2022	10/4/2022	10/4/2025	\$0.25	\$0.916
Patric Glovac	2,866,666	10/4/2022	10/4/2022	10/4/2025	\$0.25	\$0.916

No options lapsed or expired during the year ended 30 June 2023.

##### Other transactions with key management personnel

On 20 December 2021, the Group entered into a lease agreement on an arm's length basis with 19808283 Pty Ltd (an entity in which Mr Patric Glovac is shareholder and director) for its registered office. The Group leases the office space for \$3,500 (plus GST) per month. As at 30 June 2023, the Group has paid 19808283 Pty Ltd \$42,000.

#### End of Remuneration Report

##### Significant Changes in the State of Affairs

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

##### Matters Subsequent to the End of the Financial year

The Group announced on 12 July 2023 the Finland based geological consultants Geopool have completed a detailed desktop review of the Kova Project and Kast Project totaling 683km<sup>2</sup> of highly prospective ground in southern Finland. The desktop review of the projects observed 269 pegmatites.

On 19 July 2023, the Group announced that the exploration budget for the Bergby nr 100 and Järkvissle nr 100, which cover an area of ~252km<sup>2</sup>, in central Sweden, has been approved.

The Group announced on 25 July 2023 that they had listed the Companies shares on the Frankfurt Stock Exchange under the code "YOL".

On 3 August 2023, Pure announced that five concurrent lithium exploration programs had commenced on Bergby nr 100, Järkvissle nr 100, Laforge Lithium Project, Kast Project and Kova Project.

##### Future Developments

The Group intends to carry varying exploration programs on the Group's Bergby Project, Jarkvissle Project, Laforge Project, Kast Project, Killarney Project, Kova Project, Mount Monger Project, Yandal Project and Yundamindra Project. The Group intends to initiate project generative works focusing on the battery metals space.

##### Environmental Regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

# Pure Resources Limited

## Directors' Report (cont'd)

### For the year ended 30 June 2023

#### Indemnity and Insurance of Officers or Auditors

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to any person who is or has been an officer or auditor of the Group.

#### Proceedings on Behalf of the Group

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

#### Audit and Non-audit Services

Details of the amounts paid or payable to the auditor (HLB Mann Judd) for audit and non-audit services during the year are disclosed in note 17.

#### 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.

#### Auditor

HLB Mann Judd (WA Partnership) continues in office in accordance with section 327 of the Corporations Act 2001.

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



Patric Glovac  
Chairman

13 September 2023

For personal use only

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the consolidated financial report of Pure Resources Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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



Perth, Western Australia  
13 September 2023

**B G McVeigh**  
Partner

**hlb.com.au**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

**T:** +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

For personal use only

**Pure Resources Limited**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2023**

	Note	Consolidated 30 June 2023 \$	Parent 2 September 2021 to 30 June 2022 \$
Interest income	13	25,476	530
<b>Expenses</b>			
Accounting and audit fees		(72,235)	(34,908)
Administration expense	13	(196,247)	(116,108)
Consulting fees		-	(39,080)
Director fees		(245,310)	(121,120)
Exploration expenses		(76,710)	(3,735)
Finance costs		(6,102)	(3,160)
Legal fees		(37,865)	(149,049)
Insurance		(30,201)	(13,468)
Share-based payments expense	11b	(66,000)	(824,002)
Interest expense		(7,531)	(2,470)
Depreciation and amortisation	6 & 7	(39,674)	(9,476)
<b>Loss before income tax expense from continuing operations</b>		<b>(752,399)</b>	<b>(1,316,046)</b>
Income tax expense	3	-	-
<b>Loss for the year</b>		<b>(752,399)</b>	<b>(1,316,046)</b>
<b>Other comprehensive income for the year, net of tax</b>			
Foreign currency translation		(8,013)	-
<b>Total comprehensive loss for the year</b>		<b>(760,412)</b>	<b>(1,316,046)</b>
<b>(Loss) per share</b>		<b>Cents per Share</b>	<b>Cents per Share</b>
Basic loss per share	14	(2.03)	(15.64)
Diluted loss per share	14	(2.03)	(15.64)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**Pure Resources Limited**  
**Consolidated Statement of Financial Position**  
**As at 30 June 2023**

	Note	Consolidated 30 June 2023 \$	Parent 30 June 2022 \$
<b>Current Assets</b>			
Cash and cash equivalents	4	2,539,023	4,214,677
Trade and other receivable	5	28,987	59,805
<b>Total current assets</b>		<b>2,568,010</b>	<b>4,274,482</b>
<b>Non-current Assets</b>			
Property, plant and equipment	6	20,523	-
Right-of-use asset	7	69,478	107,377
Deferred exploration and evaluation expenditure	8	1,343,210	185,039
<b>Total non-current assets</b>		<b>1,433,211</b>	<b>292,416</b>
<b>Total assets</b>		<b>4,001,221</b>	<b>4,566,898</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	9	232,435	93,139
Accruals		56,947	48,313
Lease liability	10	38,194	35,619
<b>Total current liabilities</b>		<b>327,576</b>	<b>177,071</b>
<b>Non-current Liabilities</b>			
Lease liability	10	36,967	75,161
<b>Total non-current liabilities</b>		<b>36,967</b>	<b>75,161</b>
<b>Total liabilities</b>		<b>364,543</b>	<b>252,232</b>
<b>Net Assets</b>		<b>3,636,678</b>	<b>4,314,666</b>
<b>Equity</b>			
Issued capital	11a	4,805,110	4,806,710
Reserves	11b	900,013	824,002
Accumulated losses		(2,068,445)	(1,316,046)
<b>Total Equity</b>		<b>3,636,678</b>	<b>4,314,666</b>

The above Statement of Financial position should be read in conjunction with the accompanying notes.

**Pure Resources Limited**  
**Consolidated Statement of Changes in Equity**  
**For the year ended 30 June 2023**

<b>Consolidated</b>	<b>Notes</b>	<b>Issued Capital \$</b>	<b>Reserves \$</b>	<b>Accumulated Losses \$</b>	<b>Total \$</b>
<b>Balance as at 1 July 2022</b>		<b>4,806,710</b>	<b>824,002</b>	<b>(1,316,046)</b>	<b>4,314,666</b>
Loss for the Year		-	-	(752,399)	(752,399)
Other Comprehensive Loss		-	(8,013)	-	(8,013)
<b>Total Comprehensive Loss</b>		<b>-</b>	<b>(8,013)</b>	<b>(752,399)</b>	<b>(760,412)</b>
Proceeds from Issue of Loyalty options	11b	-	18,024	-	18,024
Share Based payments	11b	-	66,000	-	66,000
Movement in Foreign Exchange		-	-	-	-
Payment for shares issue costs		(1,600)	-	-	(1,600)
<b>Balance as at 30 June 2023</b>		<b>4,805,110</b>	<b>900,013</b>	<b>(2,068,445)</b>	<b>3,636,678</b>

<b>Parent</b>	<b>Notes</b>	<b>Issued Capital \$</b>	<b>Reserves \$</b>	<b>Accumulated Losses \$</b>	<b>Total \$</b>
<b>Incorporated on 2 September 2021</b>					
Loss for the Period		-	-	(1,316,046)	(1,316,046)
Other Comprehensive Loss		-	-	-	-
<b>Total Comprehensive Loss</b>		<b>-</b>	<b>-</b>	<b>(1,316,046)</b>	<b>(1,316,046)</b>
Issue of shares	11a	5,110,710	-	-	5,110,710
Payment for shares issue costs		(304,000)	-	-	(304,000)
Share Based payments	11b	-	824,002	-	824,002
<b>Balance as at 30 June 2022</b>		<b>4,806,710</b>	<b>824,002</b>	<b>(1,316,046)</b>	<b>4,314,666</b>

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

For personal use only

**Pure Resources Limited**  
**Consolidated Statement of Cash Flows**  
**For the year ended 30 June 2023**

		<b>Consolidated</b>	<b>Parent</b>
		<b>30 June 2023</b>	<b>2 September 2021 to</b>
	<b>Note</b>	<b>\$</b>	<b>30 June 2022</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Payment to suppliers and employees		(494,555)	(451,249)
Interest Paid		(7,531)	(2,470)
Interest received		25,476	530
<b>Net cashflows (used in) operating activities</b>	<b>12</b>	<b>(476,610)</b>	<b>(453,189)</b>
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation		(1,157,551)	(32,771)
Payments for property, plant and equipment		(22,298)	-
<b>Net cashflows (used in) investing activities</b>		<b>(1,179,849)</b>	<b>(32,771)</b>
<b>Cash flows from financing activities</b>			
Proceeds from Shares issued		-	5,010,710
Proceeds from Options issued		18,024	-
Cost of share issue		(1,600)	(304,000)
Repayment of lease liabilities	10	(35,619)	(6,073)
<b>Net cashflows (used in)/from financing activities</b>		<b>(19,195)</b>	<b>4,700,637</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1,675,654)</b>	<b>4,214,677</b>
Cash and cash equivalents at beginning of financial year/period		4,214,677	-
<b>Cash and cash equivalents at end of financial year/period</b>		<b>2,539,023</b>	<b>4,214,677</b>

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

For personal use only



# Pure Resources Limited

## Notes to the Financial Statements

### For the year ended 30 June 2023

#### Note 1. Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied during the financial year ended 30 June 2023.

#### New or Amended Accounting Standards and Interpretations Adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('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.

#### New Accounting Standards and Interpretations not yet Mandatory or Early Adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting year ended 30 June 2023 and will not have a material effect.

#### Basis of Preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the AASB and the Corporations Act 2001. 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.

#### Going Concern Basis

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the commercial realization of the Group's assets and the settlement of liabilities in the normal course of business.

#### Critical Accounting Estimates

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

#### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Pure Resources Limited (**Company** or **Parent Entity**) as at 30 June 2023 and the results of all subsidiaries for the year then ended. Pure Resources 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.

## **Pure Resources Limited**

### **Notes to the Financial Statements (cont'd)**

#### **For the year ended 30 June 2023**

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.

#### **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 Executive Chairman. The Executive Chairman is responsible for the allocation of resources to operating segments and assessing their performance.

#### **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 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 year; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting year. All other assets are classified as non-current.

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

#### **Cash and Cash Equivalents**

Cash and cash equivalents includes 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. 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.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

# Pure Resources Limited

## Notes to the Financial Statements (cont'd)

### For the year ended 30 June 2023

#### 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 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.

#### Issued Capital

Ordinary shares are classified as equity.

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

#### Loss Per Share

##### Basic Loss Per Share

Basic loss per share is calculated by dividing the loss attributable to the owners of Pure Resources 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 Loss Per Share

Diluted loss per share adjusts the figures used in the determination of basic loss 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 presented 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.

# Pure Resources Limited

## Notes to the Financial Statements (cont'd)

### For the year ended 30 June 2023

#### Exploration and evaluation expenditure

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current are capitalized and 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.

#### 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.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

#### 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.

#### 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 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 year 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 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.

# Pure Resources Limited

## Notes to the Financial Statements (cont'd)

### For the year ended 30 June 2023

#### Share-based payments

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

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, 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 Group 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 year is the cumulative amount calculated at each reporting date less amounts already recognised in previous years.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

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 Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group 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.

**Pure Resources Limited**  
**Notes to the Financial Statements (cont'd)**  
**For the year ended 30 June 2023**

**Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the years to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Lease liabilities are measured at depreciated 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 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.

*Share-based payment transactions*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting year but may impact profit or loss and equity. Refer to note 19 for further information.

**Note 3. Income Tax Expense**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>a) Income tax expense/(benefit)</b>		
Current tax	-	-
Deferred tax	-	-
<b>Income tax expense/(benefit)</b>	<b>-</b>	<b>-</b>
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>b) Amounts recognised directly in equity</b>		
Current tax	-	-
Deferred tax	-	-
	<b>-</b>	<b>-</b>

**Pure Resources Limited**  
**Notes to the Financial Statements (cont'd)**  
**For the year ended 30 June 2023**

**Note 3. Income Tax Expense (cont'd)**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>c) Reconciliation of income tax expense to prima facie tax payable:</b>		
Profit/(loss) from continuing operations before income tax expense	(752,399)	(1,316,046)
Tax at the Australian tax rate of 30%	(225,720)	(394,813)
Tax effect of amounts which are non deductible (taxable) in calculating taxable income:		
- Permanent differences	54,542	247,742
- Temporary differences and tax losses not recognised	171,178	147,072
<b>Income tax expense/(benefit)</b>	<b>-</b>	<b>-</b>
The applicable weighted average effective tax rates	<b>-</b>	<b>-</b>

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>d) Deferred tax asset/(liability)</b>		
Tenements	(214,193)	(6,812)
Business related costs	66,217	72,960
Right-of-use assets	1,705	1,021
Other	7,759	5,652
Tax losses	548,379	165,451
Net deferred tax assets/(liabilities)	409,867	238,272
Net deferred tax losses assets not recognised	(409,867)	(238,272)
<b>Total</b>	<b>-</b>	<b>-</b>

The Group's unused tax losses arising are available for offset against future taxable profits, subject to the Group passing the regulatory tests for continued use of tax losses.

**Note 4. Cash and Cash Equivalents**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Cash at Bank	2,539,023	4,214,677
<b>Total Cash and Cash Equivalents</b>	<b>2,539,023</b>	<b>4,214,677</b>

The Group receives an interest rate of 1.95% on cash at bank.

**Note 5. Trade and other receivables**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
GST receivable	12,078	44,655
Prepayments	16,899	15,140
Trade receivables	10	10
<b>Total trade and other receivables</b>	<b>28,987</b>	<b>59,805</b>

The Group does not expect any credit losses on Trade and other receivables.

For personal use only

**Pure Resources Limited**  
**Notes to the Financial Statements (cont'd)**  
**For the year ended 30 June 2023**

**Note 6. Property, Plant and Equipment**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Plant and Equipment – at cost	22,298	-
Less: Accumulated depreciation	(1,775)	-
	<b>20,523</b>	<b>-</b>

Movement schedule of property, plant and equipment

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Opening balance	-	-
Additions	22,298	-
Less depreciation	(1,775)	-
	<b>20,523</b>	<b>-</b>

**Note 7. Right of use asset**

**Right of use asset**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Opening	116,853	-
Additions	-	116,853
	<b>116,853</b>	<b>116,853</b>
<i>Accumulated amortisation</i>		
Opening Balance	(9,476)	-
Charge for the year	(37,899)	(9,476)
	<b>(47,375)</b>	<b>(9,476)</b>
Carrying amount	<b>69,478</b>	<b>107,377</b>

The Group leases its registered head office premises. The remaining lease is 1 years and 8 months.

**Note 8. Exploration and Evaluation Expenditure**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Cost brought forward in respect of areas of interest in the exploration evaluation stage	185,039	-
Expenditure capitalised during the year	903,404	23,635
Acquisition of the Killarney Project	-	150,000
Acquisition of the Mount Monger Project	-	3,636
Acquisition of the Yandal Project	-	3,884
Acquisition of the Yundamindra Project	-	3,884
Acquisition of the LaForge Project	119,568	-
Acquisition of the Kast Project	19,975	-
Acquisition of the Kova Project	19,975	-
Acquisition of the Bergby nr 100 Reservation	95,249	-
	<b>1,343,210</b>	<b>185,039</b>

All capitalized expenditure during the financial years 2022 and 2023 were paid in cash excluding \$100,000 that was paid for Uramin Pty Ltd as part of the acquisition of the Killarney Project through the issue of 500,000 shares at \$0.20. The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.



**Pure Resources Limited**  
**Notes to the Financial Statements (cont'd)**  
**For the year ended 30 June 2023**

**Note 9. Trade and other Payables**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Accounts Payable	214,339	4,945
Loan – Attvest <sup>1</sup>	-	11,607
PAYG Withholdings Payable	14,211	4,737
Superannuation Payable	3,885	1,850
Oversubscription to be refunded <sup>2</sup>	-	70,000
<b>Total Trade and other payables</b>	<b>232,435</b>	<b>93,139</b>

1. Loan agreement with Attvest to fund the insurance premiums of the Group.

2. Oversubscriptions by applicants under the initial public offer in the 2022 financial year were refunded during the 2023 financial year.

All trade and other payables are due in under 12 months.

**Note 10. Lease liability**

<b>Lease liabilities</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Current	38,194	35,619
Non-current	36,967	75,161
	<b>75,161</b>	<b>110,780</b>

The Group does not face a significant liquidity risk with regard to its lease liabilities.

**Reconciliation of lease liabilities**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Opening Balance	110,780	-
Additions	-	116,853
Principal repayments	(35,619)	(6,073)
Closing balance	<b>75,161</b>	<b>110,780</b>

**Note 11a. Issued Capital**

	<b>No. of</b>	<b>2023</b>	<b>No. of</b>	<b>2022</b>
	<b>Shares</b>	<b>\$</b>	<b>Shares</b>	<b>\$</b>
Ordinary Shares fully paid	37,500,010	4,805,110	37,500,010	4,806,710

**Movement in Shares on Issue**

	<b>No. of</b>	<b>2023</b>	<b>No. of</b>	<b>2022</b>
	<b>Shares</b>	<b>\$</b>	<b>Shares</b>	<b>\$</b>
Proceeds from Incorporation Shares Issued	<b>37,500,010</b>	<b>4,806,710</b>	10	10
Proceeds from Founder Shares Issued	-	-	7,000,000	700
Proceeds from Round One Seed Shares Issued	-	-	5,250,000	210,000
Proceeds from Round Two Seed Shares Issued	-	-	1,500,000	150,000
Proceeds from Initial Public Offer Shares Issued	-	-	23,250,000	4,650,000
Shares issued to Uramin Pty Ltd (acquisition of Killarney Project)	-	-	500,000	100,000
Payment for share issue costs	-	(1,600)	-	(304,000)
<b>Closing balance</b>	<b>37,500,010</b>	<b>4,805,110</b>	<b>37,500,010</b>	<b>4,806,710</b>

**Pure Resources Limited**  
**Notes to the Financial Statements (cont'd)**  
**For the year ended 30 June 2023**

**Note 11b. Reserves**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Share-based payments reserve (a)	890,002	824,002
Option reserve (b)	18,024	-
Foreign currency translation reserve (c)	(8,013)	-
	<b>900,013</b>	<b>824,002</b>

**(a) Share-based payments reserve**

The share-based payments reserve represents the value of options and performances rights issued to parties for services rendered.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Share-based payments reserve		
Opening balance	824,002	-
Fair value of options issued to directors and consultants	-	824,002
Fair value of performance rights issued to consultants	66,000	-
<b>Balance at end of year</b>	<b>890,002</b>	<b>824,002</b>

On 16 December 2022, a total of 1,350,000 performance rights were issued to an adviser to the Group. The group utilized a combination of Hoadley's Barrier1 Model and Hoadley's Parisian Model value the performance rights, due to differing vesting conditions. The total value of the performance rights was expensed upon the issue date of 16 December 2022. However, following the termination of the adviser post year end, the unvested performances rights have effectively been cancelled with the value of tranches 2 through to tranche 5 being reversed out.

	<b>Tranche 1</b>	<b>Tranche 2</b>	<b>Tranche 3</b>	<b>Tranche 4</b>	<b>Tranche 5</b>
<b>Category</b>	Milestone 1	Milestone 2	Milestone 3	Milestone 4	Milestone 5
<b>Number of securities</b>	200,000	300,000	300,000	300,000	250,000
<b>Security Entitlement</b>	One share	One share	One share	One share	One share
<b>Listed/Unlisted</b>	Unlisted	Unlisted	Unlisted	Unlisted	Unlisted
<b>Vesting milestones</b>	Vest within 7 business days of signing letter of appointment (to be engaged as advisor to the group)	Vest upon the VWAP of the Group's shares over 15 consecutive trading days being \$0.45 or above	Vest upon the VWAP of the Group's shares over 15 consecutive trading days being \$0.60 or above	Vest upon the VWAP of the Group's shares over 15 consecutive trading days being \$0.78 or above	Vest upon 24 months of continuous service with the Group
<b>Grant date</b>	13-Dec-25	13-Dec-25	13-Dec-25	13-Dec-25	13-Dec-25
<b>Vesting term</b>	7 days from signing of letter	3 years from issue	3 years from issue	3 years from issue	2 years from issue
<b>Vesting date</b>	30-Dec-22	19-Dec-25	19-Dec-25	19-Dec-25	19-Dec-24
<b>Expiry Date</b>	19-Dec-25	19-Dec-25	19-Dec-25	19-Dec-25	19-Dec-25
<b>Probability (%)</b>	100	N/A	N/A	N/A	100
<b>Value per security (\$)</b>	0.33	0.2992	0.2793	0.2585	0.33
<b>Total Value (\$)</b>	66,000	89,760	83,790	77,550	82,500

For personal use only

**Pure Resources Limited**  
**Notes to the Financial Statements (cont'd)**  
**For the year ended 30 June 2023**

**Note 11b. Reserves (cont'd)**

On 10 April 2022, a total of 9,000,000 options were issued; 6,000,000 to key management personnel and 3,000,000 to adviser and consultants pursuant to the Group's IPO at a nil issue price. Utilising the Black-Scholes pricing model, each option was valued at \$0.0916. These amounts were fully expensed in the prior year.

**2022**

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/ other	Balance at the end of the year
10/04/2022	10/04/2025	\$0.25	-	9,000,000	-	-	9,000,000
			-	9,000,000	-	-	9,000,000
Weighted average exercise price			-	\$0.25	-	-	\$0.25

The weighted average share price during the financial year was \$0.25

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.5 years.

For the options granted during the financial year ended 30 June 2022, the valuation model inputs used to determine the fair value at the grant date, are as follows:

**Valuation assumption**

Grant date	10 April 2022
Share price at date of grant	\$0.20
Volatility	80%
Exercise price	\$0.25
Expiry date	10 April 2025
Dividend yield	Nil
Risk free investment rate	0.10%
Weighted average remaining contractual life (yrs)	2.5

**(b) Option reserve**

The option reserve represents the value of options issued.

	2023	2022
<i>Option reserve</i>	\$	\$
Opening balance	-	-
Loyalty options issued for cash	18,024	-
<b>Balance at end of year</b>	<b>18,024</b>	<b>-</b>

**(c) Foreign currency translation reserve**

The foreign currency translation reserve represents the movement in foreign currency rates.

	2023	2022
<i>Foreign currency translation reserve</i>	\$	\$
Opening balance	-	-
Movement during the year	(8,013)	-
<b>Balance at end of year</b>	<b>(8,013)</b>	<b>-</b>

**Pure Resources Limited**  
**Notes to the Financial Statements (cont'd)**  
**For the year ended 30 June 2023**

**Note 12. Reconciliation of Net Loss After Income Tax to Net Cash Flow from Operations**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Net loss after income tax	(752,399)	(1,316,046)
<i>Non-cash movements:</i>		
Share based payments	66,000	824,002
Depreciation and amortisation	39,674	9,476
Change in operating assets and liabilities:		
Decrease/(Increase) in trade and other receivables	30,818	(59,805)
Increase in trade and other payables	139,297	89,184
<b>Net cashflows used in operating activities</b>	<b>(476,610)</b>	<b>(453,189)</b>

**Note 13. Loss before income tax expense**

The following revenue and expense items are relevant in explaining the financial performance for the year.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Interest income	25,476	530
	<u>25,476</u>	<u>530</u>
<b>Expenses</b>		
Included in administration expenses are the following material items:		
- ASIC	10,009	5,784
- ASX Fees	39,059	61,971
- Company secretary	96,000	36,450
- Share registry	22,396	820
- General office expenses	24,316	9,509
- Subscription	1,240	1,574
- Marketing	3,227	-
	<b><u>196,247</u></b>	<b><u>116,108</u></b>

**Note 14. Loss Per Share**

	<b>2023</b>	<b>2022</b>
	<b>Cents Per Share</b>	<b>Cents Per Share</b>
Basic loss per share	(2.03)	(15.64)
Diluted loss per share	(2.03)	(15.64)
	<b>\$</b>	<b>\$</b>
(Loss) used in calculation of basic and diluted loss per share	<u>(752,399)</u>	<u>(1,316,046)</u>
Weighted average number of ordinary shares on issue used in the calculation of basic loss per share	37,500,010	8,414,660
Weighted average number of ordinary shares on issue used in the calculation of Diluted loss per share	37,500,010	8,414,660

For personal use only

# Pure Resources Limited

## Notes to the Financial Statements (cont'd)

### For the year ended 30 June 2023

#### Note 15. Events After Balance Date

The Group announced on 12 July 2023 the Finland based geological consultants Geopool have completed a detailed desktop review of the Kova Project and Kast Project totaling 683km<sup>2</sup> of highly prospective ground in southern Finland. The desktop review of the projects observed 269 pegmatites.

On 19 July 2023, the Group announced that the exploration budget for the Bergby nr 100 and Järkvissle nr 100, which cover an area of ~252km<sup>2</sup>, in central Sweden, has been approved.

The Group announced on 25 July 2023 that they had listed the Companies shares on the Frankfurt Stock Exchange under the code "YOL".

On 3 August 2023, Pure announced that five concurrent lithium exploration programs had commenced on Bergby nr 100, Järkvissle nr 100, Laforge Lithium Project, Kast Project and Kova Project.

#### Note 16. Financial Instruments

##### Financial Risk Management Objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

##### Price Risk

The Group is not exposed to any significant price risk.

##### Interest Rate Risk

The Group is not exposed to any significant interest rate risk at reporting year.

##### Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

**Pure Resources Limited**  
**Notes to the Financial Statements (cont'd)**  
**For the year ended 30 June 2023**

**Note 16. Financial Instruments (cont'd)**

**Liquidity Risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages its liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows.

The Group's liquidity risk arises from other financial liabilities and trade and other payables, together comprising the Group's financial liabilities.

Financial liabilities maturing profiles as follows:

	<b>Weighted average interest rate %</b>	<b>Less than 6 months</b>	<b>6 months to 1 year</b>	<b>Later than 1 year but not later than 5 years</b>	<b>Over 5 years</b>	<b>Remaining contractual maturities</b>
<b>Consolidated – 2023</b>						
<i>Non-interest bearing</i>						
Trade payables	-	289,382	-	-	-	289,382
<i>Interest bearing</i>						
Lease Liability	7.00	19,097	19,097	36,967	-	75,161
<b>Total</b>	<b>-</b>	<b>308,479</b>	<b>19,097</b>	<b>36,967</b>		<b>364,543</b>
<b>Consolidated – 2022</b>						
<i>Non-interest bearing</i>						
Trade payables	-	141,451	-	-	-	141,451
<i>Interest bearing</i>						
Lease Liability	7.00	17,810	17,810	75,161	-	110,781
<b>Total</b>	<b>-</b>	<b>159,261</b>	<b>17,810</b>	<b>75,161</b>		<b>252,232</b>

**Fair Values**

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values determined in accordance with the accounting policies disclosed in Note 1.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statement approximate their fair value.

# Pure Resources Limited

## Notes to the Financial Statements (cont'd)

### For the year ended 30 June 2023

#### Note 16. Financial Instruments (cont'd)

The Directors consider the carrying amount of the financial assets and financial liabilities to be a reasonable approximation of their fair value on account of the short maturity cycle.

#### Note 17. Auditor's Remuneration

	2023 \$	2022 \$
<b>Audit Services</b>		
Amounts paid or payable for services to be provided by HLB Mann Judd		
An audit and review of the financial reports of the Group	32,000	20,000
Other assurance services (independent limited assurance report)	-	10,000
<b>Total remuneration for audit &amp; non-audit services</b>	<b>32,000</b>	<b>30,000</b>

#### Note 18. Director and Executive Disclosures

##### Details of Key Management Personnel

- Patric Glovac –Executive Chairman (appointed 2 September 2021)
- James Warren – Non-executive Director (appointed 2 September 2021)
- Jane Law – Non-executive Director (appointed 2 September 2021)

##### Compensation of Key Management Personnel

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

	2023 \$	2022 \$
Short-term employee benefits	222,000	117,327
Post-employment benefits	23,310	3,793
Long-term benefits	-	-
Share-based payments	-	628,684
	<b>245,310</b>	<b>749,804</b>

##### Other transactions with key management personnel

On 20 December 2021, the Group entered into a lease agreement on an arm's length basis with 19808283 Pty Ltd (an entity in which Mr Patric Glovac is shareholder and director) for its registered office. The Group leases the office space for \$3,500 (plus GST) per month. As at 30 June 2023, the Group has paid 19808283 Pty Ltd \$42,000.

#### Note 19. Segment Reporting

The Group undertakes mineral exploration and evaluation work on a number of tenements located in Western Australia. Management currently identifies the Group's assets as a single operating segment. The accounting policies adopted for internal reporting are consistent with those adopted for the financial statements.

This operating segment are monitored by the Group's Executive Chairman and based on internal reports that are reviewed and used by the Board of Directors in making strategic decisions on the basis of available cash reserves and exploration results.

The items which are not capitalised to exploration and evaluation expenditure and included in the statement of profit or loss and other comprehensive income, relate to the Corporate Segment.

**Pure Resources Limited**  
**Notes to the Financial Statements (cont'd)**  
**For the year ended 30 June 2023**

**Note 19. Segment Reporting (cont'd)**

Segment assets and liabilities are disclosed in the table below:

	Corporate Australia \$	Mineral Exploration Australia \$	Mineral Exploration Canada \$	Mineral Exploration Finland \$	Mineral Exploration Sweden \$	Total \$
<b>2023</b>						
<b>Business segments</b>						
<b>Revenue</b>						
Other external revenue	25,476	-	-	-	-	25,476
Total segment revenue	25,476	-	-	-	-	25,476
<b>Results</b>						
Operating loss before income tax	(675,690)	(4,355)	-	-	(72,354)	(752,399)
Net Loss	(675,690)	(4,355)	-	-	(72,354)	(752,399)
<b>Assets</b>						
Segment assets	2,618,061	905,296	342,665	39,950	95,249	4,001,221
<b>Liabilities</b>						
Segment liabilities	318,884	-	-	45,659	-	364,543
		Corporate Australia \$	Mineral Exploration Australia \$	Eliminations \$		Total \$
<b>2022</b>						
<b>Business segments</b>						
<b>Revenue</b>						
Other external revenue		530	-	-	-	530
Total segment revenue		530	-	-	-	530
<b>Results</b>						
Operating loss before income tax		(1,312,310)	(3,736)	-	-	(1,316,046)
Net Loss		(1,312,310)	(3,736)	-	-	(1,316,046)
<b>Assets</b>						
Segment assets		4,381,859	185,039	-	-	4,566,898
<b>Liabilities</b>						
Segment liabilities		252,232	-	-	-	252,232

**Note 20. Commitments and contingent liabilities**

**a) Exploration Expenditure Commitments**

The Group has certain obligations to perform exploration work and expend minimum amounts of money on such works on mineral exploration tenements. These obligations will vary from time to time, subject to statutory approval and capital management. The terms of the granted licenses and those subject to relinquishment will alter the expenditure commitments of the Group as will any change to areas subject to licence.

**b) Native Title**

Native title claims have been made with respect to areas which include tenements in which the Group has interests. The Group is unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not and to what extent the claims may significantly affect the Group or its projects.

**c) Lease Commitments**

The Group leases its head office premises. Under AASB16, these have been recognised as a right of use asset and a lease liability.



**Pure Resources Limited**  
**Notes to the Financial Statements (cont'd)**  
**For the year ended 30 June 2023**

**Note 20. Commitments and contingent liabilities (cont'd)**

**d) Royalties**

As part of the acquisition of the Killarney Project during 2022 the Group entered into a Royalty Deed with Uramin Pty Ltd ("Uramin"). The royalty entitles Uramin to a net smelter return of 1.5% on revenue produced from sales of ore extracted. The term of the Royalty is for the life of the mining lease on the Killarney Project, subject to the availability of ore to be extracted. At the date of this report the Group is not in a position to reliably estimate the amount, if any, that would be paid to Uramin as a result of successful economic extraction of ore from the project given its exploration stage and as such this amount has not been recognised in the accounts of the Group at balance date.

**Note 21. Parent entity information**

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

*Statement of profit or loss and other comprehensive income*

	<b>Parent</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax	(760,412)	(2,376,689)
Total comprehensive (loss)	<u>(760,412)</u>	<u>(2,376,689)</u>

*Statement of financial position*

	<b>Parent</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Total current assets	2,568,010	4,274,482
Total assets	3,523,358	292,416
Total current liabilities	281,917	177,071
Total liabilities	318,884	75,161
Equity		
Issued capital	4,805,110	4,806,710
Reserves	908,026	824,002
Accumulated losses	<u>(2,508,662)</u>	<u>(1,316,046)</u>
Total Equity	<b><u>3,204,474</u></b>	<b><u>4,314,666</u></b>

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity and some of its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others. No deficiencies of assets exist in any of these subsidiaries.

*Contingent liabilities*

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

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

For personal use only

**Pure Resources Limited**  
**Notes to the Financial Statements (cont'd)**  
**For the year ended 30 June 2023**

**Note 21. Parent entity information (cont'd)**

*Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in joint ventures are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

**Note 22. Interest 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:

Name	Principle place of business/country of incorporation	Ownership interest	
		2023 %	2022 %
PR1 Europe Pty Ltd <sup>1</sup>	Australia	100%	-
PR1 (Canada) Ltd <sup>2</sup>	Canada	100%	-
PR1 USA LLC <sup>3</sup>	USA	100%	-
PR1 Finland Oy <sup>4</sup>	Finland	100%	-

1. PR1 Europe Pty Ltd was acquired on 8 July 2022 and held no assets or owed no liabilities.

2. PR1 Canada Ltd was incorporated on 4 November 2022.

3. PR1 USA LLC was incorporated on 13 October 2022.

4. PR1 Finland Oy was incorporated on 19 April 2023.

For personal use only

# Pure Resources Limited

## Directors' Declaration

### For the year ended 30 June 2023

In the Director's Opinion:

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



Patric Glovac  
Executive Chairman

13 September 2023

For personal use only

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Pure Resources Limited

### **Report on the Audit of the Financial Report**

#### *Opinion*

We have audited the financial report of Pure Resources Limited ("the Company") and its controlled entities ("the Group"), 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### *Basis for Opinion*

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

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

#### *Key Audit Matters*

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

**hlb.com.au**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

**T:** +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Key Audit Matter	How our audit addressed the key audit matter
<p><b>Exploration and evaluation assets</b> Refer to Note 8</p> <p>The Group has capitalised exploration and evaluation expenditure of \$1,343,210 as at 30 June 2023.</p> <p>Our audit procedures determined that the carrying value of exploration and evaluation expenditure was a key audit matter as it was an area which required the most communication with those charged with governance and was determined to be of key importance to the users of the financial statements.</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> <li>- We obtained an understanding of the key processes associated with management’s review of the carrying value of exploration and evaluation expenditure;</li> <li>- We obtained evidence that the Group has current rights to tenure of its areas of interest;</li> <li>- We substantiated a sample of additions to exploration expenditure during the period;</li> <li>- We verified that there was no evidence of impairment indicators under AASB 6;</li> <li>- We enquired with management and reviewed ASX announcements and minutes of Directors’ meetings to ensure that the Group had not decided to discontinue exploration and evaluation at its areas of interest; and</li> <li>- We examined the disclosure made in the financial report.</li> </ul>

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

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

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

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

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

*Responsibilities of the Directors for the Financial Report*

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

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

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

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

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

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

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

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

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

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

### *Responsibilities*

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



**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**13 September 2023**



**B G McVeigh**  
**Partner**

## Additional Securities Exchange Information

Additional information required by Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The shareholder information set out below was applicable as at 12 September 2023. PR1 has a total issued capital of 37,500,010 ordinary fully paid shares held by 178 individual holders.

All ordinary fully paid shares carry one vote per share.

### Distribution of shareholders

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	15	2,983	0.01%
above 1,000 up to and including 5,000	65	192,486	0.51%
above 5,000 up to and including 10,000	49	427,144	1.14%
above 10,000 up to and including 100,000	112	3,437,626	9.17%
above 100,000	50	33,439,771	89.17%
<b>Totals</b>	<b>291</b>	<b>37,500,010</b>	<b>100.00%</b>

### Distribution of listed option holders

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	5	1,026	0.01%
above 1,000 up to and including 5,000	16	71,026	0.38%
above 5,000 up to and including 10,000	29	244,176	1.30%
above 10,000 up to and including 100,000	52	2,324,286	12.40%
above 100,000	29	16,109,491	85.92%
<b>Totals</b>	<b>131</b>	<b>18,750,005</b>	<b>100.00%</b>

### Distribution of unlisted option holders

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	2	150,000	1.67%
above 100,000	6	8,850,000	98.33%
<b>Totals</b>	<b>8</b>	<b>9,000,000</b>	<b>100.00%</b>

### Distribution of performance rights

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	-	-	-
above 100,000	1	1,350,000	100.00%
<b>Totals</b>	<b>1</b>	<b>1,350,000</b>	<b>100.00%</b>



## Additional Securities Exchange Information (cont'd)

### Twenty largest shareholders

The names of the twenty largest holders by account holding of ordinary shares are listed below:

Position	Holder Name	Holding	% IC
1	SIMWISE DEVELOPMENTS PTY LTD	12,731,106	33.95%
2	KCIRTAP SECURITIES PTY LTD <N&P GLOVAC FAMILY AC>	1,867,500	4.98%
3	SYRACUSE CAPITAL PTY LTD <THE ROCCO TASSONE S/F A/C>	1,840,085	4.91%
4	SYRACUSE CAPITAL PTY LTD <TENACITY A/C>	1,667,500	4.45%
5	MOUNTS BAY INVESTMENTS PTY LTD <CALVER CAPITAL A/C>	1,635,000	4.36%
6	TRIBECA NOMINEES PTY LTD	1,050,000	2.80%
7	MR KA HON LEONG	1,047,328	2.79%
8	ANZANI HOLDINGS PTY LTD <THE ZANI FAMILY A/C>	940,000	2.51%
9	MR TIM POWE	700,000	1.87%
10	MR YEONG CHYI LAW	625,000	1.67%
10	MR KIAN JOO TAN	625,000	1.67%
11	ALISSA BELLA PTY LTD <THE C&A TASSONE SF NO 2 A/C>	562,482	1.50%
12	ANZANI HOLDINGS PTY LTD <THE ZANI FAMILY A/C>	550,000	1.47%
13	CITICORP NOMINEES PTY LIMITED	505,550	1.35%
14	GIAC ENTERPRISES PTY LTD	459,212	1.22%
15	KA HON LEONG	458,015	1.22%
16	MR VAUGHAN THALES KENT	418,846	1.12%
17	HUSTLER INVESTMENTS PTY LTD	418,000	1.11%
18	GIAC ENTERPRISES PTY LTD	390,580	1.04%
19	MURDOCH CAPITAL PTY LTD <GLOVAC SUPERFUND A/C>	300,000	0.80%
19	DAY LIVIN PTY LTD	300,000	0.80%
20	ZANINOVICH PHARMACY PTY LTD <ZANINOVICH INVESTMENT A/C>	297,819	0.79%
	<b>Total</b>	<b>29,389,023</b>	<b>78.37%</b>
	<b>Total issued capital - selected security class(es)</b>	<b>37,500,010</b>	<b>100.00%</b>

For personal use only











## Attachment: Reconciliation of Appendix 5B and Financial Report

Consolidated statement of cash flows		Appendix 5B June 2023 Disclosures \$A'000	June 2023 Financial Report Disclosures \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(987)	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(128)	(128)
	(e) administration and corporate costs	(307)	(367)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	25	25
1.5	Interest and other costs of finance paid	-	(7)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(1,397)</b>	<b>(477)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(200)	(200)
	(c) property, plant and equipment	(14)	(23)
	(d) exploration & evaluation	-	(957)
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(214)</b>	<b>(1,180)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	(70)	(34)
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2)	(2)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	10	18
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(62)</b>	<b>(18)</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,214	4,214
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,397)	(477)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(214)	(1,180)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(62)	(18)
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,541</b>	<b>2,539</b>

Reconciliation of key differences between Pure's Consolidated Statement of Cash Flows reported in the Appendix 5B and Consolidated Statement of Cashflows reported in the attached statutory accounts.

In summary, the material difference between the two reports is the costs of the exploration & evaluation being recognised in investing activities rather than operating activities. The slight difference in cash relates to a credit card charge.