



Carnaby

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Annual Report June 2023

Carnaby Resources Limited

www.carnabyresources.com.au





Corporate directory

Directors

Peter Bowler (Non-Executive Chairman)

Rob Watkins (Managing Director)

Greg Barrett (Non-Executive Director)

Paul Payne (Non-Executive Director)

Company Secretaries

Greg Barrett

Steven Bowler

Registered Office

78 Churchill Avenue

Subiaco, WA 6008

Telephone: +61 8 6500 3236

Email: info@carnabyresources.com.au

Share Registry

Computershare Investor Services Pty Ltd

Level 17, 221 St Georges Terrace

Perth, WA 6000

Within Australia: 1300 850 505

Outside Australia: +61 3 9415 4000

Internet: www.computershare.com.au

Auditors

Grant Thornton Audit Pty Ltd

Level 43, 152 -158 St Georges Terrace

Perth, WA 6000

Telephone: +61 8 9480 2000

Stock Exchange

Australian Securities Exchange Ltd

ASX Code: CNB

ABN

62 610 855 064

Website

www.carnabyresources.com.au

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Chairman's Letter

Dear Fellow Shareholders,

Welcome to the 2023 Annual Report for Carnaby Resources Limited (ASX: CNB). Reflecting on an exciting period for the Company during its fourth full year as a copper and gold focussed explorer, this Annual Report marks the commencement of a transitional pathway with the Greater Duchess Copper Gold Project maturing from a successful exploration story to an exciting development prospect.

The Company's highly successful exploration efforts in FY 2022, embodied by the Nil Desperandum and Lady Fanny Discoveries at our Australian Copper Gold tenements near Mount Isa in Queensland, were reinforced this year with the successful drill out of the recently acquired Mount Hope Prospects. Making use of the continued market momentum experienced into early 2023, the Group was able to again raise \$20 million via a placement of its shares, which provided the robust cash position required to maintain the aggressive expansion of the new discoveries whilst crucially, minimising the dilution to existing shareholders.¹

The Greater Duchess Copper Gold Project, containing the Mount Hope, Nil Desperandum and Lady Fanny Copper Gold discoveries, has grown during the year to over 1,921km² of prospective tenure. This growth is attributed the recently announced Farm-In and Joint Venture Agreement with Rio Tinto Exploration relating to the Devoncourt Exploration Project located just to the east of the Company's current exploration activities.² This unique opportunity to explore a Tier 1 sized target is particularly exciting and we look forward to commencing initial exploration activities on the Devoncourt tenement package which will be run in tandem with continued operations at the Company's existing discoveries.

This year's news flow has been dominated by the successful exploration of the Mount Hope Mining Lease, which contains the discoveries at both the Mount Hope North and Mount Hope Central Prospects. Mount Hope Central has been a particularly significant discovery for the Company, where continual RC and Diamond drilling has revealed numerous mineralised lodes below the historical open pit, each of which remain completely open. A high volume of outstanding assay results received from the Prospect during the

year include 138m @ 2.1% Copper from 250m and 39m @ 5.2% Copper from 158m.³ Mount Hope North has also yielded fantastic assay results from mineralisation hosted in a vein lode structure which include 75m @ 1.7% copper from 221m.⁴

Such exploration results have made the Mount Hope Central and North Prospects the crowning discoveries to date in the Company's growing copper portfolio.

Exploration work at the Nil Desperandum and Lady Fanny discoveries has been limited during the year as a result of the Company's focus on Mount Hope. Both deposits remain open at depth and present enticing regional exploration opportunities. Particularly within the 3km Nil Desperandum to Lady Fanny corridor where numerous Induced Polarisation (**IP**) anomalies signify walk-up drill targets.

Testing of such targets and broader regional exploration is expected to recommence in the coming months pending the finalisation and announcement of the Company's much anticipated maiden Mineral Resource Estimate for the Greater Duchess Copper Gold Project.

On behalf of our board of directors and you, our valued shareholders I would like to commend Rob Watkins, our Managing Director, along with his talented colleagues, for an outstanding effort over the preceding twelve months. They have skilfully positioned Carnaby as one of the most prospective copper stories domiciled within Australia.



Peter Bowler
Non-Executive Chairman

¹ See ASX release dated 24 April 2023

² See ASX release dated 2 August 2023

³ See ASX releases dated 2 February 2023 & 14 July 2023

⁴ See ASX release dated 7 September 2022

Directors' Report

1. Directors' report

The Directors present their report for Carnaby Resources Limited (**Carnaby** or the **Company**) and its subsidiaries (the **Group**) for the year ended 30 June 2023.

2. Directors

The names, qualifications and experience of the Company's Directors in office during the year and as at the date of this report are as follows. Directors were in office for the entire year unless otherwise stated.

Name and qualifications	Experience and other directorships
<p>Peter Bowler <i>Dip Farm Management (Hons)</i> Non-Executive Chairman Appointed 23 April 2019</p> <p><i>Other current directorships</i> Nil</p> <p><i>Previous directorships (last 3 years)</i> Nil</p>	<p>Mr Bowler was previously the founding Managing Director of Beadell Resources Limited from 2007 to 2015 and, prior to that, Managing Director of Agincourt Resources Limited from 2003 to 2007.</p> <p>Under his leadership those companies grew to a peak market capitalisation of approximately \$800 million and \$500 million respectively.</p>
<p>Robert Watkins <i>BSc (Hons), MAusIMM</i> Managing Director Appointed 23 April 2019</p> <p><i>Other current directorships</i> Nil</p> <p><i>Previous directorships (last 3 years)</i> Nil</p>	<p>Mr Watkins is a geologist with over 20 years exploration experience and a proven track record of exploration success, both in Australia and overseas.</p> <p>He was previously a founding Executive Director of Beadell Resources Limited and, prior to that, Exploration Manager of Agincourt Resources Limited.</p>
<p>Paul Payne <i>B.AppSc Grad Dip Min Ec, Grad Cert (Geostats), FAusIMM</i> Non-Executive Director</p> <p><i>Other current directorships</i> Essential Metals Limited</p> <p><i>Previous directorships (last 3 years)</i> Dreadnought Resources Limited (resigned 13 September 2022)</p>	<p>Mr Payne is a geologist with 30 years of experience within the mining industry, including over ten years of independent consulting across a range of commodities and jurisdictions.</p> <p>Mr Payne has extensive technical experience in the evaluation of mineral deposits from early-stage exploration to definitive feasibility studies and currently provides consulting services to a range of Australian and international mining and exploration companies.</p> <p>Mr Payne has held recent corporate roles including Technical Director, Managing Director and non-executive director of ASX listed companies.</p>
<p>Greg Barrett <i>B.Com, CA</i> Non-Executive Director Appointed 12 March 2020</p> <p><i>Other directorships</i> Nil</p> <p><i>Previous directorships (last 3 years)</i> Nil</p>	<p>Mr Barrett has over 25 years' experience as a corporate and finance professional, primarily within the mining industry.</p> <p>Mr Barrett has previously served as the Chief Financial Officer of several ASX-Listed companies with operating gold mines in Australia and abroad.</p> <p>Prior to commencing in commerce, Mr Barrett was employed by KPMG.</p>

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3. Company Secretaries

Greg Barrett - Appointed 21 October 2020
 Steven Bowler – Appointed 8 May 2023

4. Directors' meetings

During the financial year, in addition to regular Board discussions, the number of meetings of directors held during the year and the number of meetings attended by each director was as follows:

Director	Number of meetings eligible to attend	Number of meetings attended
Peter Bowler	7	7
Rob Watkins	7	7
Paul Payne	7	6
Greg Barrett	7	7

5. Director interests

As at the date of this report, the interests of the directors in securities of Carnaby Resources Limited are as follows:

Director	Ordinary Shares	Options – exercisable at \$0.45 each on or before 27-Oct-2025	Options – exercisable at \$0.95 each on or before 24-Nov-2026
Peter Bowler	6,000,000	-	-
Robert Watkins	6,344,418	500,000	400,000
Greg Barrett	5,844,418	-	-
Paul Payne	475,000	-	-

6. Principal activities

The principal activity of the Company during the financial year was mineral exploration.

7. Operating and financial review

7.1 Review of operations

During the year the Group continued its primary focus at its Greater Duchess Copper Gold Project in the Mount Isa Inlier of Queensland, greatly expanding discovered mineralisation at each of the three significant copper-gold discoveries at the Mount Hope, Nil Desperandum and Lady Fanny prospects. Minimal exploration was conducted at the Company's Western Australian projects due to prioritisation of the Greater Duchess Project in Queensland, however with encouraging results coming from both the Pilbara Gold and Lithium, and Yilgarn Margin Projects in past exploration programs, the Company remains committed to further progressing activities in Western Australia (Figure 1).



Figure 1 | Carnaby Projects.

GREATER DUCHESS COPPER AND GOLD PROJECTS, MOUNT ISA INLIER, QUEENSLAND

The Company's Greater Duchess Copper and Gold Projects which were acquired by the Company in April 2019, have since expanded with the acquisition of the Mount Hope Mining Lease in April 2022 and the recent announcement of a Farm-in and Joint Venture Agreement with Rio Tinto Exploration relating to its nearby Devoncourt Project. The exploration package now covers a substantial landholding of 1,921 km² within the world class Mt Isa copper district (Figure 2).

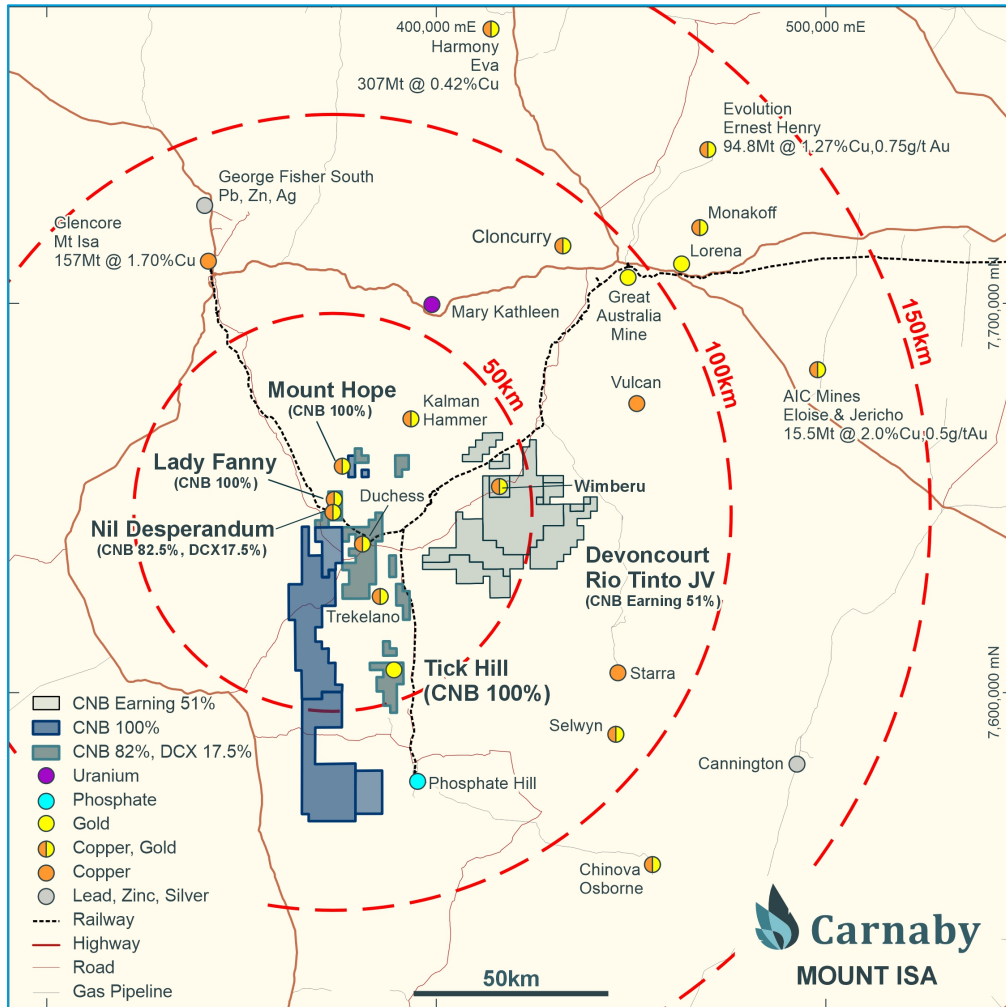


Figure 2 | Greater Duchess Copper Gold Project and Tick Hill Gold Project.⁵

Greater Duchess Copper Gold Project (CNB 82.5% – 100%)

The Greater Duchess Copper Gold Project lies approximately 70 km southeast of Mount Isa, Queensland on a landholding of approximately 1,921 km² with multiple undeveloped copper rich Iron Oxide Copper Gold (**IOCG**) targets over a 100 km corridor.

During the period the Company expanded its portfolio of copper-gold discoveries, with significant deposits being uncovered at the Mount Hope Central and Mount Hope North Prospects to complement the existing discoveries at the Lady Fanny and Nil Desperandum Prospects to the south (Figure 3). Regional exploration potential remains prolific across the tenement package. Extensive Induced Polarisation (**IP**) surveys conducted in 2022 and the resultant anomalies have correlated exceptionally well with copper mineralisation across the project. This has led to the identification of several new prospects in the vicinity of the Lady Fanny and Nil Desperandum copper discoveries which remain untested.

The Company is targeting the release of its maiden Mineral Resource Estimate (**MRE**) in 2023. Potential exists to define several shallow open pittable resources that can be amalgamated into a single mining project and hauled to a regional processing facility (Figure 2) or fed into a potential stand-alone processing plant.

⁵ Resources in Diagram: LON:GLEN 31/12/2022, ASX:EVN 16/02/2023, ASX:C6C 29/03/2022, ASX:A1M 13/07/2023.

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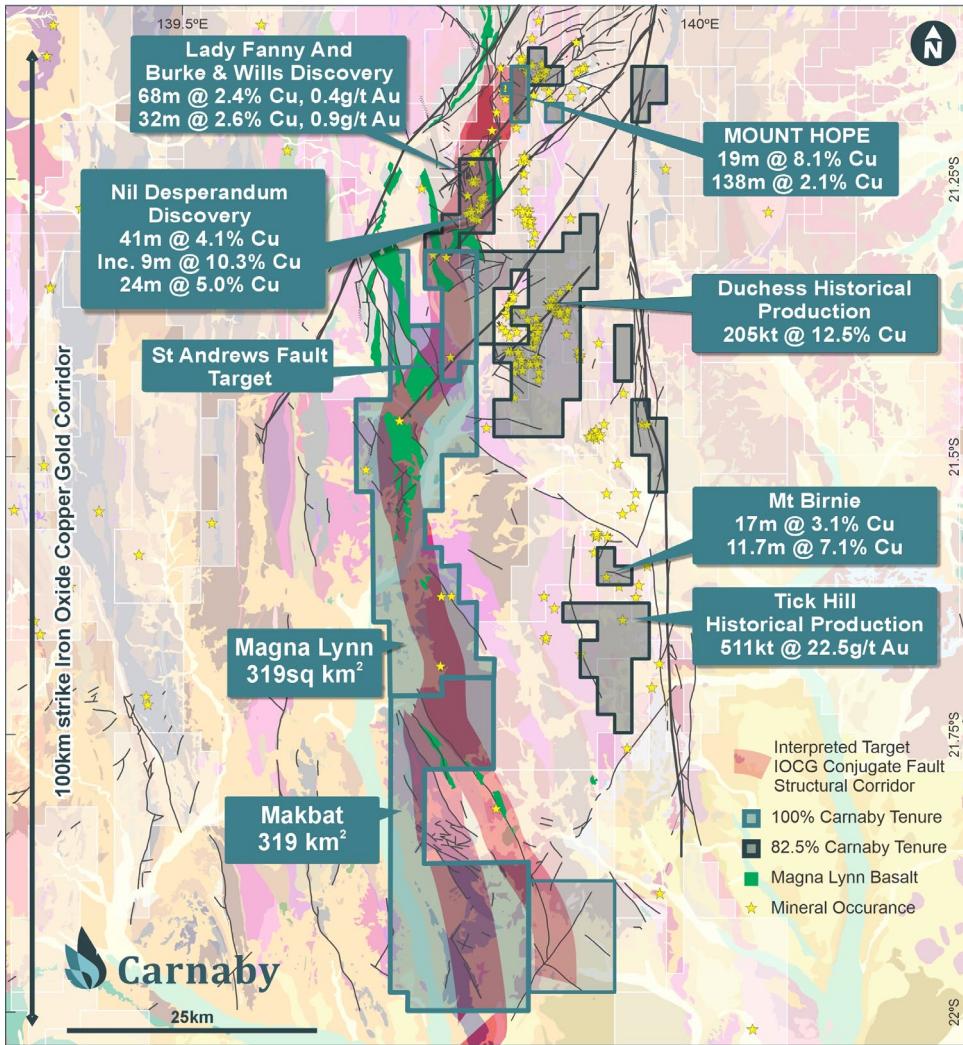


Figure 3 | Greater Duchess Copper Gold Project Location Plan.

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Mount Hope Prospects (CNB 100%)

The Group rapidly accelerated exploration at the Mount Hope Mining Lease during the period with the discovery of two new copper-gold deposits at Mount Hope Central and Mount Hope North. Continuous Diamond and Reverse Circulation (RC) drilling was conducted throughout the period and remains on-going. As such, the Mount Hope Prospects constitute the Company's main exploration focus throughout and subsequent to the period.

Extensive drilling at Mount Hope Central has uncovered numerous mineralised lodes beneath the historical shallow open pit (Figure 4 & Figure 5). The first discovered Boomerang and Binna Burra lodes which are present at surface have yielded outstanding results throughout and subsequent to the period. Mineralisation remains completely open, with ongoing drilling currently testing the lower western section of the deposit due to recent indications that the Boomerang Lode plunge appears to be shifting at depth to the west but remains steep (Figure 4). Standout assay results from the Boomerang and Binna Burra lodes include⁶:

- MHDD045
 - Boomerang Lode 39m (TW ~ 19m) @ 5.2% copper, 0.5 g/t gold from 158m
 - Including 19m (TW ~ 9m) @ 8.1% copper, 0.8 g/t gold from 158m
- MHDD147
 - Boomerang Lode 72m (TW~24m) @ 4.0% Cu, 0.4g/t Au from 182m
 - Including 15m (TW~5m) @ 8.6% Cu, 0.8g/t Au from 209m
- MHDD103
 - Boomerang Lode 138m (TW~41m) @ 2.1% Cu, 0.3g/t Au from 250m

⁶ See ASX releases dated 2 February 2023, 14 July 2023 & 7 August 2023

- Including 39m (TW~12m) @ 3.6% Cu, 0.5g/t Au from 263m
- MHDD110
 - Binna Burra Lode 41m (TW~17m) @ 2.0% Cu, 0.2g/t Au from 214m
 - Including 24m (TW~10m) @ 3.1% Cu, 0.4g/t Au from 231m
 - Boomerang Lode 48m (TW~15m) @ 2.1% Cu, 0.2g/t Au from 286m
- MHDD152
 - Binna Burra Lode 117m (TW~20m) @ 1.7% Cu, 0.1g/t Au from 95m
 - Including 46m (TW~8m) @ 3.0% Cu, 0.2g/t Au from 112m

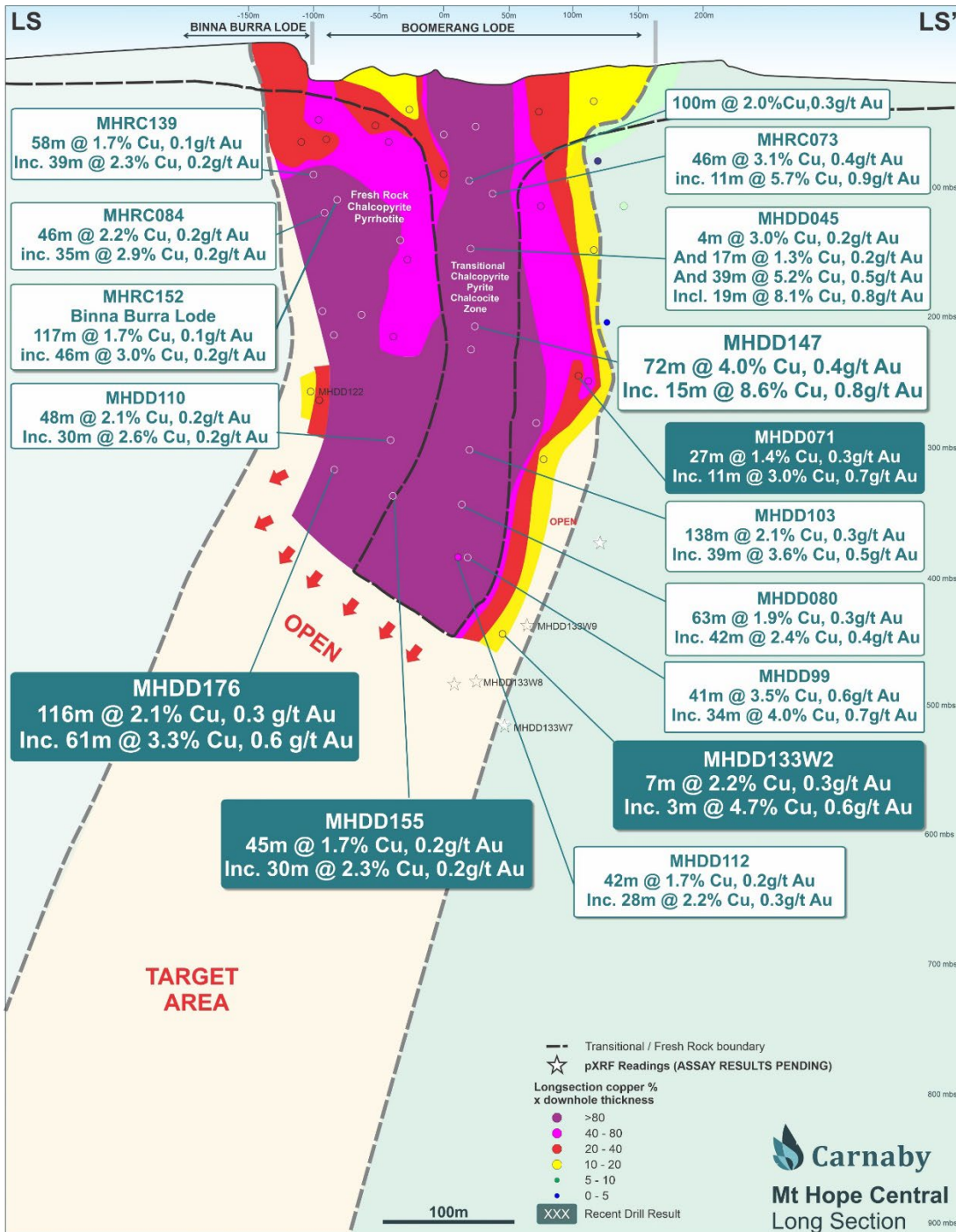


Figure 4 | Mount Hope Central Boomerang and Binna Burra Lodes Long Section⁷

⁷ See ASX released Presentation dated 18 September 2023

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A new high-grade sub-parallel mineralised lode named the Chalcus Lode was also discovered in early 2023 whilst testing for depth extensions of the Boomerang lode. The Chalcus Lode remains completely open in all directions and remains the target of ongoing drilling as its extent and orientation has not yet been fully delineated (Figure 5). An additional new lode discovered in the footwall to the Chalcus Lode in June 2023 is also the target of ongoing drilling. Downhole EM has been completed to assist with targeting. Stand-out results received from the Chalcus Lode during and subsequent to the period include⁸:

- MHDD083 83m (TW~28m) @ 2.4% Cu, 0.3 g/t Au from 528m
Including 36m (TW~12m) @ 4.2% Cu, 0.5 g/t Au from 545m
- MHDD112 46m (TW~20m) @ 3.2% Cu, 0.5g/t Au from 547m
Including 38m (TW~17m) @ 3.5% Cu, 0.6g/t Au from 550m

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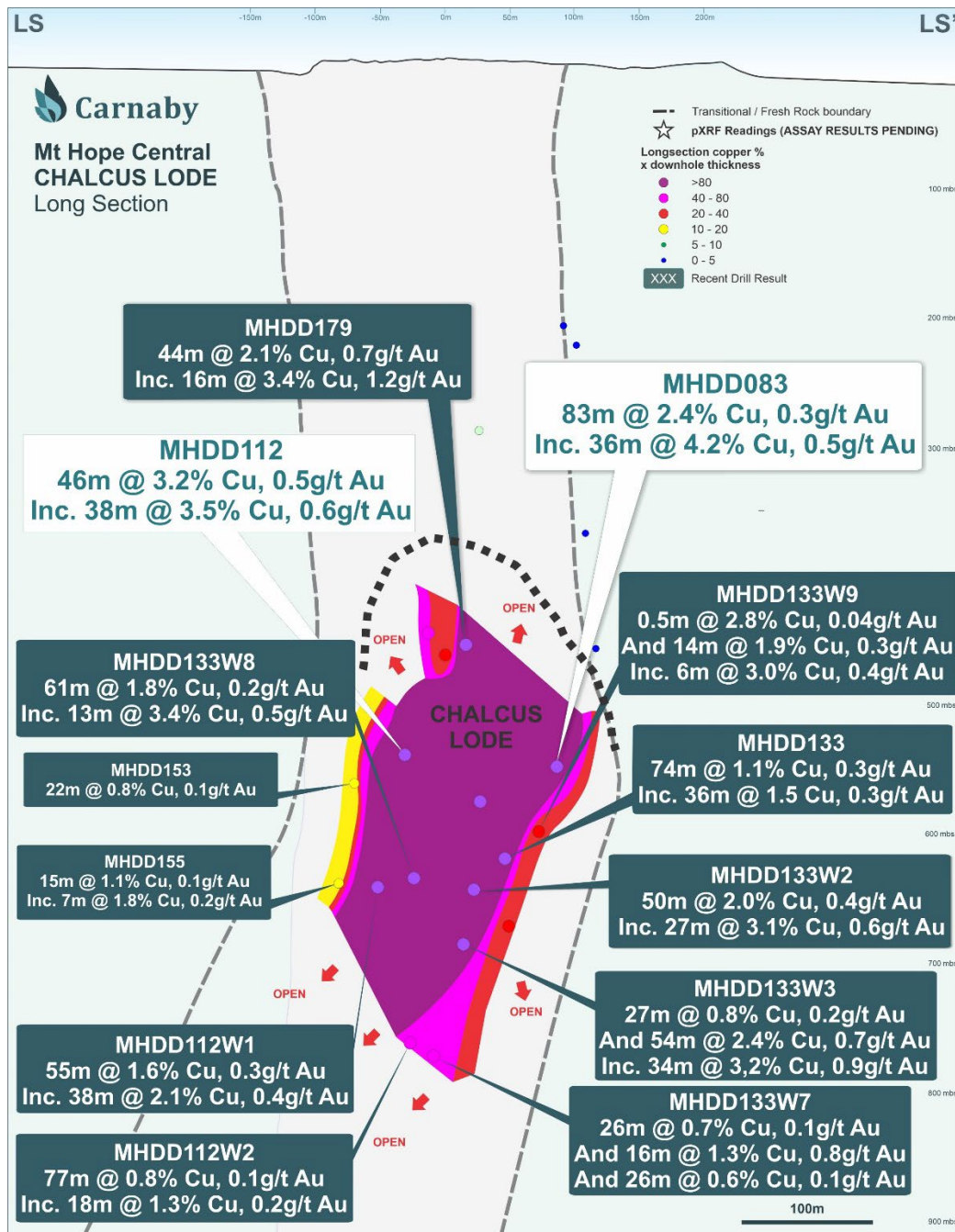


Figure 5 | Mount Hope Central Chalcus Lode Long Section⁹

⁸ See ASX releases dated 30 March 2023 & 7 August 2023

⁹ See ASX released Presentation dated 18 September 2023

At Mount Hope North, mineralisation is hosted in a vein lode structure which strikes ENE and dips steeply to the south. RC and diamond drilling produced numerous broad and high-grade intersections during and subsequent to the period with significant results including¹⁰:

- MHRC025 75m @ 1.7% copper, 0.2 g/t gold from 221m
Including 53m @ 1.9% copper, 0.2 g/t gold from 221m
- MHRC035 41m @ 1.8% copper, 0.2 g/t gold from 113m
Including 15m @ 3.4% copper, 0.3 g/t gold from 118m
- MHDD024 44m @ 1.4% copper, 0.2 g/t gold from 276m
Including 33m @ 1.8% copper, 0.2 g/t gold from 277m
- MHRC134 83m @ 1.0% Cu, 0.2g/t Au from 138m
Including 34m @ 1.6% Cu, 0.4g/t Au from 186m
And Including 20m (TW~5m) @ 2.3% Cu, 0.5g/t Au from 252m

Nil Desperandum Prospect (CNB 82.5%, DCX 17.5%)

The Nil Desperandum discovery is a high-grade breccia shoot which has so far been drilled to 800m down-plunge and 500m below surface (Figure 6). The mineralisation remains open down-plunge to the southwest and down-dip to the southeast however due to the prioritisation of the Mount Hope Prospects, minimal exploration has been conducted at Nil Desperandum during the period. Significant results from drilling at Nil Desperandum to date include¹¹:

- NLDD044 41m @ 4.1% copper, 0.5 g/t gold from 247m
including 24m @ 6.5% copper, 0.7 g/t gold from 251m
including 9m @ 10.3% copper, 1.2 g/t gold from 264m
- NLDD084 31m @ 3.9% copper, 1.0 g/t gold from 313m
Including 24m @ 5.0% copper, 1.3 g/t gold from 313m
Including 12m @ 8.1% copper, 2.2 g/t gold from 322m

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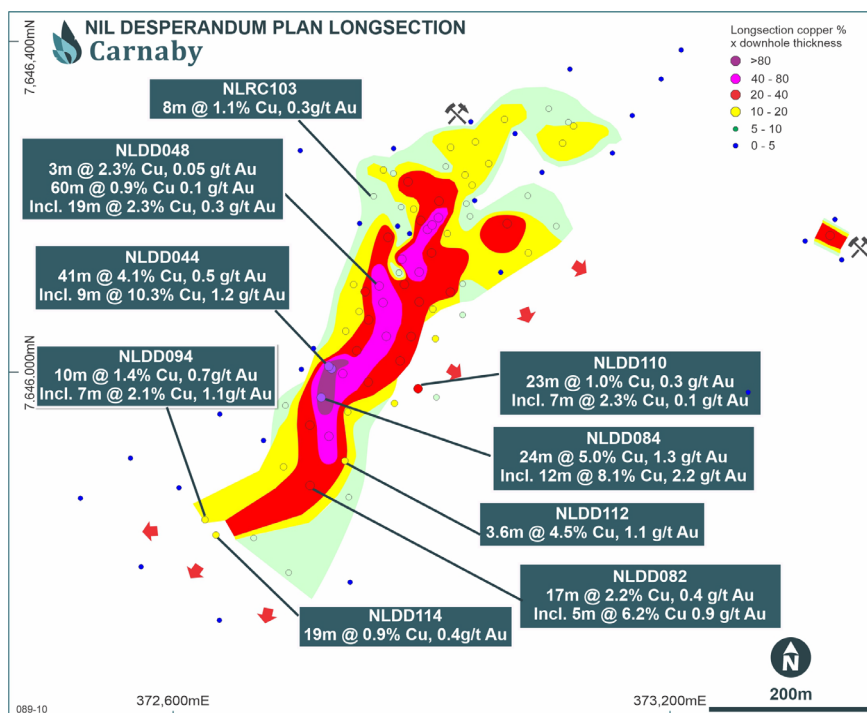


Figure 6 | Nil Desperandum Pierce Point Plan Showing Location of Drill Results.¹²

¹⁰ See ASX releases dated 7 September 2022, 13 December 2022 & 14 July 2023

¹¹ See ASX releases dated 29 December 2021 & 4 April 2022

¹² See ASX released Presentation dated 8 August 2023

Lady Fanny Prospect (CNB 100%)

The Lady Fanny Prospect is located approximately 3km north of Nil Desperandum (Figure 3) and comprises of two historically relinquished mining leases which were amalgamated into the Group’s surrounding exploration tenement. Limited drilling was completed at Lady Fanny during the period due to the priority drill out at the Mount Hope discovery 10 km to the north. Lady Fanny continues to show excellent potential for a large, open pitable resource with the most recent drilling targeting strike and depth extensions guided by strong IP chargeability anomalies which continue to provide an excellent vector to copper sulphide mineralisation (Figure 7). Wide, high-grade, and very shallow copper gold mineralisation has now been intersected over a core zone of 300m strike length which remains strongly open to the north and at depth with highlighted drilling results to date including¹³:

- LFRC120 68m @ 2.4% copper, 0.4 g/t gold from 40m
Including 42m @ 3.6% copper, 0.5 g/t gold from 63m
Including 9m @ 7.8% copper, 1.5 g/t gold from 63m
- LFRC129 32m @ 2.6% copper, 0.6 g/t gold from 69m
Including 17m @ 3.7% copper, 1.1 g/t gold from 79m
- LFRC077 13m @ 4.4% copper, 0.2 g/t gold from 122m
Including 3m @ 17.1% copper, 0.3 g/t gold from 122m
- LFRC212 27m @ 1.2% copper, 0.2 g/t gold from 39m
Including 5m @ 4.7% copper, 0.4 g/t gold from 52m
And 23m @ 3.3% copper, 0.2 g/t gold from 150m
Including 13m @ 5.3% copper, 0.3 g/t gold from 152m

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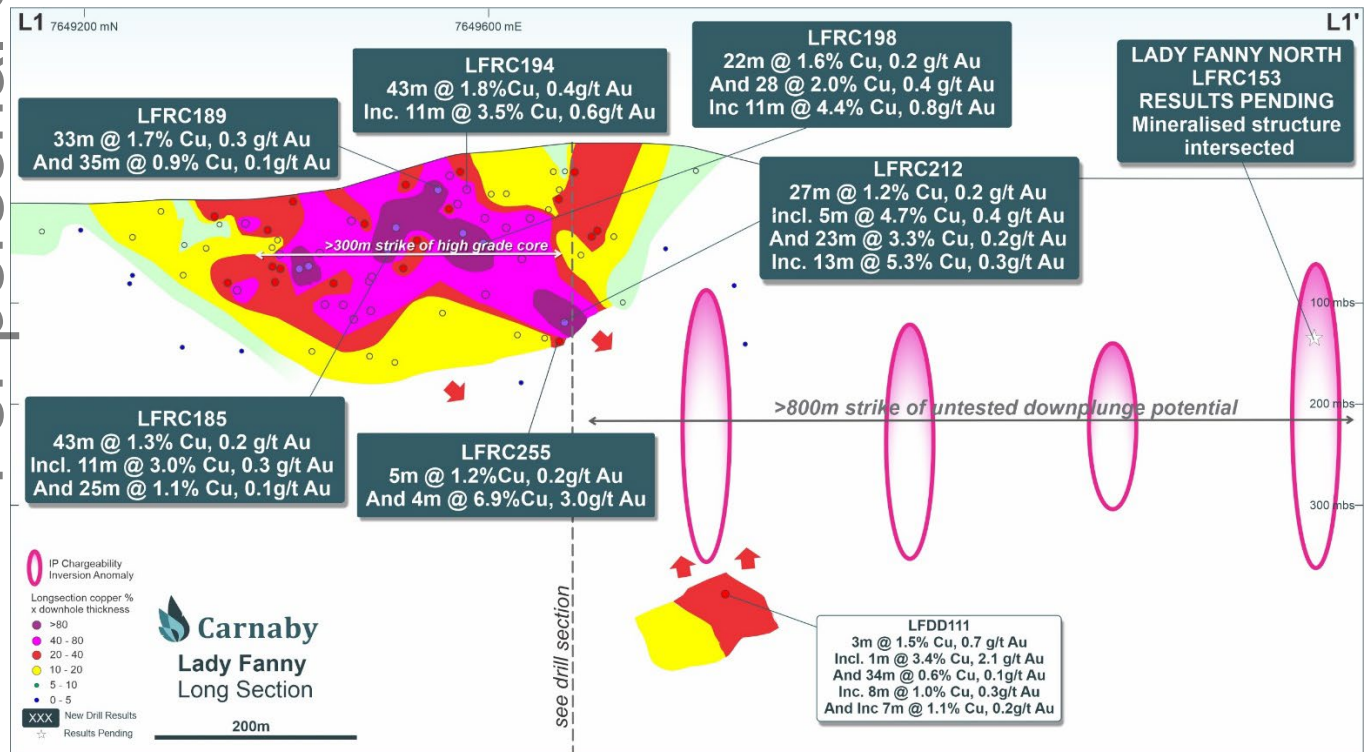


Figure 7 | Lady Fanny Long Section Showing Location of Recent Results.¹⁴

The southern extension of the Lady Fanny corridor, named Lady Fanny South remains sparsely drilled but with strong IP chargeability anomalies suggesting high potential for copper gold mineralisation. Drilling targeting the strongest IP chargeability line at Lady Fanny South has intersected copper sulphide mineralisation, however the core of the IP anomaly is yet to be adequately tested as shown in the Figure 7 long section above. To date only a single drill section has been completed at Lady Fanny South.

¹³ See ASX releases dated 9 May 2022, 20 May 2022, 17 June 2022 & 18 September 2023

¹⁴ See ASX released Presentation dated 18 September 2023

Initial Metallurgical Test Work

Excellent results from initial metallurgical test work from the Mount Hope, Nil Desperandum and Lady Fanny Prospects were released during the quarter and are summarised in Figure 8 below.

Mount Hope	MINERALISATION TYPE	FRESH CHALCOPYRITE	TRANSITIONAL CHALCOPYRITE	TRANSITIONAL CHALCOCITE
	COPPER RECOVERIES	97.5% to 99.3%	97.4% to 99.2%	91.6% to 93.8%
	GOLD RECOVERIES	82.3% to 91.2%	82.1% to 94.6%	86.5% to 88.9%
	DELETERIOUS ELEMENTS	None Detected	None Detected	None Detected
	RECLEANER CONCENTRATE	25.0% Cu at 98.7% recovery	27.8% Cu at 98.7% recovery	30.2% Cu at 91.6% recovery

Nil Desperandum	MINERALISATION TYPE	FRESH CHALCOPYRITE		
	COPPER RECOVERIES	97.7% to 99.1%	Lady Fanny	99.0% to 99.4%
	GOLD RECOVERIES	80.1% to 87.2%	Lady Fanny	82.9% to 88.7%
	KINETICS (75 μ M & 150 μ M)	>90% flotation of Cu in 2 minutes	Lady Fanny	>95% flotation of Cu in 2 minutes
	DELETERIOUS ELEMENTS	None Detected	Lady Fanny	None Detected
RECLEANER CONCENTRATE	23.2% Cu at 98% recovery	Lady Fanny	23.2% Cu at 98% recovery	

Figure 8 | Summary of Initial Metallurgical Results from Mount Hope, Nil Desperandum and Lady Fanny Prospects.¹⁵

The results showed exceptional copper recoveries and good gold recoveries from all ore sources and no deleterious elements were detected in the test samples.¹⁶ The metallurgical test work completed and reported represents only the first scoping level stage. More extensive metallurgical studies will be completed in future studies.

Devoncourt Project (CNB Earning 51%)

Subsequent to the reporting period the Group announced the signing of a Farm-in and Joint Venture Agreement with Rio Tinto Exploration Pty Ltd (RTX), a subsidiary of Rio Tinto Limited (ASX: RIO), which adds a high quality advanced exploration target and greatly expands the land position of the Group's Greater Duchess Copper Gold Project.¹⁷ The Devoncourt Project encompasses 838 km² of exploration tenure covering the Wimberu granite which has an elliptical aerial extent of approximately 30km x 30km (Figure 9). The Wimberu granite is concentrically zoned grading from more mafic granodiorite rim to more felsic compositions towards the core and belongs to the Williams-Naraku super suite of oxidised, I-type granitoids (ca 1520-1490 Ma) which is thought to be an important source of Cu-bearing fluids in deposits such as Ernest Henry, Selwyn and Mount Elliot and most likely the Greater Duchess deposits as well. The Wimberu granite is considered to be a potential source of iron ore copper gold (IOCG) mineralised fluids and also a potential host of such mineralisation within the differentiated granite plutons.

The Group will initially complete a regional review and targeting exercise before considering the methodology to explore the targets, which may involve further geophysical surveys prior to drilling. Given the early indications of widespread IOCG alteration and mineralisation at the Wimberu Prospect, The Group considers the broader Devoncourt Project to be highly prospective for the discovery of new IOCG mineralisation within the tenement package.

¹⁵ See ASX released Presentation dated 8 August 2023

¹⁶ See ASX released dated 7 November 2022 & 28 June 2023

¹⁷ See ASX release dated 2 August 2023

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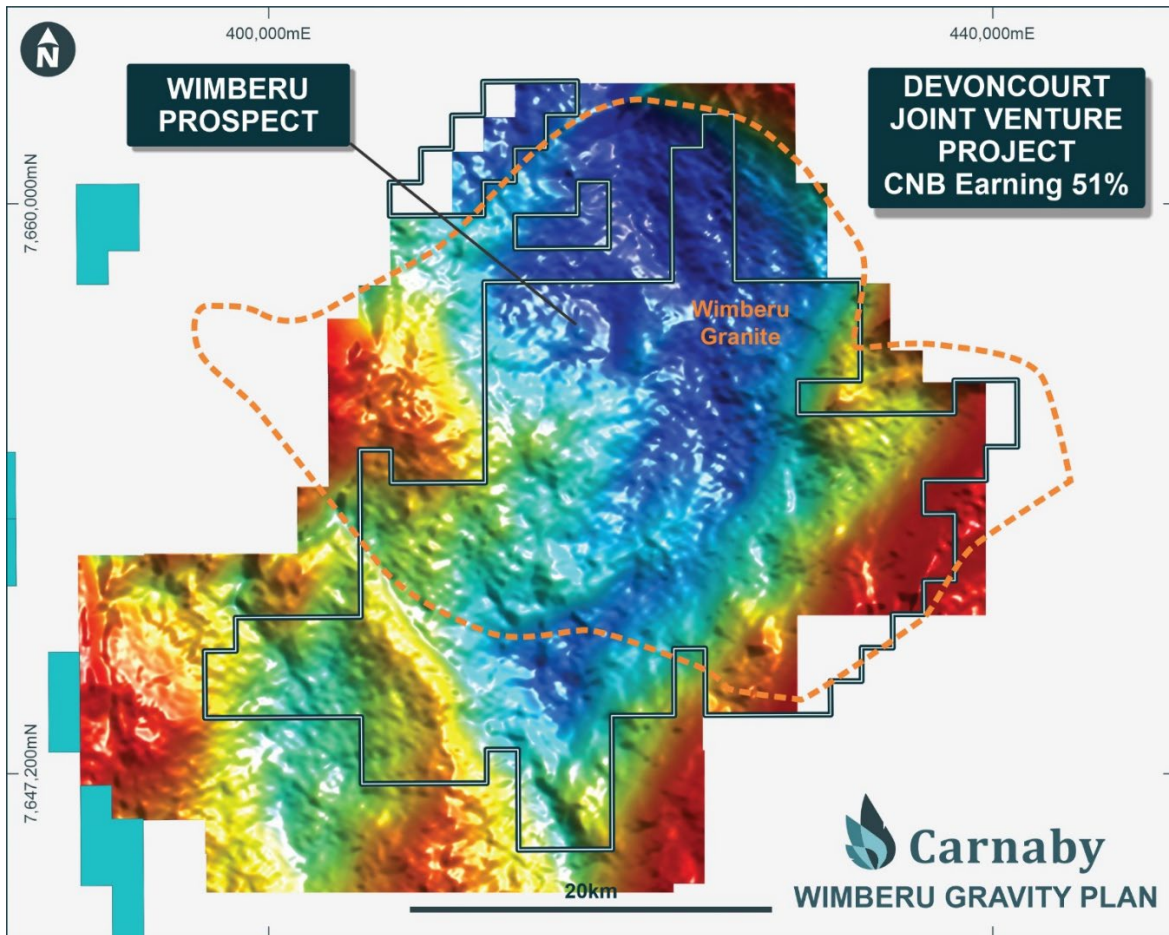


Figure 9 | Devoncourt JV Project showing Wimberu granite extents on gravity image.

Tick Hill Gold Project (CNB 100%)

The Tick Hill open pit cutback is forecast to produce 63,300t @ 6.1 g/t for 12,500oz¹⁸. A decision to develop, consolidate and/or divest part or all of the open pit cutback project is in progress.

No further proceeds from a now ceased 5% royalty on the Tick Hill Tailing Retreatment Project¹⁹ were received during the period with cumulative royalties received to date remaining at \$381,000. The 24-month operational term of the original Tick Hill Tailings Stockpile sale agreement expired on 8 October 2022 without an extension being granted by the Group. As such, ownership of the remaining reserves contained within the Tick Hill Tailings facility reverted to the Group during the period.

PILBARA GOLD AND LITHIUM PROJECTS, MALLINA BASIN, WESTERN AUSTRALIA

The Company's Pilbara Gold and Lithium Projects comprise 442km² of highly prospective tenure located along the Berghaus and Tabba Tabba Shear Zones in the Mallina Basin. Exploration activities in prior periods have focussed primarily on the Strelley Gold Project, which lies approximately 70 km northeast of De Grey Mining Ltd's (ASX: DEG) Hemi Gold Deposit, and the Big Hill Gold and Lithium Project.

Strelley Gold Project (CNB 100%)

Due to prioritisation of exploration resources towards the Greater Duchess Copper Gold Project in Queensland, no on-ground exploration was conducted at Strelley during the period.

Multiple programs of RC drilling have been completed at Strelley during previous periods, where significant gold mineralisation was intersected along the newly identified 4km Strelley Gold Corridor, targeting the Alcazar, Stockade and Bastion Prospects (Figure 10).

¹⁸ See ASX release dated 5 June 2020

¹⁹ See ASX release dated 3 August 2020

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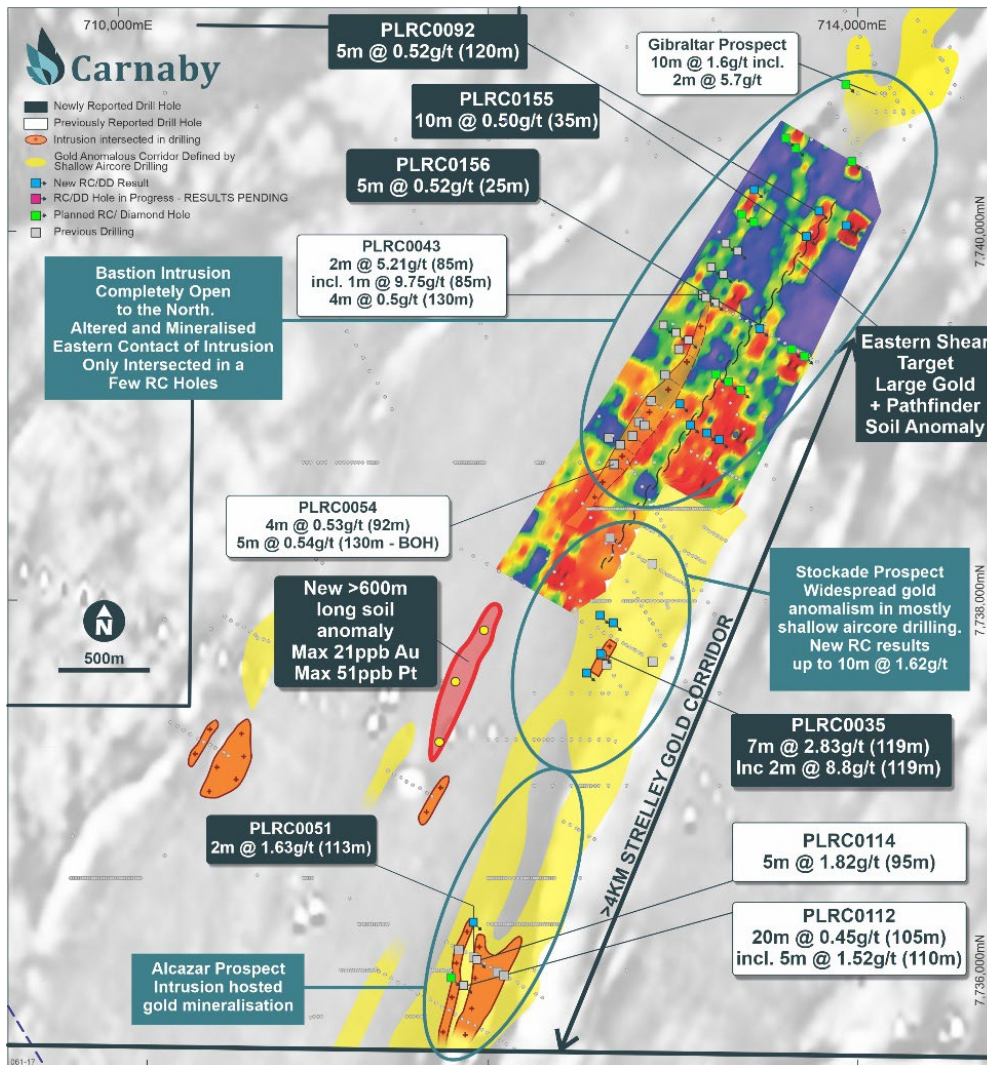


Figure 10 | Plan of the 4km long Strelley Gold Corridor showing location of RC drill results from the Eastern Shear, Stockade, Alcazar and Bastion Prospects.²⁰

At the Alcazar Prospect, an encouraging result from drilling conducted in FY 2022 of 2m @ 1.63g/t from 110m in PLRC0051²¹ was followed up by further promising assays with a composite result of 5m @ 1.82g/t from 160m in PLRC0114.²² A single RC hole was drilled 160m to the south of the PLRC0051, which intersected a highly encouraging broad zone of gold mineralisation with composite results of 20m @ 0.45g/t gold from 105m including 5m @ 1.52g/t from 110m in PLRC0112. The intersections are hosted by a wide intrusion and mineralisation remains open to the south and to the north.

At the Bastion Prospect, initial RC drilling intersected 2m @ 5.21 g/t gold from 85m including 1m @ 9.75 g/t gold from 85m.²³ In the follow-up drilling program, the target intrusion and encouraging alteration were recorded at the northern end of the Bastion Intrusion where composite results of 5m @ 1.03 g/t gold from 110m in PLRC0071 and 5m @ 0.41g/t gold from 95m in PLRC0157 were intersected.²⁴

Wide zones of gold mineralisation were intersected at the Stockade Prospect in drill hole PLRC0035, which was drilled targeting a bottom of hole aircore drilling anomaly. Results of 7m @ 2.83 g/t gold from 119m, including 2m @ 8.82 g/t gold from 119m were recorded in PLRC0035.²⁵

The results to date from the Strelley Gold Project continue to warrant follow up exploration given the extensive mineralisation identified over a greater than 4 km long corridor from shallow and wide spaced drilling (Figure 10) Ultrafine soil sampling appears to be working well through the ~10m of sand cover masking the prospective basement rock.

²⁰ See ASX release dated 28 April 2022

²¹ See ASX release dated 28 April 2022

²² See ASX release dated 19 January 2022

²³ See ASX release dated 28 April 2022

²⁴ See ASX release dated 19 January 2022

²⁵ See ASX release dated 27 October 2021

Big Hill Gold and Lithium Project (CNB 100%)

Due to prioritisation of exploration resources towards the Greater Duchess Copper Gold Project in Queensland, no on-ground exploration was conducted at Big Hill during the period.

Soil sampling results released during FY 2022 from the Big Hill Project highlighted a large 1.5 km by 0.5 km lithium soil anomaly with soil results up to 179 ppm Li.²⁶ The lithium soil anomaly is associated with elevated caesium (Cs) and tantalum (Ta) confirming a LCT pegmatite type anomaly target. The Big Hill lithium soil anomaly is coincident with a discrete magnetic high unit located on a major fault structure (Berghaus Shear Zone) on the edge of the large Split Rock Super Suite intrusion, considered to be a similar geological setting to the world class Pilgangoora and Wodgina lithium deposits located 60 km and 80 km north respectively.

First pass soil sampling conducted during the period also defined two significant parallel gold soil anomalies, each over 2 km in strike within the Berghaus Shear Zone.²⁷ Several occurrences of strongly altered mafic greenstone sub-crop have been identified at Big Hill. The previously unrecognised presence of greenstone rocks at Big Hill within the Berghaus Shear Zone is a very encouraging sign for potential gold mineralisation.

First pass drill testing of the Big Hill lithium soil anomaly and Big Hill gold soil anomaly were completed in FY 2022. Shallow RC drilling was completed in two traverses across the lithium soil anomaly and a single traverse was completed across the gold soil anomaly. Pegmatites were intersected in the drilling, however no clearly identifiable lithium bearing minerals were identified.²⁸

Mount Grant Gold Project (CNB 80%)

In Q4 2020, a high-resolution aeromagnetic survey was completed at Mount Grant. Results from the survey highlighted several new "Hemi style" intrusion targets along the main granite greenstone contact that is interpreted to represent the northern continuation of the Tabba Tabba Shear Zone.²⁹

The Mount Grant tenement is completely overlain by alluvial cover and is unexplored for gold mineralisation. The intrusion style targets identified represent distinct bullseye targets for first pass drill testing and form a pipeline of prospects that will be tested with drilling in the future.

Pardoo (CNB 100%)

The Pardoo exploration license application covers 110 km² along a significant structural trend that is overlain by alluvial cover and is previously unexplored for gold mineralisation. Several distinct intrusion type targets have been identified within the tenement which form a pipeline of prospects that will be tested with drilling in the future.

Goldsworthy (CNB 100%)

The Goldsworthy tenement application contains approximately 4 km strike of unexplored granite / greenstone contact along the interpreted eastern extension of the Tabba Tabba Shear Zone. The Tabba Tabba Shear Zone is considered to be a fertile structure for gold mineralisation. Systematic exploration of the Goldsworthy tenement will be completed in due course.

YILGARN MARGIN, WESTERN AUSTRALIA

The Company's Yilgarn Margin projects comprise the Throssel Project and the Malmac Project. Both Throssel and Malmac are considered prospective for orogenic gold, sedimentary exhalative (SEDEX) and volcanogenic massive sulphide (VHMS) base metals deposits, and nickel and platinum group elements (PGE's).

Malmac Project (CNB 100%)

The Malmac Project covers 810 km² within the northern Yilgarn margin mobile belt. Further soil, rock chip and portable XRF readings were completed at Malmac during the period with results currently being compiled. A total of 796 soil samples on a nominal 400m x 200m spacing were collected targeting broad copper and gold soil anomalies from previous reconnaissance programs. Infill and extension soil, stream sediment and rock chip sampling were completed across the western edge of the Malmac West tenement (E69/3509) during late 2021 (Figure 11). Results from the soil sampling have further defined copper gold anomalism along the Salvation Fault. The highest 2021 copper soil result, assayed using Ultrafine analysis, was 51.5 ppm with the highest gold assay being 13.8 ppb. Rock chip samples collected over a 20 km strike length along the Salvation Fault zone during the 2021 campaign returned peak lab assayed copper values of 0.33% and outcrop XRF readings of up to 0.78% copper.³⁰

²⁶ See ASX release dated 1 December 2021

²⁷ See ASX release dated 15 October 2021

²⁸ See ASX release dated 29 July 2022

²⁹ See ASX release dated 26 October 2020

³⁰ See ASX release dated 28 April 2022

The surface sampling highlighted a second coherent copper gold soil anomaly, located on the WNW Salvation Fault approximately 13km WNW of the previously identified soil anomaly in 2020.³¹ This new copper soil anomaly (>30 ppb) is coincident with a magnetic high has a strike extent of 2.5km and encapsulates elevated lab assayed rock chips up to 475 ppm copper. The highest 2021 soil gold result of 13.8 ppb is located just 1km SW of the new copper soil anomaly and is located on a lower intensity magnetic high.

These anomalous copper and gold results taken at a minimum of 500m sample spacing are considered very encouraging and will be systematically evaluated in future field programs. The project lies on the northern margin of the Earraheedy Basin and comprises a package of rocks variously termed the 'Troy Creek Beds' or 'Troy Creek Schist'. Rocks in this area are poorly understood and poorly described, with no firm depositional age or depositional environment clearly described. The Troy Creek package has been affiliated with the Bryah Group (host to the Degruassa, Monty and Horseshoe Lights Cu-Au massive sulphide deposits), Yerrida Group (host to the epithermal-style Thaduna Copper Deposit) and the Earraheedy Group (host to the recent Chinook Zn-Pb discovery by Rumble Resources Limited).

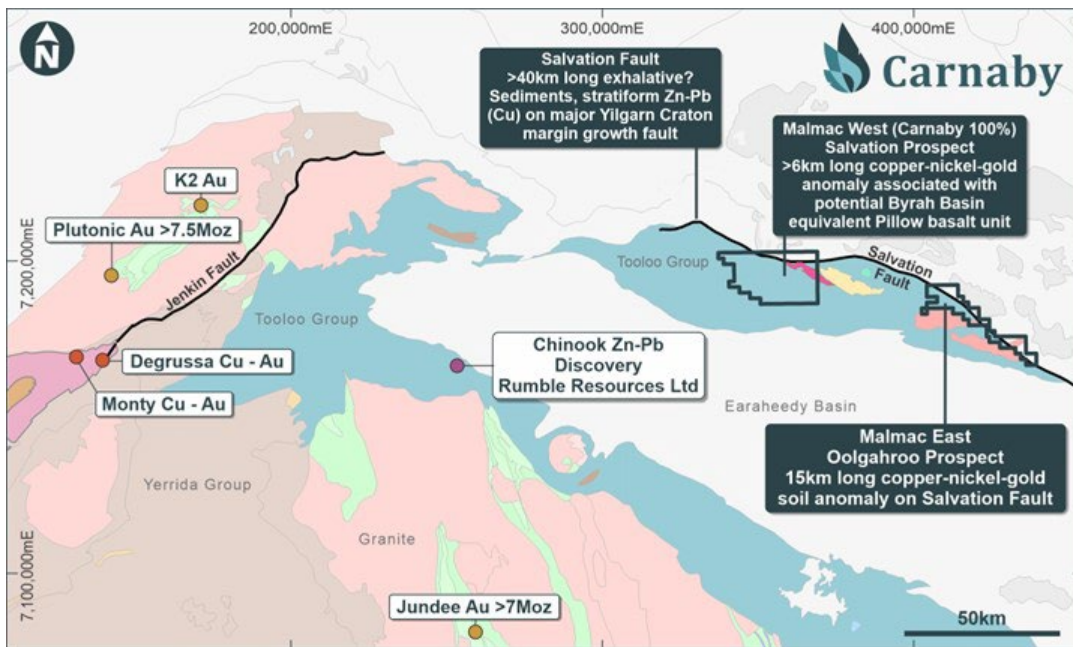


Figure 11 | Malmac Project Location and Geology Map³²

Throssel Project (CNB 100%)

The Throssel Project covers 162 km² located 70 km north of the Gruyere Gold Deposit being developed by Gold Road Resources and Goldfields Ltd. The project area covers a potential 20 km strike of unexplored greenstone belt under shallow cover.

A first pass soil and rock chip sampling program was carried out subsequent to the period. Results from these initial exploration activities are yet to be received.

7.2 Financial performance

The Company's net loss after tax attributable to the shareholders for the year to 30 June 2023 was \$12,233,779 (2022 Loss: \$8,216,492). The Group's net assets increased \$8,081,471 (2022 increased: \$12,928,146). The Group's cash and restricted cash position as at 30 June 2023 was \$27,302,130 (2022: \$18,308,521).

7.3 Corporate

On 8 May 2023 Mr Steven Bowler was appointed as Joint Company Secretary of the Company alongside incumbent Company Secretary and Non-Executive Director, Mr Greg Barrett.

During the year, the Group successfully completed a \$20 million non-underwritten placement of approximately 16.4 million new fully paid ordinary shares at an offer price of \$1.22 per share.³³ The Placement received very strong support from existing shareholders as well as introducing a number of new institutional and sophisticated investors to the register. Euroz Hartleys Limited, Macquarie Capital (Australia) Limited and Petra Capital Pty Ltd were the Joint Lead Managers and Bookrunners to the Placement.

³¹ See ASX release dated 9 February 2021

³² Refer ASX announcement 28 April 2022

³³ See ASX release dated 24 April 2023

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The Group also received the final proceeds from the sale of the Lainejaur Project in Sweden for total consideration of \$1.5 million.³⁴ The last payment of \$375,000 was received in Q4 FY 2023, completing the transaction.

The exercise of Unlisted Share Options by Directors resulted in the Group receiving total proceeds of \$405,000 during the period.

8. Dividends

No dividend was paid or declared by the Company during the year and up to the date of this report.

9. Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group during the financial year, other than as set out in this report.

10. Events subsequent to the reporting date

Subsequent to the period, the Group announced the signing of a Farm-in and Joint Venture Agreement with Rio Tinto Exploration Pty Ltd (RTX), a subsidiary of Rio Tinto Limited (ASX: RIO), which adds a high quality advanced exploration target and greatly expands the land position of the Greater Duchess Copper Gold Project in Mt Isa, Queensland.³⁵ The Group can achieve a 51% joint venture interest in the Devoncourt Project (Figure 2) by sole funding A\$5,000,000 of exploration by 1 August 2028 in accordance with the following conditions:

1. The Group to make an up-front payment of A\$100,000 to RTX and may elect to make the payment in either cash or fully paid ordinary shares in the Company.
2. As part of the expenditure commitment, the Group must complete a minimum of 4,000m of diamond core and/or reverse circulation (RC) drilling.
3. The Group undertakes a minimum expenditure commitment of A\$500,000 including 2,000m of diamond core and/or RC drilling by 1 August 2025 before it can withdraw from the agreement.

Scope is present in the agreement for the Group to earn an additional 29% interest in the Project through the completion of further exploration milestones.

11. Likely developments

The Board will continue to advance exploration and development opportunities in relation to its projects.

12. Environmental performance and regulations

The operations of the Company are presently subject to environmental regulation under the laws of the Commonwealth of Australia. The Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group.

13. Share options

As at the date of this report there were 1,900,000 unissued ordinary shares under options. The details of the options are as follows:

Number	Exercise Price \$	Expiry Date
700,000	\$0.45	27-Oct-25
1,200,000	\$0.95	24-Nov-26
1,900,000		

These options do not entitle the holder to participate in any share issue of the Company.

Share Options Exercised during the period:

During the period, the following unlisted options were exercised in accordance with their terms:

Exercise Date	Number	Exercise Price \$	Expiry Date
10-Feb-23	900,000	0.45	27-Oct-25
3-May-23	200,000	0.45	27-Oct-25
20-Jun-23	700,000	0.45	27-Oct-25

³⁴ Refer ASX announcement 19 July 2021

³⁵ See ASX release dated 2 August 2023

14. Indemnification and insurance of directors and officers

The Company has entered into agreements to indemnify all directors and officers of the Company against any liability arising from a claim brought by a third party against the Company. The Company has paid premiums to insure each Director and Officer against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as a Director or Officer. Disclosure of the amount of the premium is subject to a confidentiality clause under the insurance policy.

15. Indemnification of the auditor

The Group has not provided any insurance or indemnity for the auditor of the Company.

16. Proceedings on behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

17. Non-audit services

During the period Grant Thornton, the Company's auditor, provided no services in addition to their statutory duties in Australia (2022: nil).

18. Lead auditors independence declaration

The Lead auditor's independence declaration is set out on page XX and forms part of the Directors' Report for the period ended 30 June 2023.

19. Audited remuneration report

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the Key Management Personnel (**KMP**) of Carnaby Resources Limited for the financial year ended 30 June 2023. KMP are defined as those persons having authority and responsibility for planning, directing, and controlling the major activities of the Group. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The KMP include the directors of the Company and other executives, whom during the period have been identified as;

Name	Position	Period in position during the year
Non-Executive Directors		
Mr Peter Bowler	Non-Executive Director, Chairman	Full Year
Mr Paul Payne	Non-Executive Director	Full Year
Mr Greg Barrett	Non-Executive Director	Full Year
Executive Directors		
Mr Rob Watkins	Managing Director	Full Year

19.1 Principles of remuneration

The Board is responsible for determining and reviewing compensation arrangements for directors and other KMP. Remuneration levels for directors and other KMP are competitively set to attract and retain appropriately qualified and experienced directors and executives, reward the achievement of strategic objectives and achieve the broader outcome of creation of value for shareholders. The Board determines remuneration packages using trends in comparative companies with consideration of the role, capability and experience of each individual director or other executives.

As part of its Corporate Governance Policies and Procedures, the Board has adopted a formal Remuneration Committee Charter and Remuneration Policy. The Board has elected not to establish a remuneration committee based on the size of the organisation and has instead agreed to meet as necessary and to allocate the appropriate time to issues regarding remuneration at Board meetings.

The Company's current remuneration structures consist of fixed remuneration and offers to participate in the Company's Employee Incentive Securities Plan. The Company has not offered performance-based cash bonuses to executives but may do so in the future. Non-executive directors are not eligible to be offered any performance-based cash bonuses.

In establishing performance measures and benchmarks to ensure incentive plans are appropriately structured to align corporate behaviour with the long-term creation of shareholder wealth, the Board has regard for the stage of development of the Company's business, share price, operational and business development achievements (including results of exploration activities) that are of

future benefit to the Company. In considering the Company's performance and benefits for shareholder wealth, the Board have regarded the following indices in respect to the current and previous four financial years:

	2023	2022	2021	2020	2019
Profit/(Loss) per share (\$)	(0.083)	(0.064)	0.003	(0.03)	(0.02)
Net profit/(loss) (\$)	(12,233,779)	(8,216,492)	371,382	(3,123,086)	(1,101,555)
Share price at 30 June	\$1.050	\$0.900	\$0.345	\$0.100	\$0.140

Fixed remuneration

Fixed remuneration consists of base remuneration and employer contributions to superannuation funds, which is currently set in accordance with the following table:

KMP	Fixed remuneration
Chairman	\$72,150
Managing Director	\$341,464
Non-Executive Director	\$55,500

Additional fees

Should a director perform special duties or services outside the scope of the ordinary duties of that director, that director may be paid additional fees as the Board determines. Directors may be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Employee Share Option Plan

The Group has an established Employee Incentive Securities Plan (**EISP**) that entitles eligible employees, including directors, to purchase shares in the Company. Under the plan, the Board may issue options to acquire shares in the future at an exercise price fixed by the Board on grant of options.

The vesting of all options is subject to service conditions being met whereby the recipient must meet the eligible employee criteria as defined in the plan, unless determined otherwise by the Board. The vesting of options may be subject to achievement of performance hurdles, as determined by the Board.

19.2 Details of remuneration

Director and other KMP remuneration

Details of the nature and amount of each element of the remuneration of each director or other KMP of the Group are as follows:

	Salary & fees (short term) \$	Super (post employment) \$	Share based payments (options) ¹ \$	Total \$
12 months ended 30 June 2023				
Directors				
Peter Bowler	55,613	5,839	-	61,452
Rob Watkins	290,596	30,513	206,201	527,310
Paul Payne	38,101	4,001	-	42,102
Greg Barrett	36,885	3,873	20,530	61,288
Company Secretary				
Greg Barrett	75,885	7,968	-	83,853
Total compensation	497,080	52,194	226,731	776,005

¹ In accordance with AASB 2 Share Based Payments, the fair value of share based payments (**SBP**) is determined at the date of grant using the Black-Scholes option pricing model. SBP expense is allocated to each period evenly over the period from grant date to vesting date. The value disclosed is the portion of SBP expense recognised as an expense in each reporting period.

	Salary & fees (short term) \$	Super (post employment) \$	Share based payments (options) ¹ \$	Total \$
12 months ended 30 June 2022				
Directors				
Peter Bowler	49,850	4,985	-	54,835
Rob Watkins	265,865	26,587	104,786	397,238
Paul Payne	33,233	3,323	-	36,556
Greg Barrett	31,904	3,190	41,914	77,008
Company Secretary				
Greg Barrett	74,442	7,444	-	81,886
Total compensation	455,294	45,529	146,700	647,523

¹ In accordance with AASB 2 Share Based Payments, the fair value of share based payments (SBP) is determined at the date of grant using the Black-Scholes option pricing model. SBP expense is allocated to each period evenly over the period from grant date to vesting date. The value disclosed is the portion of SBP expense recognised as an expense in each reporting period.

Options granted as remuneration

The vesting profiles and values of options affecting remuneration in the current or future reporting periods are as follows:

	Grant Date	Grant Number	Expiry date	Exercise price per option	Value of options at grant date ¹	Number of options vested	Vested value	Max value yet to vest
Directors								
Rob Watkins	2/12/2022	400,000	24/11/2026	\$0.95	\$269,193	- ²		\$269,193
		400,000			\$269,193	1,400,000		\$269,193

¹ The value at grant date has been calculated in accordance with AASB 2 Share Based Payments.

² Options are subject to a 12-month vesting period from the grant date on 2/10/2022. Recipients must maintain employment with the Group throughout the vesting period. No additional service and/or performance conditions are attached to the options.

19.3 Shareholdings of directors and other KMP

The number of shares in the Company held during the financial year by directors and other KMP of the Group, including their related parties, is set out below.

	Balance at the start of the year	Granted during the year as compensation	On exercise of share options	Other changes during the year	Balance at the end of the year
Directors					
Peter Bowler	7,000,000	-	-	(1,000,000)	6,000,000
Rob Watkins	6,844,418	-	500,000	(1,000,000)	6,344,418
Greg Barrett	6,444,418	-	400,000	(1,000,000)	5,844,418
Paul Payne	475,000	-	-	-	475,000

All equity transactions with directors and other KMP, other than those arising from the exercise of EISP options, have been entered into under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

19.4 Option holdings of directors and other KMP

The number of options over ordinary shares in the Company held during the financial year by directors and other KMP of the Group, including their related parties, is set out below.

	Balance at the start of the year	Vested during the year	Exercised during the year	Granted during the year as compensation	Lapsed during the year	Balance at the end of the year	Exercisable	Un-exercisable
Directors								
Peter Bowler	-	-	-	-	-	-	-	-
Rob Watkins	1,000,000	1,000,000	(500,000)	400,000	-	900,000	500,000	400,000
Greg Barrett	400,000	400,000	(400,000)	-	-	-	-	-
Paul Payne	-	-	-	-	-	-	-	-

19.5 Service contracts***Executive director***

The Managing Director, Rob Watkins is employed under an Executive Employment Agreement effective 23 April 2019. Under the agreement Mr Watkins is paid an annual fee of \$307,625, plus superannuation. Mr Watkins also has the opportunity to participate in short term and long-term incentive schemes that the Company may offer in the future. The agreement may be terminated by either party by giving three months' notice in writing. The Company may elect to make a payment in lieu of notice.

Non-executive directors

On appointment to the Board, all non-executive directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, to the relevant director. The aggregate remuneration for all non-executive directors has been set at an amount not to exceed \$500,000 per annum. This amount may only be increased with the approval of Shareholders at a general meeting.

19.6 Payments before taking office

There were no director appointments made during the year.

19.7 Loans to directors and other KMP

There were no loan balances with directors or other KMP during the financial year ended 30 June 2023.

19.8 Other benefits

Directors and other KMP are not entitled to receive any benefits other than as disclosed in this Directors Report.

19.9 Voting and comments made at the Company's 2022 Annual General Meeting

The Company received 98% "FOR" votes on its remuneration report for the 2022 financial year. No specific feedback was received from shareholders in relation to the Company's 2022 Remuneration Report at its Annual General Meeting.

END OF THE AUDITED REMUNERATION REPORT

Signed on behalf of the Board in accordance with a resolution of the directors:



Rob Watkins
Managing Director

Perth, Western Australia
19 September 2023

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Reserves and Resources Statement

The Company's JORC-compliant Mineral Resources and Ore Reserves as at 30 June 2023 are as follows:

Gold Ore Reserves

Tick Hill Project, Queensland Australia (CNB 100%)

Tick Hill Ore Reserves	Proven			Probable			Total		
	tonnes	g/t	ounces	tonnes	g/t	ounces	tonnes	g/t	ounces
Open Pit	0	0	0	48,600	6.53	10,200	48,600	6.53	10,200
Tick Hill Tailings Eastern Cell	0	0	0	193,500	1.33	8,300	193,500	1.33	8,300
Tick Hill Tailings Western Cell	0	0	0	117,800	1.07	4,100	117,800	1.07	4,100
Historic ROM Stockpile	0	0	0	3,300	2.00	200	3,300	2.00	200
Ore Reserves	0	0	0	363,200	1.95	22,800	363,200	1.95	22,800

Table 1 | Tick Hill, June 2023 Probable Ore Reserves Estimate (open pit 1.0 g/t Au cut off)

Gold Mineral Resources

Tick Hill Project, Queensland Australia (CNB 100%)

Tick Hill Mineral Resources	Indicated			Inferred			Total		
	tonnes	g/t	ounces	tonnes	g/t	ounces	tonnes	g/t	ounces
Main Lode	61,000	6.9	13,400	92,000	7.31	21,700	153,000	7.15	35,100
Hangingwall Lode	32,000	4.4	4,500	21,000	7.07	4,900	53,000	5.46	9,400
Tick Hill Tailings Eastern Cell	193,500	1.33	8,300	0	0	0	193,500	1.33	8,300
Tick Hill Tailings Western Cell	344,700	0.79	8,800	0	0	0	344,700	0.79	8,800
Historic ROM Stockpile	3,300	2.00	200	0	0	0	3,300	2.00	200
Tick Hill Total	634,500	1.73	35,200	113,000	7.27	26,600	747,500	2.57	61,800

Table 2 | Tick Hill, June 2023 Indicated & Inferred Mineral Resource Estimate (0.5 g/t Au cut off)

Changes since 30 June 2022

There were no changes in the Tick Hill Project Mineral Resource for the Open Pit or Underground Resource during the period. The 24-month operational term of the original Tick Hill Tailings Stockpile sale agreement (see ASX release dated 3 August 2020) expired on 8 October 2022. As such, ownership of the remaining reserves contained within the Tick Hill Tailings facility and Historic ROM Stockpile reverted to the Company during the period. The Tick Hill Tailings Eastern Cell was depleted due to mining under the sale agreement. The Historic ROM Stockpile was re-estimated following grade control drilling and also partially depleted due to mining under the sale agreement. The remaining ROM resource and reserve has been calculated at a 0.5g/t cutoff. For further details regarding the maiden Tick Hill Ore Reserve and Mineral Resource, refer ASX Announcement 5 June 2020. The following tables demonstrate the changes in Reserves and Resources from 30 June 2022 to 30 June 2023:

Tick Hill	Proven			Probable			Total		
	tonnes	g/t	ounces	tonnes	g/t	ounces	tonnes	g/t	ounces
Ore Reserves 2022	0	0	0	48,600	6.53	10,200	48,600	6.53	10,200
Ore Reserves 2023	0	0	0	363,200	1.95	22,800	363,200	1.95	22,800
Change	0%	0%	0%	647%	-70%	124%	647%	-70%	124%

Table 3 | Changes in Ore Reserves

Tick Hill	Indicated			Inferred			Total		
	tonnes	g/t	Ounces	tonnes	g/t	ounces	tonnes	g/t	ounces
Mineral Resources 2022	93,000	6.04	17,900	113,000	7.27	26,600	206,000	6.72	44,500
Mineral Resources 2023	634,500	1.73	35,200	113,000	7.27	26,600	747,500	2.57	61,800
Change	582%	-71%	97%	0%	0%	0%	263%	-62%	39%

Table 4 | Changes in Mineral Resources

Annual Review

Tick Hill Project, Queensland Australia (CNB 100%)

Other than as disclosed above, the annual review of the Company's Tick Hill Project Mineral Reserves and Resources has concluded that in the absence of any further exploration data or feasibility evaluation during the period, the Tick Hill Project Mineral Resources have not materially changed.

Governance controls

Due to the nature, stage and size of the Company's existing operations, the Company believes there would be no efficiencies or additional governance benefits gained by establishing a separate Mineral Resources and Ore reserves committee responsible for reviewing and monitoring the Company's processes for calculating Mineral Resources and Ore Reserves and for ensuring that the appropriate internal controls are applied to such calculations.

While the Company has not appointed a separate Mineral Resources and Ore Reserves committee, Ore Reserve estimations have been prepared by suitably qualified independent consultants. Mineral Resource estimations have been prepared by a competent, senior geologist employed by the Company and have been reviewed and verified by suitably qualified independent consultants. In addition, the existing composition of the Company's Board of Directors includes two qualified and experienced geologists with Mineral Resource expertise.

Competent Persons Statement

The information in this document that relates to the Tick Hill Deposit Mineral Resources is based upon information compiled by Mr Paul Tan. Mr Tan is a full-time employee and security holder of the Company and a Member of the AusIMM. Mr Tan consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears. Mr Tan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is undertaken to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (**JORC Code**).

The information in this document that relates to the Tick Hill Deposit Ore Reserves is based upon information compiled by Mr Nigel Spicer. Mr Spicer consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears. Mr Spicer has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is undertaken to qualify as a Competent Person as defined in the December 2012 edition of the JORC Code.

Forward looking statements

Certain statements in this Annual Report constitute statements relating to intentions, future acts and events. Such statements are generally classified as "forward-looking statements" and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ materially from what is presented or implicitly portrayed herein. The Company gives no assurances that the anticipated results, performance or achievements expressed or implied in these forward-looking statements will be achieved.

Disclaimer

References have been made in this Annual Report to certain ASX announcements, including references regarding exploration results and mineral resources. For full details, refer to said announcement on said date. The Company is not aware of any new information or data that materially affects this information. Other than as specified in this announcement and the mentioned announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, Exploration Target(s) or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Corporate Governance Statement

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Carnaby Resources Limited support and adhere to the principles of sound corporate governance. Accordingly, the Board has adopted a Corporate Governance Plan which can be found on the Company's website: www.carnabyresources.com.au. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council and considers that Carnaby Resources is in compliance to the extent possible with those guidelines, which are of particular importance and add value to the commercial operations of ASX 300 listed companies.

Carnaby Resources Limited reviews all of its corporate governance policies and practices on an annual basis to ensure they are appropriate for the Company's stage of development. These reviews are made in consideration of the ASX Corporate Governance Council's Principles and Recommendations which applicable at the time of the review. The Company's Corporate Governance Statement for the year ended 30 June 2023 was approved by the Board on 19 September 2023 and is available on the Company's website: www.carnabyresources.com.au.

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2023

	<i>Note</i>	June 2023 \$	June 2022 \$
Interest received		531,158	47,215
Other income		25,376	17,575
Gain on disposal of financial asset - Metalore sale (Lainejaur Project)	6	-	1,498,604
Administrative expenses		(846,532)	(689,526)
Project exploration and evaluation expenses		(11,341,500)	(8,820,668)
Share based payment expense		(592,944)	(261,965)
Results from operating activities		(12,224,442)	(8,208,765)
Finance expense		(9,337)	(7,727)
Net finance expense		(9,337)	(7,727)
Loss for the period before income tax		(12,233,779)	(8,216,492)
Income tax benefit/(expense)	7	-	-
Total comprehensive loss for the year		(12,233,779)	(8,216,492)
Earnings per share			
Basic loss per share \$	19	(0.083)	(0.064)
Diluted loss per share \$	19	(0.083)	(0.064)

The notes are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 30 June 2023

	<i>Note</i>	June 2023 \$	June 2022 \$
Assets			
Cash and cash equivalents	<i>8</i>	26,925,556	17,931,947
Restricted cash	<i>9</i>	15,000	15,000
Prepayments		188,309	106,414
Trade and other receivables	<i>10</i>	784,179	1,389,740
Total current assets		27,913,044	19,443,101
Trade and other receivables non-current		400	400
Restricted cash non-current	<i>9</i>	361,574	361,574
Exploration and evaluation assets	<i>11</i>	6,519,072	6,509,072
Property, plant and equipment	<i>12</i>	192,978	147,427
Right of use assets	<i>15</i>	19,310	64,885
Total non-current assets		7,093,334	7,083,358
Total assets		35,006,378	26,526,459
Liabilities			
Trade and other payables	<i>13</i>	2,870,957	2,486,025
Lease liabilities	<i>15</i>	18,709	45,575
Employee benefits		134,071	93,055
Total current liabilities		3,023,737	2,624,655
Lease liabilities	<i>15</i>	-	18,264
Employee benefits		12,050	4,420
Provisions	<i>14</i>	362,853	352,853
Total non-current liabilities		374,903	375,537
Total liabilities		3,398,640	3,000,192
Net assets		31,607,738	23,526,267
Equity			
Share capital	<i>18</i>	57,665,145	37,942,839
Reserves		3,092,831	2,499,887
Accumulated losses		(29,150,238)	(16,916,459)
Total equity		31,607,738	23,526,267

The notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2023

	Share capital \$	Accumulated losses \$	Translation reserve \$	Share option reserve \$	Total equity \$
Balance at 1 July 2021	17,060,166	(8,699,967)	(28,486)	2,266,408	10,598,121
Total comprehensive income for the period					
Profit / (Loss) for the period	-	(8,216,492)	-	-	(8,216,492)
Total comprehensive profit for the period	-	(8,216,492)	-	-	(8,216,492)
Transactions with owners recorded directly in equity					
Contributions by and distributions to owners					
Issue of ordinary shares	21,000,001	-	-	-	21,000,001
Equity transaction costs	(1,140,128)	-	-	-	(1,140,128)
Conversion of share options	1,022,800	-	-	-	1,022,800
Share based payments	-	-	-	261,965	261,965
Total contributions by and distributions to owners	20,882,673	-	-	261,965	21,144,638
Balance as at 30 June 2022	37,942,839	(16,916,459)	(28,486)	2,528,373	23,526,267

	Share capital \$	Accumulated losses \$	Translation reserve \$	Share option reserve \$	Total equity \$
Balance at 1 July 2022	37,942,839	(16,916,459)	(28,486)	2,528,373	23,526,267
Total comprehensive income for the period					
Profit / (Loss) for the period	-	(12,233,779)	-	-	(12,233,779)
Total comprehensive profit for the period	-	(12,233,779)	-	-	(12,233,779)
Transactions with owners recorded directly in equity					
Contributions by and distributions to owners					
Issue of ordinary shares	20,000,000	-	-	-	20,000,000
Equity transaction costs	(1,087,694)	-	-	-	(1,087,694)
Conversion of share options	810,000	-	-	-	810,000
Share based payments	-	-	-	592,944	592,944
Total contributions by and distributions to owners	19,722,306	-	-	592,944	20,315,250
Balance as at 30 June 2023	57,665,145	(29,150,238)	(28,486)	3,121,317	31,607,738

The notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

for the year ended 30 June 2023

	<i>Note</i>	June 2023 \$	June 2022 \$
Cash flow from operating activities			
Proceeds from sale of Tick Hill tailings		-	221,496
Payments to suppliers and employees		(784,167)	(620,803)
Payments for exploration expenditure		(10,893,118)	(7,794,503)
Net cash from / (used in) operating activities	<i>8</i>	(11,677,285)	(8,193,810)
Cashflow from investing activities			
Interest received		404,695	31,884
Payments for property, plant and equipment and mineral properties		(189,943)	(1,137,345)
Proceeds from the sale of financial asset - Metalore sale (Lainejaur Project)		750,000	750,000
Proceeds from Sub-Lease		25,745	17,225
Net cash from / (used in) investing activities		990,497	(338,236)
Cashflow from financing activities			
Proceeds from issue of share capital		20,000,000	20,000,001
Share issue costs		(1,080,666)	(1,140,128)
Proceeds from exercise of options		810,000	1,022,800
Transfers to restricted cash		-	(38,574)
Payments for lease liabilities		(48,937)	(42,297)
Net cash from / (used in) financing activities		19,680,397	19,801,802
Net increase in cash and cash equivalents		8,993,609	11,269,756
Cash and cash equivalents at the beginning of the period		17,931,947	6,662,191
Cash and cash equivalents 30 June	<i>8</i>	26,925,556	17,931,947

The notes are an integral part of these consolidated financial statements.

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Notes to the Consolidated Financial Statements

1. Reporting entity

Carnaby Resources Limited (the **Company**) is a for profit company limited by shares and incorporated in Australia, whose shares are publicly traded on the Australian Securities Exchange. The address of the Company's registered office is 78 Churchill Avenue, Subiaco, Western Australia.

The consolidated financial statements of the Company as at and for the period from 1 July 2022 to 30 June 2023 comprise the Company and its subsidiaries (together referred to as the **Group** and individually as **Group Entities**). The nature of the operations and principal activities of the Group are described in the Directors' Report

2. Basis of preparation

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (**AASBs**) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (**AASB**) and the Corporations Act 2001. The consolidated financial report of the Group complies with International Financial Reporting Standards (**IFRSs**) and interpretations adopted by the International Accounting Standards Board (**IASB**).

The financial statements were approved by the Board of Directors on 19 September 2023.

(b) Basis of measurement

The consolidated financial statements have been prepared on accruals basis under the historical cost convention.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

Set out below is information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

(i) Restoration obligations

Significant estimation is required in determining the provision for site restoration as there are many factors that may affect the timing and ultimate cost to rehabilitate sites where construction, mining and/or exploration activities have taken place. These factors include future development and exploration activities, changes in the cost of goods and services required for restoration activities and changes to the legal and regulatory framework governing restoration obligations. These factors may result in future actual expenditure differing from amounts currently provided. Refer to note 16 for further information.

(ii) Share-based payment transactions

The Company measures the cost of equity-settled transactions and cash-settled share-based payments with employees and third parties by reference to the fair value of the equity instruments at the date at which they are granted. The fair value at the grant date is determined using the Black and Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted and the assumptions detailed in note 20.

3. Significant accounting policies

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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 over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(ii) Transactions and balances eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(iii) Acquisitions of subsidiaries***Business combinations***

In each transaction that results in the acquisition of a subsidiary, the Company determines if AASB 3 'Business Combinations' shall apply to the transaction by assessing if the Company has acquired a "business". A business is an integrated set of activities that is capable of being managed to provide a return to investors by way of dividends, lower costs or other economic benefits. A business generally consists of inputs, processes applied to those inputs and the ability to create outputs. If the Company determines that the acquisition results in the acquisition of a business, then the Company applies the requirements of AASB 3 to the acquisition.

Asset acquisitions

If the Company determines that the acquired subsidiary does not constitute a business, then the transaction is accounted for as an acquisition of an asset (or group of assets) that do not constitute a business combination within the scope of AASB 3. In the acquisition of a group of assets, the cost of the acquisition is allocated between the individual assets and liabilities in the group based on their relative fair values at the date of acquisition.

(b) Segment Reporting

The Group determines and presents operating segments based on the information that is provided to the board of directors, who are the Group's chief operating decision makers.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Board to make decisions about the allocation of resources to the segment and to assess its performance, and for which discrete financial information is available. Segment results that are reported to the Board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise predominantly of administrative expenses. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

(c) Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(d) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax and equivalent indirect taxes, except where the amount of tax incurred is not recoverable from the taxation authority. In these circumstances, the tax is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of tax included. The net amount of tax recoverable from, or payable to, the taxation authority is included as a current asset or liability in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis. The tax components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Financial instruments***Recognition, initial measurement and derecognition***

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Financial assets are derecognised when the contractual rights to the cash flows from

the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through profit or loss (**FVPL**);
- equity instruments at fair value through other comprehensive income (**FVOCI**); and
- debt instruments at fair value through other comprehensive income (**FVOCI**).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The Group’s business model for managing the financial asset; and
- The contractual cash flow characteristics of the financial assets.

Subsequent measurement financial assets

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group’s financial assets comprise cash and cash equivalents, restricted cash and trade and other receivables.

Impairment of financial assets

AASB 9’s impairment requirements use more forward looking information to recognise expected credit losses (the ‘expected credit losses (**ECL**) model’). Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (**Stage 1**); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (**Stage 2**).

‘Stage 3’ would cover financial assets that have objective evidence of impairment at the reporting date.

‘12-month expected credit losses’ are recognised for the first category while ‘lifetime expected credit losses’ are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

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All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(i) Non-derivative financial instruments

The following summarises the accounting treatment of the Group's non-derivative financial instruments;

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and short term deposits at call. Short term deposits have original maturities of 3 months or less that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in fair value.

Restricted cash

Restricted cash comprises cash at bank and short term deposits that have been given as security. As the Group has given security over these balances they are not eligible for recognition as cash and cash equivalents.

Trade and other receivables

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. The Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

Trade and other payables

Trade and other payables are carried at amortised cost. The amounts are unsecured and are typically settled in 30 to 60 days of recognition. Due to their short term nature, balances are generally not discounted.

(ii) Share capital

Ordinary shares

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.

Dividends

Dividends are recognised as a liability in the period in which they are declared.

(f) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets (excluding deferred tax assets and inventories) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets, known as CGU's.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGU's are allocated to reduce the carrying amount of assets in the unit (group of units) on a pro rata basis. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income or other expenses in profit or loss. When re-valued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably.

The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is charged to the statement of profit and loss and other comprehensive income on a straight line basis over the estimated useful lives of each asset. In the current and comparative periods, useful lives are as follows:

- plant and equipment 2 - 20 years
- fixtures and fittings 5 - 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(h) Leases
The Group as a lessee

For any new contracts, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The Group as a lessor

As a lessor the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

(i) Employee benefits***Share based payments***

The Group operates an equity-settled share based payment employee option scheme. Refer to note 3(p) for further discussion.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as a personnel expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Short term benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long-term benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and, where applicable, prior periods plus related on costs; that benefit is discounted to determine its present value and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Site restoration

Site restoration costs include the costs of dismantling and demolition of infrastructure or decommissioning, the removal of residual material and the remediation of disturbed areas specific to the site. Provisions are recognised at the time that the environmental disturbance occurs. The provision is the best estimate of the present value of the future cash flows required to settle the restoration obligation at the reporting date, based on current legal requirements and technology. Future restoration costs are reviewed annually and any changes are reflected in the present value of the restoration provision at the end of the financial year.

The amount of the provision for future restoration costs is recognised as exploration and evaluation assets during the exploration phase according to the Company's policy for exploration and evaluation assets (refer note 3 (n)). Upon the commencement of commercial production, future restoration costs are recognised as mine property assets.

Future restoration costs are depreciated on a unit-of-production basis over the economically recoverable reserves of the mine concerned, resulting in an amortisation charge proportional to the depletion of the economically recoverable mineral resources. Amortisation begins at the commencement of commercial production. The unwinding of the effect of discounting on the provision is recognised as a finance cost. Restoration expenditure is capitalised to the extent that it is probable that the future economic benefits associated with restoration expenditure will flow to the Group.

(k) Foreign currency***Foreign currency transactions***

Transactions in foreign currencies are translated to the functional currency of the operation at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at balance sheet date are translated to the presentation currency at the balance date at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for the effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are measured using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for qualifying cash flow hedges which are recognised in the other comprehensive income to the extent the hedge is effective.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at reporting date. The income and expenses of foreign operations are translated to Australian dollars at average exchange rates prevailing during the period. Foreign currency differences are recognised in the foreign currency

translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to the income statement.

(l) Finance income and expense

Finance income and expense comprises interest income and foreign currency gains or losses. Foreign currency gains and losses are reported on a net basis.

(m) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue is recognised at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Revenue from Contracts with Customers

To determine whether to recognise revenue, the Group follows a five-step method established by AASB 15: 1. Identifying the contract with a customer; 2. Identifying the performance obligation in the contract; 3. Determining the transaction price; 4. Allocating the transaction price to the performance obligations in the contract; and 5. Recognise revenue when/as performance obligations are satisfied.

Revenue is recognised, based on the transaction price allocated to the performance obligation, after consideration of the terms of the contract and customary business practices and control of the asset passes to the customer. The transaction price is the amount of the consideration that the Group expects to be entitled to receive in exchange for transferring the promised goods or services to a customer, excluding amounts collected on behalf of third parties (ie sales taxes and duties). The consideration promised in a contract with a customer may include fixed amounts, variable amounts or both.

Interest income

Specifically in relation to interest income; revenue from interest is recognised on a time proportionate basis, taking into account the effective yield on the related financial asset.

(n) Exploration and evaluation expenditure

Exploration and evaluation expenditure, excluding acquisition costs, are expensed as incurred. Acquisition costs are accumulated in respect of each separate area of interest.

Acquisition costs include:

- (i) Consideration paid to acquire exploration and/or mining license's;
- (ii) Stamp duty;
- (iii) Professional fees attributable the acquisition; and
- (iv) Site restoration costs assumed or recognised.

Exploration and evaluation assets are only recognised if the rights to the area are current and either:

- (i) the acquisition costs are expected to be recouped through successful development and exploitation of the area of interest; or
- (ii) activities in the area of interest have not at the reporting date, reached a state which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if:

- (i) sufficient data exists to determine technical feasibility and commercial viability; and
- (ii) facts and circumstances suggest the carrying amount exceeds the recoverable amount.

For the purposes of impairment testing, exploration and evaluation assets are allocated to CGU's to which the exploration activity relates. The CGU shall not be larger than the area of interest.

Once technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mine property assets within property, plant and equipment.

In the event that an area of interest is abandoned or if the directors consider the exploration and evaluation assets attributable to the area of interest to be of reduced value, the exploration and evaluation assets are impaired in the period in which the assessment is

made. Each area of interest is reviewed at each reporting period and accumulated costs are written off to the extent that they will not be recoverable in the future.

(o) Earnings per share

The Group presents basic and diluted earnings per share (**EPS**) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(p) Share based payment transactions

Employee benefits

The Group operates equity-settled share based payment employee option scheme. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to share based payments reserve. The fair value of options is ascertained using a recognised pricing model which incorporates all market vesting conditions. The fair value of options is measured using the Black-Scholes formula.

Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

The cost of share based payment transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date). The cumulative expense recognised for share based payment transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

Other share based payments

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

(q) New accounting standards, amendments and interpretations

New accounting standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2023 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions. There are no other standards that are not yet effective and that are expected to have a material impact on the Group in the current or future reporting period and in the foreseeable future.

Issued but not yet effective for these financial statements

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Group.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

4. Financial risk management

This note presents information about the Group's exposure to credit, liquidity and market risks and objectives, policies and processes for measuring and managing financial risk and the management of capital.

The Group does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continual basis. The Group does not enter into or trade financial instruments, including derivatives, for speculative purposes.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's cash and cash equivalents, restricted cash and trade and other receivables.

Cash, cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits. The Group limits its credit risk by holding cash balances and demand deposits with reputable counterparties with acceptable credit ratings.

Restricted cash

Restricted cash comprises cash balances used as security for the Company's transactional bank facilities. Cash balances used as security are held with reputable counterparties with acceptable credit ratings.

Trade and other receivables

The Group's trade and other receivables are neither past due nor impaired.

Exposure to credit risk

The carrying amount of the Group's financial assets represent maximum exposure to credit risk, as follows:

	June 2023	June 2022
	\$	\$
Total		
Cash and cash equivalents	26,925,556	17,931,947
Restricted cash	376,574	376,574
Trade and other receivables	179,053	815,090
Exposure to credit risk	27,481,183	19,123,611

(b) 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 liquidity risk by maintaining adequate cash reserves from funds raised by the Company in various capital raisings and continuously monitoring forecast and actual cash flows.

The contractual maturities of the Group's financial liabilities are as follows:

	6 months	6 - 12 months	1 - 2 years
	\$	\$	\$
30 June 2023			
Trade and other payables	(2,763,506)	-	-
Lease liabilities	(18,709)	-	-
Balance as at 30 June	(2,782,215)	-	-
30 June 2022			
Trade and other payables	(2,398,704)	-	-
Lease liabilities	(23,100)	(22,475)	(18,264)
Balance as at 30 June	(2,421,804)	(22,475)	(18,264)

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group is exposed to market risk in the form of fluctuations in interest rates.

Interest rate risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group is exposed to interest rate risk on cash and cash equivalents and restricted cash. The Group does not use derivatives to mitigate these exposures.

Cash and cash equivalents and restricted cash (together "cash") are held at variable and fixed interest rates. Cash in term deposits are held for fixed terms at fixed interest rates maturing in periods less than twelve months. The Group's other cash balances are held in deposit accounts at variable rates with no fixed term.

Interest rate risk – profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	June 2023	June 2022
	\$	\$
Fixed rate instruments		
Financial assets	25,076,574	16,176,574
Variable rate instruments		
Financial assets	2,225,556	2,131,947

Interest rate risk – fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Interest rate risk – cash flow sensitivity analysis

A change in interest rates of 75 basis points at the reporting date would have increased/(decreased) the Group's profit before tax by the amounts shown below. This analysis assumes that all other variables remain constant.

Sensitivity	75bp increase	75bp decrease	75bp increase	75bp decrease
	June 2023	June 2023	June 2022	June 2022
	\$	\$	\$	\$
Interest bearing instruments	171,040	(171,040)	94,908	(94,908)
Cash flow sensitivity (net)	171,040	(171,040)	94,908	(94,908)

(d) Fair values vs carrying amounts

Carrying amounts of financial assets and liabilities equate to their corresponding fair values.

(e) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a capital base sufficient to allow future exploration and development of the Group's current projects and evaluation of potential acquisitions. The Group has raised all capital through the issue of equity to fund its administration, exploration and evaluation activities and does not have any external borrowings at balance date. The Group may raise additional capital through the issue of new shares or debt finance for exploration, development and/or asset acquisition, should the Group require additional capital to carry out those activities. There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

5. Personnel expenses

	June 2023	June 2022
	\$	\$
Wages, salaries and benefits	(1,482,642)	(1,210,971)
Contributions to defined contribution plans	(138,211)	(99,282)
Share-based payment transactions	(592,944)	(261,965)
Personnel expenses	(2,213,797)	(1,572,218)

Personnel expenses includes \$1,225,437 (FY 2022: \$962,141) charged to Project exploration and evaluation expenses.

6. Sale of financial asset

	June 2023	June 2022
	\$	\$
Gain on disposal of financial asset - Metalore Sale (Lainejaur Project)	-	1,498,604
Total Gain	-	1,498,604

7. Income tax

Current income tax

	June 2023	June 2022
	\$	\$
Income tax benefit/(expense)		
Current tax expense	-	-
Deferred tax expense	-	-
Income tax expense	-	-

Numerical reconciliation between tax benefit/(expense) and pre-tax accounting profit/(loss)

Pre-tax accounting profit/(loss) for the period	(12,233,779)	(8,216,492)
Income tax benefit/(expense) at the Group's Australian tax rate of 25%	(3,058,445)	(2,054,123)
Non-deductible expenses	148,236	65,491
Current year losses for which no deferred tax asset was recognised	2,910,209	1,988,632
Income tax expense	-	-

Deferred income tax

	June 2023	June 2022
	\$	\$
Liabilities		
Exploration and evaluation assets	(235,795)	(167,546)
Interest receivable	(36,138)	(4,523)
Right of Use Assets	(4,828)	(16,221)
Recognition of deferred tax assets	276,761	188,290
Deferred tax liability recognised	-	-
Assets		
Losses available to offset against future taxable income	6,769,130	3,511,091
Provision for rehabilitation	90,713	88,213
Lease Liability	4,677	15,960
Share issue costs deductible over five years	414,599	42,034
Employee provisions	45,557	31,654
Accrued expenses	5,250	4,750
Recognition of deferred tax assets	(276,761)	(188,290)
Net deferred tax assets not recognised	7,053,165	3,505,412

Unused tax losses

	June 2023	June 2022
	\$	\$
Unused tax losses		
Unused tax losses	27,076,519	14,044,364
Tax effect carry forward losses at the Group's Australian tax rate of 25%	6,769,130	3,511,091

8. Cash and cash equivalents

	June 2023	June 2022
	\$	\$
Bank balances	26,925,556	17,931,947
Cash and cash equivalents in the statement of cash flows	26,925,556	17,931,947
Reconciliation of operating loss after tax to net cash flow from operations		
Profit/(Loss) after tax	(12,233,779)	(8,216,492)
<i>Non-cash and non-operating items</i>		
Share based payments	592,944	261,965
Interest received	(404,694)	(31,884)
Depreciation	93,867	51,191
Outstanding balance from the sale of financial asset - Metalore sale (Lainejaur Project)	(750,000)	(750,000)
<i>Change in assets and liabilities</i>		
Decrease / (increase) in trade and other receivables	485,732	(1,058,494)
Increase / (decrease) in trade and other payables	538,645	1,549,904
Net cash flow used in operating activities	(11,677,285)	(8,193,810)

Restricted cash

	June 2023	June 2022
	\$	\$
Restricted cash	376,574	376,574
Current	15,000	15,000
Non current	361,574	361,574
Balance at the end of the period	376,574	376,574

Restricted cash comprises cash held in term deposits issued in the Company's name which have been used to provide security for:

- a \$15,000 credit card facility.
- a \$18,574 in cash held in a term deposit issued in the Company's name which has been used to provide security in relation to a leased proper, and
- a \$343,000 bank guarantee facility (the Facility). The Facility allows the Company to issue bank guarantees in satisfaction of its Queensland state government environmental surety obligations.
 - \$323,000 of the facility relates to obligations arising from the Tick Hill Mining Leases (ML7094, ML7096 and ML7097).
 - \$20,000 of the facility relates to obligations arising from the Mount Hope Mining Lease (ML90240).

10. Trade and other receivables

	June 2023	June 2022
	\$	\$
GST receivable	605,126	574,650
Other receivables	179,053	815,090
Balance at the end of the period	784,179	1,389,740
Current	784,179	1,389,740
Balance at the end of the period	784,179	1,389,740

11. Exploration and evaluation assets

	June 2023	June 2022
	\$	\$
Cost		
Opening balance	6,509,072	4,382,092
(Sale) / Formation of subsidiaries	-	(1,396)
Other acquisitions	-	2,128,376
Reassessment of estimated rehabilitation costs	10,000	-
Balance at the end of the period	6,519,072	6,509,072

12. Property, plant and equipment

	Plant & equipment \$	Office equipment \$	Total \$
30 June 2023			
Cost			
Opening balance	135,231	50,911	186,142
Additions	89,545	491	90,036
Balance at 30 June 2023	224,776	51,402	276,178
Depreciation			
Opening balance	(9,656)	(29,059)	(38,715)
Depreciation	(31,073)	(13,412)	(44,485)
Balance at 30 June 2023	(40,729)	(42,471)	(83,200)
Carrying amount			
Opening balance	125,575	21,852	147,427
Balance at 30 June 2023	184,047	8,931	192,978

	Plant & equipment \$	Office equipment \$	Total \$
30 June 2022			
Cost			
Opening balance	22,435	32,524	54,959
Additions	112,796	18,387	131,183
Balance at 30 June 2022	135,231	50,911	186,142
Depreciation			
Opening balance	(3,541)	(21,439)	(24,980)
Depreciation	(6,115)	(7,620)	(13,735)
Balance at 30 June 2022	(9,656)	(29,059)	(38,715)
Carrying amount			
Opening balance	18,894	11,085	29,979
Balance at 30 June 2022	125,575	21,852	147,427

13. Trade and other payables

	June 2023 \$	June 2022 \$
Trade and other payables	2,670,530	1,791,128
Accruals	200,427	694,897
Balance at the end of the period	2,870,957	2,486,025

14. Provisions

	Total \$
Balance at beginning of the period	352,853
Provisions made during the period	10,000
Balance at end of the period	362,853
Current	-
Non Current	362,853
Balance at the end of the period	362,853

The Company's provisions represent provisions for site restoration costs. The provision includes estimates of costs associated with reclamation, rehabilitation and other costs associated with the restoration of the site. Estimates of restoration costs are based on

current legal requirements. The provision was recognised upon acquisition of the Tick Hill Project of \$332,853 and Mount Hope Mining Lease of \$20,000, whereby the Company assumed responsibility for remediation of the disturbed areas at the site.

As of 23 May 2023, the estimated rehabilitation cost (ERC) relating to Environmental Authority EPSX00847513 which encompasses the Greater Duchess Copper Gold Project, was revised and an amount of \$10,000 was transferred to the Queensland government.

As a result of the recognition of the provision, an exploration and evaluation asset has also been recognised, which offsets the provision for site restoration.

15. Leases

This note provides information regarding leases where the Group is the lessee. The Group's right of use assets in relation to its leases are as follows:

	June 2023	June 2022
	\$	\$
Right of use assets		
Property	19,310	64,885
Balance at the end of the period	19,310	64,885

The Group has recognised depreciation expense of \$46,662 in respect of right of use assets during the period.

The Group's lease liabilities in relation to its leases are as follows:

	June 2023	June 2022
	\$	\$
Lease liabilities		
Current	18,709	45,575
Non-current	-	18,264
Balance at the end of the period	18,709	63,839

The maturities of the Group's lease liabilities are as follows:

	Less than 1 year	Between 1 and 2 years	Carrying amount right of use liability	Carrying amount right of use assets
	\$	\$	\$	\$
30 June 2023	18,709	-	18,709	19,310
Lease liabilities	18,709	-	18,709	19,310

6 Commitments

In order to maintain current rights of tenure to exploration and mining tenements, the Group is required to meet minimum expenditure requirements specified by various state governments. These obligations at balance date have not been provided for and are as set out in the following table:

	June 2023	June 2022
	\$	\$
Not yet provided for		
Minimum exploration expenditure commitments		
Within one year	1,064,192	598,264
Balance at end of the period	1,064,192	598,264

17. Contingent liabilities

There are no known contingent liabilities as at 30 June 2023.

18. Capital and reserves

	June 2023 shares	June 2022 shares	June 2023 \$	June 2022 \$
Ordinary share capital				
On issue at the beginning of the period	144,560,897	117,945,640	37,942,839	17,060,166
Issued in respect of exploration and evaluation assets	-	1,025,641	-	1,000,000
Issued for cash	16,393,443	15,384,616	20,000,000	20,000,001
Options exercised	1,800,000	10,205,000	810,000	1,022,800
Equity transaction costs	-	-	(1,087,694)	(1,140,128)
On issue at the end of the period (net of transaction costs)	162,754,340	144,560,897	57,665,145	37,942,839

Ordinary Share Capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are fully paid and rank equally with regard to the Company's residual assets.

Share option reserve

The share based payments reserve includes the cumulative expense recognised in respect of share options granted. Refer to note 20 for further information regarding share based payments.

19. Loss per share

Basic loss per share attributable to ordinary shareholders

The basic loss per share for the period is \$0.083 (2022 loss per share: \$0.064). The calculation of basic earnings per share at 30 June 2023 was based on the consolidated loss attributable to ordinary shareholders of \$12,233,779 (2022 loss: \$8,216,492) and a weighted average number of ordinary shares outstanding of 147,609,152 (2022: 129,176,466) calculated as follows:

	June 2023 \$	June 2022 \$
(Loss) / Profit for the period	(12,233,779)	(8,216,492)
(Loss) / Profit attributable to ordinary shareholders	(12,233,779)	(8,216,492)

Basic weighted average number of ordinary shares

	June 2023 \$	June 2022 \$
Weighted average effects		
Opening balance	144,560,897	117,945,640
Effect of shares issued	3,048,255	11,230,826
Weighted average number of ordinary shares at the end of the period	147,609,152	129,176,466

Diluted earnings/(loss) per share attributable to ordinary shareholders

The Group does not have any potential ordinary shares whose conversion to ordinary shares would have a dilutive effect on basic loss per share and as such diluted loss per share is equal to basic loss per share. Potential ordinary shares of the Company consist of 1,900,000 share options (refer note 20).

In accordance with AASB 133 'Earnings per Share' these options and performance rights have been excluded from the calculation of diluted loss per share due to the antidilutive effect.

20. Share based payments

Employee Incentive Securities Plan

The Group has an established incentive securities plan (EISP) that entitles employees to purchase shares in the Company. The objective of the plan is to assist in the recruitment, reward, retention and motivation of eligible persons in the Group. Under the plan, the Board may issue eligible employees with options to acquire shares in the future at an exercise price fixed by the Board on grant of options. The vesting of all options is subject to service conditions being met whereby the recipient must meet the eligible employee criteria as defined in the plan, unless determined otherwise by the Board.

The following table illustrates the number, weighted average exercise prices (**WAEP**) and weighted average contractual life in years (**WACL**) of, and movements in, share based payment options during the period:

	June 2023			June 2022		
	options	WAEP	WACL	options	WAEP	WACL
Opening balance	2,500,000	\$0.450	4.00	1,205,000	\$0.152	3.02
Options granted during the period	1,200,000	\$0.950	3.98	2,500,000	\$0.450	4.00
Options exercised during the period	(1,800,000)	\$0.450	4.00	(1,205,000)	\$0.152	3.02
Options lapsed during the period	-			-		
Options outstanding at the end of the year	1,900,000	\$0.766	3.99	2,500,000	\$0.450	4.00
Options exercisable at the end of the year	700,000	\$0.450	4.00	-		

The following table illustrates the number of EISP options exercised during the year:

Number of options exercised	Date exercised	Exercise price per option	Closing share price on date of exercise
Period ending 30 June 2023			
900,000	10-Feb-23	\$0.450	\$1.280
200,000	08-May-23	\$0.450	\$1.220
700,000	20-Jun-23	\$0.450	\$1.030

The outstanding balance of EISP options as at 30 June 2023 is represented by:

Number of options	Grant date	Vesting	Expiring	Strike price per option	Contractual life (years)	Fair value per option
Key Management Personnel						
500,000	28-Oct-21	28-Oct-22	27-Oct-25	\$0.450	4.0	\$0.156
400,000	2-Dec-22	2-Dec-23	24-Nov-26	\$0.950	3.98	\$0.673
Other employees						
200,000	28-Oct-21	28-Oct-22	27-Oct-25	\$0.450	4.0	\$0.156
800,000	2-Dec-22	2-Dec-23	24-Nov-26	\$0.950	3.98	\$0.673

The grant date fair value of EISP options was measured using the Black-Scholes formula. The inputs used to determine the fair value of options granted during the year were:

Period ended 30 June 2023	Employee grant 2-Dec-22	KMP grant 2-Dec-22
Fair value at grant date	\$0.67	\$0.67
Expected dividends	0%	0%
Contractual life (years)	3.98	3.98
Market value of underlying shares	\$0.86	\$0.86
Option exercise price	\$0.95	\$0.95
Expected volatility of the underlying shares	122.96%	122.96%
Risk free rate applied	3.08%	3.08%

The Company has recognised the following as employee costs during the period in relation to the EISP:

	June 2023	June 2022
	\$	\$
EISP share based payments expense	592,944	261,965

Other share based payments

The Company has issued securities to parties that are not employees of the Group as payment for goods or services, however none were issued during the period. The following table illustrates the number and movements in other share based payment options during the period.

	June 2023 options	June 2022 options
Opening balance	-	9,000,000
Options granted during the period	-	-
Options exercised during the period	-	(9,000,000)
Options lapsed during the period	-	-
Closing balance	-	-

The following table illustrates the amount of other share based payment expenses recognised during the period:

	June 2023 \$	June 2022 \$
Shares issued for exploration and mining licenses ¹	-	1,000,000
Other share based payments	-	1,000,000

A description the Company's other share based payments is set out following:

¹Shares issued as consideration for exploration and mining licenses

On 24 May 2022, the Company completed the acquisition of the Mount Hope Mining Lease (ML 90240) (refer note 11) through the issue of 1,025,641 ordinary shares to the vendors as part consideration, at a fair value of \$0.975 per share. The fair values were determined as the Company's closing share price on the date of the issue of the shares.

The shares were subject to a 12-month voluntary escrow period which concluded during the period on 24 May 2023.

Related party disclosures

Key management personnel compensation

Key management personnel compensation is as follows:

	June 2023 \$	June 2022 \$
Short-term employee benefits	497,080	455,294
Post-employment benefits	52,194	45,529
Share based payments	226,731	146,700
Key management personnel compensation	776,005	647,523

Other related party transactions

	Transactions		Balance	
	value 2023	30 June 2023	value 2022	30 June 2022
Key management person and related party transaction	\$	\$	\$	\$
Mr Payne: Consulting fees for the preparation of a Mineral Resource Estimate	30,580	-	-	-
Total and current liabilities	30,580	-	-	-

Subsidiaries

The consolidated financial statements include the financial statements of Carnaby Resources Limited and the subsidiaries listed in the following table:

Name of entity	Country of incorporation	Equity holding	
		2023	2022
Carnaby Resources (Holdings) Pty Ltd	Australia	100%	100%
Kobald Mineral Holdings Pty Ltd	Australia	100%	100%

22. Subsequent events

Subsequent to the period, the Group announced the signing of a Farm-in and Joint Venture Agreement with Rio Tinto Exploration Pty Ltd (RTX), a subsidiary of Rio Tinto Limited (ASX: RIO), which adds a high quality advanced exploration target and greatly expands the land position of the Greater Duchess Copper Gold Project in Mt Isa, Queensland.³⁶ The Group can achieve a 51% joint venture interest in the Devoncourt Project (Figure 2) by sole funding A\$5,000,000 of exploration by 1 August 2028 in accordance with the following conditions:

1. The Group to make an up-front payment of A\$100,000 to RTX and may elect to make the payment in either cash or fully paid ordinary shares in the Company.
2. As part of the expenditure commitment, the Group must complete a minimum of 4,000m of diamond core and/or reverse circulation (RC) drilling.
3. The Group undertakes a minimum expenditure commitment of A\$500,000 including 2,000m of diamond core and/or RC drilling by 1 August 2025 before it can withdraw from the agreement.

Scope is present in the agreement for the Group to earn an additional 29% interest in the Project through the completion of further exploration milestones.

23. Parent entity information

As at and during the period ending 30 June 2023, the parent company of the Group was Carnaby Resources Limited. Information regarding the results and financial position of Carnaby Resources Limited is as follows:

	June 2023	June 2022
	\$	\$
Result		
Profit/(loss) for the period	(12,204,114)	(8,215,944)
Total comprehensive loss	(12,204,114)	(8,215,944)
Financial position		
Current assets	27,910,542	19,440,598
Total assets	35,008,461	26,527,992
Current liabilities	(3,023,739)	(2,624,655)
Total liabilities	(3,398,642)	(3,000,193)
Net assets	31,609,819	23,527,799
Equity		
Share capital	57,665,145	37,942,839
Share option reserve	3,092,201	2,528,373
Accumulated losses	(29,147,527)	(16,943,413)
Total equity	31,609,819	23,527,799

24 Auditor's remuneration

	June 2023	June 2022
	\$	\$
Audit services		
Audit and review of financial reports	48,250	45,000
Audit services	48,250	45,000

³⁶ See ASX release dated 2 August 2023

Directors' declaration

In accordance with a resolution of the Directors of Carnaby Resources Limited, I declare that:

1. In the opinion of the Directors:
 - a) The consolidated financial statements and notes of Carnaby Resources Limited for the year ended 30 June 2023 are in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the consolidated financial position as at 30 June 2023 and of its performance for the year ended on that date; and
 - ii. complying with Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(a).
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. This declaration has been made after receiving the declarations required to be made by the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2023.

On behalf of the Board



Rob Watkins
Managing Director

Perth, Western Australia
19 September 2023

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Grant Thornton Audit Pty Ltd
Level 43 Central Park
152-158 St Georges Terrace
Perth WA 6000
PO Box 7757
Cloisters Square
Perth WA 6850
T +61 8 9480 2000

Auditor's Independence Declaration

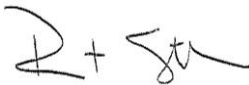
To the Directors of Carnaby Resources Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Carnaby Resources Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B P Steedman
Partner – Audit & Assurance

Perth, 19 September 2023

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Independent Auditor's Report

To the Members of Carnaby Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Carnaby Resources Limited (the Company) and its subsidiaries (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, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated 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 performance for the year ended on that date; 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.

Key audit matter

How our audit addressed the key audit matter

Exploration and evaluation assets - Note 11

At 30 June 2023 the carrying value of exploration and evaluation assets was \$6,519,072.

In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value. The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.

This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.

Our procedures included, amongst others:

- obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger;
- reviewing management's area of interest considerations against AASB 6;
- conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including:
 - tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed;
 - enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure;
 - understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale;
- evaluating the competence, capabilities and objectivity of management's experts in the evaluation of potential impairment triggers; and
- assessing the appropriateness of the related financial statement disclosures.

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 18 to 21 of the Directors' report for the year ended 30 June 2023.

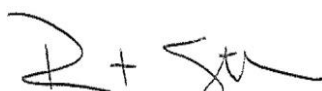
In our opinion, the Remuneration Report of Carnaby Resources Limited, for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B P Steedman
Partner – Audit & Assurance

Perth, 19 September 2023

ASX additional information

AS AT 31 AUGUST 2023

Stock exchange listing

Carnaby Resources Limited shares are listed on the Australian Stock Exchange. The Company's ASX code is CNB.

Distribution of shareholders

Range	Total Holders	Units	% Units
1 - 1,000	1,043	668,309	0.41
1,001 - 5,000	1,758	5,125,542	3.15
5,001 - 10,000	805	6,451,115	3.96
10,001 - 100,000	1,237	40,178,490	24.69
100,001 Over	216	110,330,881	67.79
Rounding			0
Total	5,059	162,754,337	100.00

20 largest shareholders

The names of the twenty largest holders of quoted equity securities are listed below:

Rank	Name	Units	%
1	CITICORP NOMINEES PTY LIMITED	8,340,047	5.12
2	OZ EXPLORATION PTY LTD	6,513,633	4.00
3	COSMO HOLDINGS (WA) PTY LTD <THE WATKINS FAMILY A/C>	6,344,418	3.90
4	BRAIDWOOD INVESTMENTS (WA) PTY LTD	6,000,000	3.69
5	HOKIPA PTY LTD <G BARRETT FAMILY A/C>	5,844,418	3.59
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,149,051	1.93
7	MR MICHAEL JAMES HARGREAVES DUNCAN + MRS LORRAINE BETTY DUNCAN	2,500,000	1.54
8	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,465,722	1.51
9	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,374,398	1.46
10	BNP PARIBAS NOMS PTY LTD <DRP>	1,920,140	1.18
11	WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	1,616,475	0.99
12	LITHIUM ENTERPRISES PTY LTD	1,600,040	0.98
13	GHJC PTY LIMITED	1,528,565	0.94
14	MR ROSS MERVYN JOHNS	1,518,000	0.93
15	MR JOHN WILLIAM GREEN	1,290,000	0.79
16	UBS NOMINEES PTY LTD	1,018,555	0.63
17	NEWECOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	1,001,552	0.62
18	MR WILLIAM JANSEN + MRS MARILYN GAIL JANSEN <W & M G JANSEN S/F A/C>	1,000,000	0.61
19	MR ANDREW JOHN RICE	992,500	0.61
20	EST MR ROBERT STEEL RENTON	944,380	0.58
		57,961,894	35.6

Substantial shareholders

There are no substantial shareholder notices lodged with the Company as at 31 August 2023.

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Unmarketable parcels

The number of shareholders holding less than a Marketable Parcel is 288.

On-market buy back

There is no current on-market buy back.

Voting rights
Ordinary shares

On a show of hands every shareholder present in person or by proxy shall have one vote and upon a poll, each share shall have one vote.

Options

Options have no voting rights.

Use of proceeds

In accordance with listing rule 4.10.19, the Company confirms that it has used cash and assets in a form readily convertible to cash in a way consistent with its business objectives during the financial year ended 30 June 2023.

Unlisted options

Class	Number	Holders with more than 20%
Options over ordinary shares exercisable at \$0.45 on or before 27 October 2025.	700,000	- Cosmo Holdings (WA) Pty Ltd <The Watkins Family A/C>: 500,000 options - Mr Steven Bowler: 200,000 options
Options over ordinary shares exercisable at \$0.95 on or before 24 November 2026.	1,200,000	- Cosmo Holdings (WA) Pty Ltd <The Watkins Family A/C>: 400,000 options - Mr Paul Tan: 250,000 options
Total	1,900,000	

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Tenement table

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Tenement	Location	Ownership
Greater Duchess Copper and Gold Projects		
ML7094	Queensland	100%
ML7096	Queensland	100%
ML7097	Queensland	100%
ML90240	Queensland	100%
EPM9083	Queensland	82.5%
EPM11013	Queensland	82.5%
EPM14366	Queensland	82.5%
EPM14369	Queensland	82.5%
EPM17637	Queensland	82.5%
EPM18223	Queensland	82.5%
EPM18990	Queensland	82.5%
EPM19008	Queensland	82.5%
EPM25435	Queensland	82.5%
EPM25439	Queensland	82.5%
EPM25853	Queensland	82.5%
EPM25972	Queensland	82.5%
EPM26651	Queensland	100%
EPM27101	Queensland	100%
EPM27822	Queensland	100%
EPM28238	Queensland	100%
EPM28239	Queensland	100%
EPM28634	Queensland	100%
Pilbara Gold and Lithium Projects		
E45/5743	Western Australia	100%
E45/4638	Western Australia	100%
E45/5622	Western Australia	80%
E45/5819	Western Australia	100%
E45/5822	Western Australia	100%
E45/4801	Western Australia	100%
Yilgarn Margin Projects		
E69/3509	Western Australia	100%
E69/3510	Western Australia	100%
E38/3289	Western Australia	100%

Back Cover Photograph: Greater Duchess Copper Gold Project, Mount Isa Region, Queensland

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