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2023 ANNUAL REPORT

E79 GOLD MINES LIMITED



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CORPORATE DIRECTORY

Directors

Christopher Cairns (Non-Executive Chair)
Peter Ironside (Non-Executive Director)
Deborah Lord (Non-Executive Director)

Company Secretary

Amanda Sparks

Chief Executive Officer

Edward (Ned) Summerhayes

Registered Office

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Nedlands WA 6009
Telephone: (08) 9287 7625
Web Page: www.e79gold.com.au
Email: info@e79gold.com.au

Solicitors

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Level 4, The Read Buildings
16 Milligan Street
Perth Western Australia 6000

Share Registry

Automic Pty Ltd
Level 5
191 St Georges Terrace
Perth Western Australia 6000
Telephone: 1300 288 664

Auditor

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth Western Australia 6000

Bankers

ANZ Bank
Level 5
240 St Georges Terrace
Perth Western Australia 6000

Stock Exchange Listing

Australian Securities Exchange Ltd
Level 40, Central Park
152-158 St Georges Terrace
Perth Western Australia 6000

ASX Code: E79

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VISION, MISSION, VALUES AND SUSTAINABILITY

VISION

E79 Gold's Vision is to create significant value for Shareholders through good science and applied exploration with a strong culture of operating ethically and responsibly.

MISSION

To discover gold and develop sustainable operations whilst acting responsibly towards the environment.

STATEMENT OF VALUES

- ❖ To respect cultures, customs and values of all Stakeholders, including employees, contractors, suppliers, Traditional Owners, pastoralists and the community.
 - ❖ At all times conduct ourselves with integrity, honesty and transparency.
- ❖ Encourage an enjoyable and safe workplace based on technical excellence, teamwork, collaboration and diversity.
 - ❖ Seek to protect the environment and enrich the communities in which we work.

SUSTAINABILITY, SOCIAL RESPONSIBILITY AND COMMUNITY

E79 Gold is committed to operating ethically and sustainably, and embracing responsible environmental, social and governance practises. E79 Gold strives to respect cultures, customs, and values in all dealings with people, places, governments and companies involved in our activities. E79 Gold's success depends on our ability to build and maintain these relationships.

ENVIRONMENT

Our tenure is based in the Western Australian Goldfields region, with rich and diverse habitats. Our exploration activities are undertaken with care to protect the flora, fauna and sites of cultural significance. As part of our Values, E79 Gold strives to ensure transparent communication and engagement with the community, Traditional Owners and pastoralists in the areas we operate.

HEALTH AND SAFETY

E79 Gold's values our people and the community in which we operate. Our Code of Conduct is intended to instil a culture of safety awareness and strives to eliminate risks of harm.



CHAIR'S LETTER

Dear Shareholders,

While it has been a difficult year in the markets for early-stage gold explorers, E79 Gold Mines has made notable progress on a number of fronts. Your Company has advanced exploration of the Target 3 and Target 4 zones in the Pinjin Project at Laverton South and made steady progress in the Jungar Flats Project in the Murchison.

E79 Gold is looking forward to progressing the heritage clearances for the Lake Yindana tenure, now engaging positively with the claimant group with a heritage survey imminent. The delays over the past 20 months have been extremely frustrating, with an initial lack of engagement from the Native Title claimant parties, then exacerbated by uncertainty around the introduction of new WA Cultural Heritage legislation and its subsequent repeal.

Access to the Lake Yindana tenure remains a priority for E79 Gold Mines in the coming year as the tenure is massively under-explored and highly prospective, in a region where known +1Moz deposits (Rebecca, Duke and Duchess) would look much better as developments with some additional higher-grade mine feed during the respective early mine life. This makes the Lake Yindana tenure particularly attractive given the relatively low hurdle for exploration success in that, any near-surface discovery could potentially become part of a larger operation in the region.

In the Pinjin Project, Targets 3 and 4 are offering some encouragement and this will be followed-up in the coming year with deeper reverse circulation drill testing.

In the Murchison Project, the tenure position has been increased through deals with Gascoyne Resources and new applications. The systematic exploration of this project has included baseline gravity data collection to highlight the prospective greenstone stratigraphy followed by Ultrafine© soil sample geochemistry. A number of anomalous zones for gold, base metals and lithium have been identified and field validated. Further follow-up, including aircore drilling is planned for these areas in the coming year.

E79 Gold has been very aware of the difficult market conditions for junior explorers and is in a strong financial position. This has resulted in E79 Gold Mines being approached for, and assessing, a large number of JV and acquisition opportunities.

We are pleased that E79 Gold was successful in 2022, and again in 2023 for its application for JMEI (Junior Mining Exploration Incentive) credits. This assisted E79 in successfully undertaking a small placement in June 2023.

We thank shareholders for their support as our projects move towards a more drilling dominant phase with excellent discovery potential.

Christopher Cairns

Non-Executive Chair

REVIEW OF OPERATIONS

Summary of Operations

E79 Gold has two flagship projects, the Laverton South Project in the world-class Laverton gold district and the Jungar Flats Project in the North Murchison region (Figure 1).

Key highlights during the 12 months were:

Laverton South Project

- E79 Gold took 100% control of the Pinjin Project;
- ~38,000m of aircore and Reverse Circulation (RC) drilling completed at the Laverton South Project;
- Aircore drilling at Target 3 extended the anomalous strike length to 2,600m, with mineralised gold intercepts to 200m depth in RC drilling; and
- Aircore drilling at Target 4 identified zones of anomalism within a 30km long gold bearing structure.

Jungar Flats Project

- Increased Jungar Flats landholding by 37% with the strategic acquisition of adjoining tenements;
- 215km² airborne gravity survey on new acquisition; and
- 2,768 auger samples testing 32km of strike of greenstone stratigraphy.

E79 Gold undertook a Capital Raising, with \$1.38 million raised to assist in exploration activities¹.

Safe and efficient exploration was undertaken on both projects with no incidents to report.



Photo 1: Aircore drilling activities at Target 3 during the year

¹ Refer to E79 ASX Announcement 26 June 2023

REVIEW OF OPERATIONS

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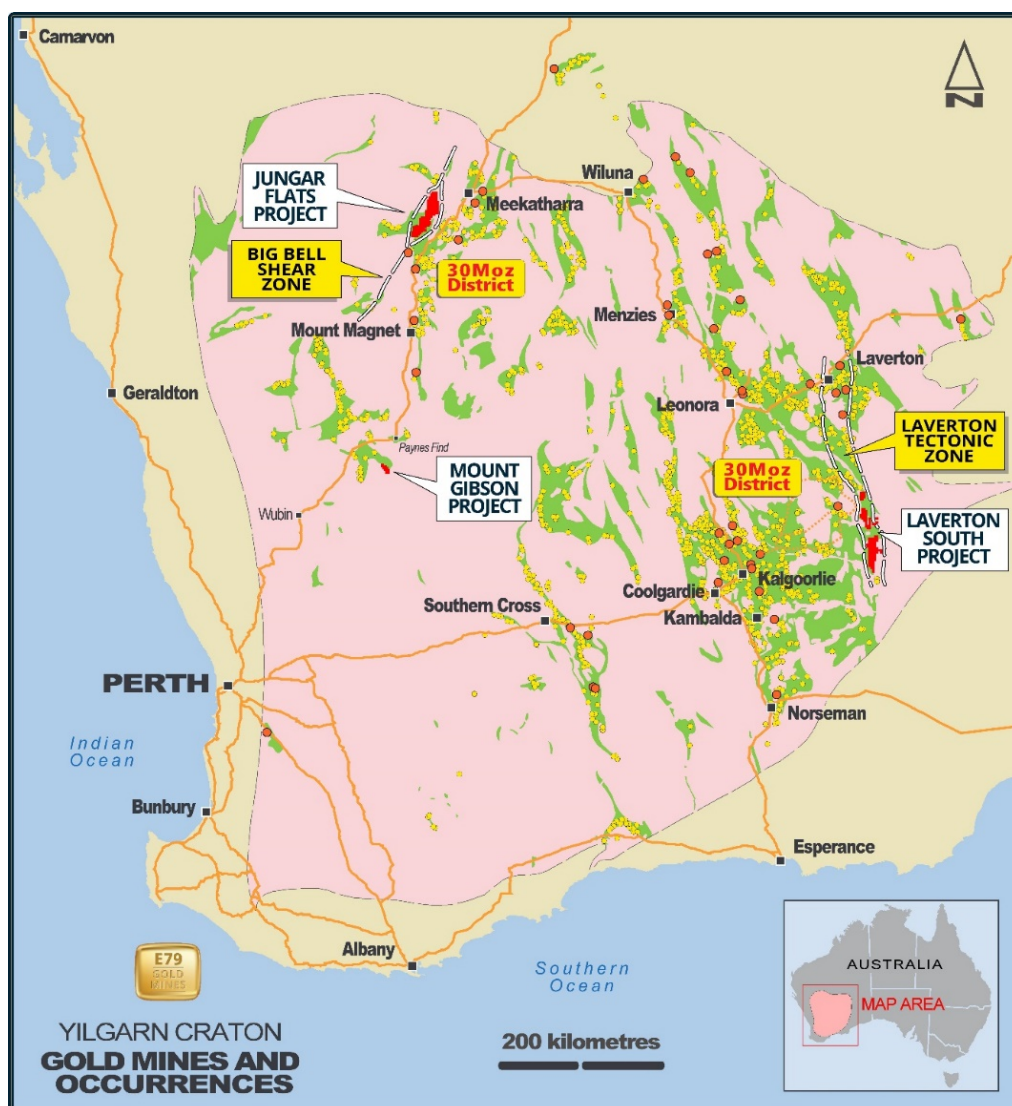


Figure 1: Yilgarn Craton Greenstones showing E79 Gold Project locations

Laverton South Project

The Laverton South Project, with an area of 272km², covers a southern portion of the Laverton Tectonic Zone ('LTZ') approximately 130km east-northeast of Kalgoorlie, within the major gold producing Archean Yilgarn Craton of Western Australia. The LTZ is one of the world's richest gold belts with more than 30 million ounces ('Moz') in historical production, reserves and resources and hosts numerous prolific deposits including Granny Smith (3.7Moz), Sunrise Dam (10.3Moz) and Wallaby (11.8Moz)². Within the Laverton South Project are two tenement packages, Lake Yindana and Pinjin.

- **Pinjin (100% E79)** 139km² of prospective ground with early-stage drilling success
- **Lake Yindana (100% E79)** 133km² within a newly identified greenstone package

² Refer E79 Prospectus 17 August 2021

REVIEW OF OPERATIONS

These projects sit within 15km either side of the ~1Moz Rebecca deposit (Ramelius Resources), while the Pinjin ground straddles the Anglo-Saxon deposit (Hawthorn Resources) and has the historic Patricia open pits 7.5km to the north (Figure 2). The Pinjin Project became 100% owned by E79 Gold after the withdrawal of the JV Partner³.

Work at the Laverton South Project consisted of aircore and RC drilling at Target 3 and Target 4, with 491 holes drilled for 38,115m. The bulk of this work, 287 aircore holes for 23,654m, was drilled at Target 3 where the anomalous zone has been extended to 2,600m in strike (Figure 3). RC drilling at Target 3, comprising 27 RC holes for 4,806m, showed that this anomalism extends to 200m depth. Drilling showed anomalous gold sitting on the eastern edge of a granitic intrusion, proximal to a granite/basalt contact. The gold is associated with an increase in pyrite content. The RC programs were focused on testing this contact zone at depth with results showing thick zones of anomalous gold with sporadic gold grades up to 4 g/t Au with significant results including⁴ (Figure 4):

- 23m @ 0.45 g/t Au from 95m in drill-hole PRC009 including;
 - **1m @ 1.70 g/t Au** from 103m and,
 - **1m @ 1.35 g/t Au** from 106m and,
 - **1m @ 1.80 g/t Au** from 110m
- 12m @ 0.58 g/t Au from 120 in drill-hole PRC010 including;
 - **1m @ 1.60 g/t Au** from 122m and
 - **1m @ 2.33 g/t Au** from 128m
- 5m @ 0.62 g/t Au from 197m also in drill-hole PRC010 including;
 - **1m @ 1.78 g/t Au** from 197m
- 1m @ 4.14 g/t Au from 100m in drill-hole 23LRRC005⁵; and
- 2m @ 3.07 g/t Au from 138m also in drill hole 23LRRC005⁶

³ Refer to E79 ASX Announcement 26 July 2022

⁴ Refer to E79 ASX announcement 13 February 2023

⁵ Refer to E79 ASX Announcement 27 July 2023

⁶ Refer to E79 ASX Announcement 27 July 2023

REVIEW OF OPERATIONS

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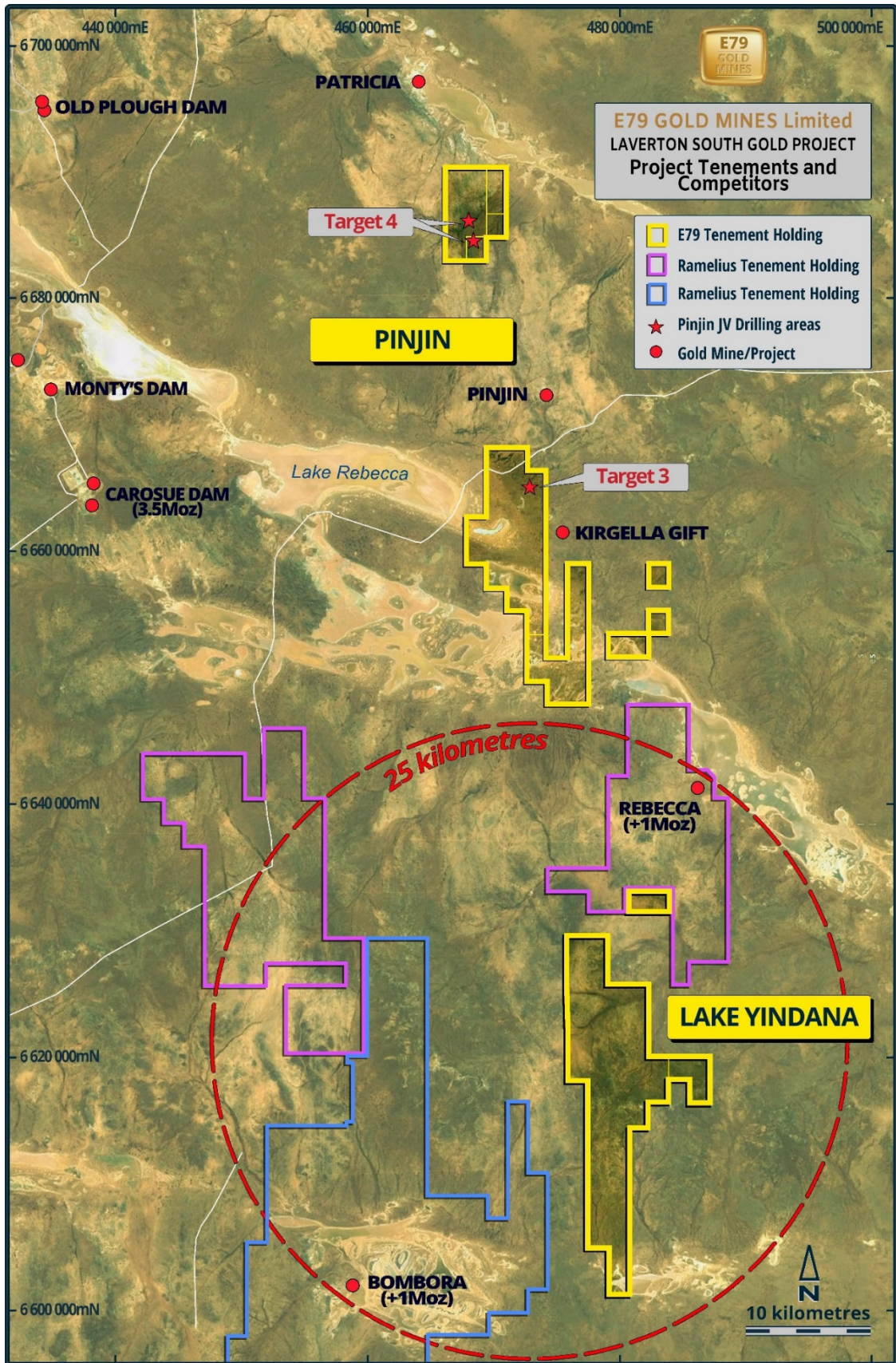


Figure 2: Location map of the Laverton South Gold Project.

REVIEW OF OPERATIONS

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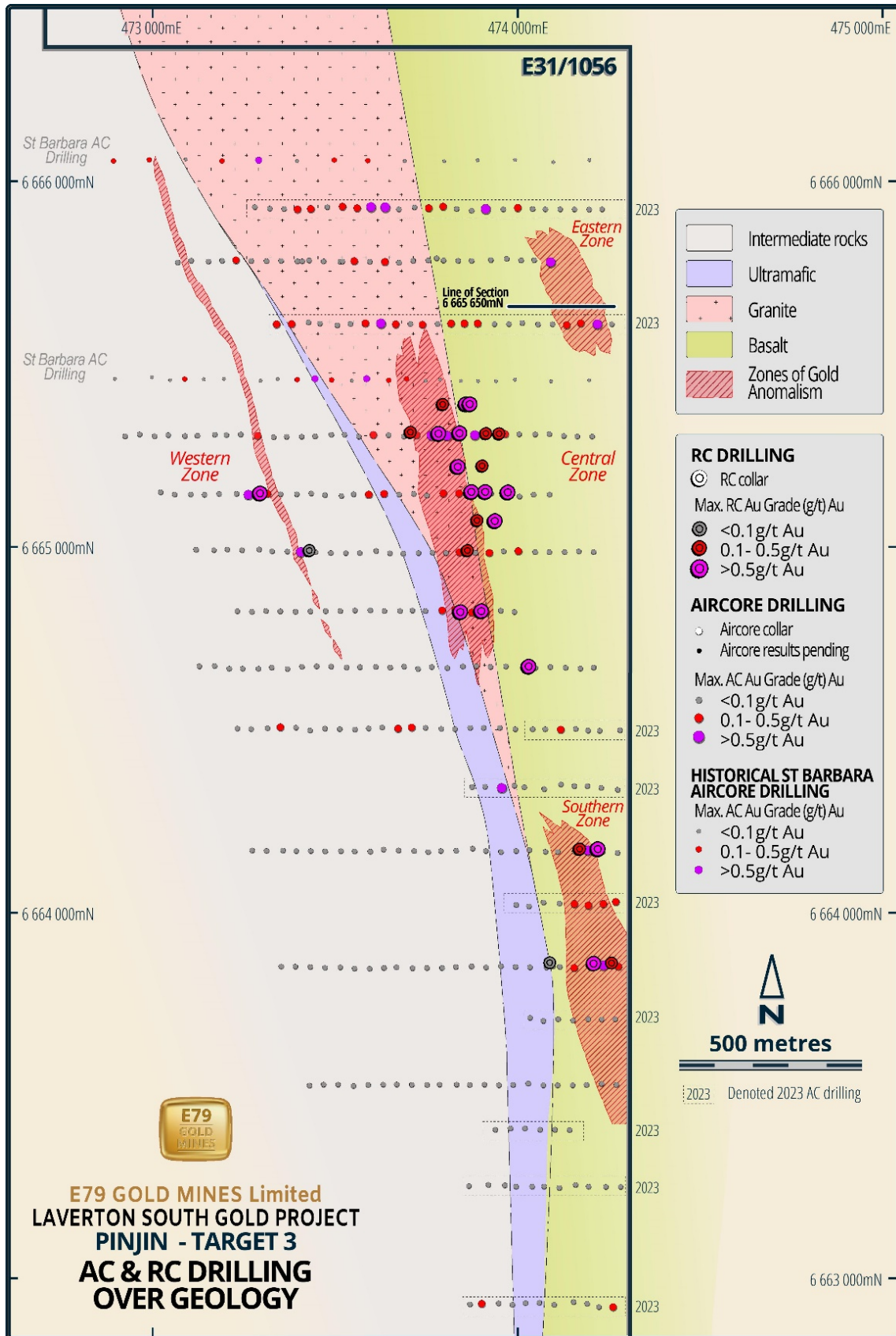


Figure 3: Plan map of drill results at Target 3

REVIEW OF OPERATIONS

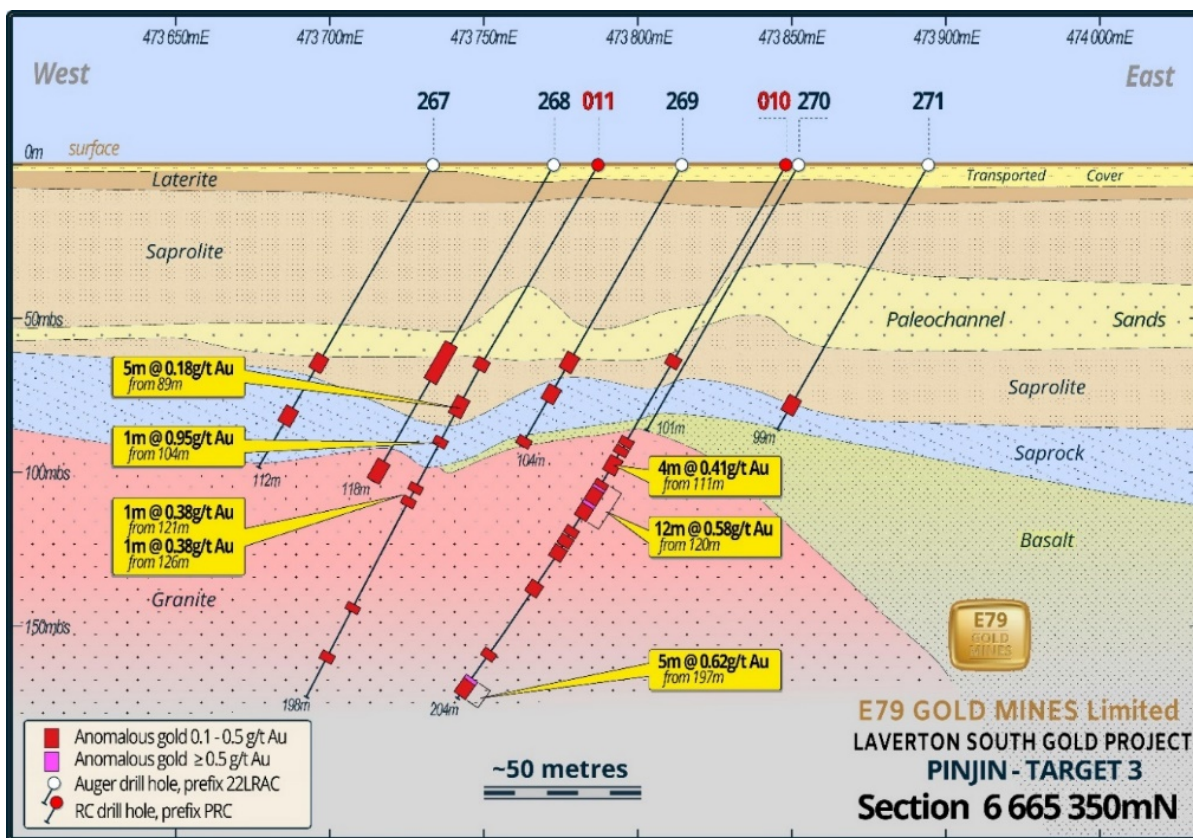


Figure 4: Cross section of RC drill results at Target 3

Elsewhere on the tenements, regional aircore drilling at Target 4, with 177 holes for 9,655m, identified a number of zones of anomalous gold, with a regionally significant, 30km long gold bearing structure (Figure 5). This structure, the Pinjin Fault, separates the Edjudina geological domain from the Linden geological domain and hosts historic workings and open pits over 30km in length. Approximately 2.5km strike of the structure was tested at 200m line spacing, with anomalous gold assays in fresh rock with significant results including⁷:

- 8m @ 0.41 g/t Au from 24m (22LRAC443);
- 4m @ 0.47 g/t Au from 64m (22LRAC428); and
- 2m @ 0.26 g/t Au from 38m (22LRAC479) (EOH)

Follow up aircore drilling infilled this zone to 200m line spacing.

⁷ Refer to E79 ASX Announcement 27 February 2023

REVIEW OF OPERATIONS

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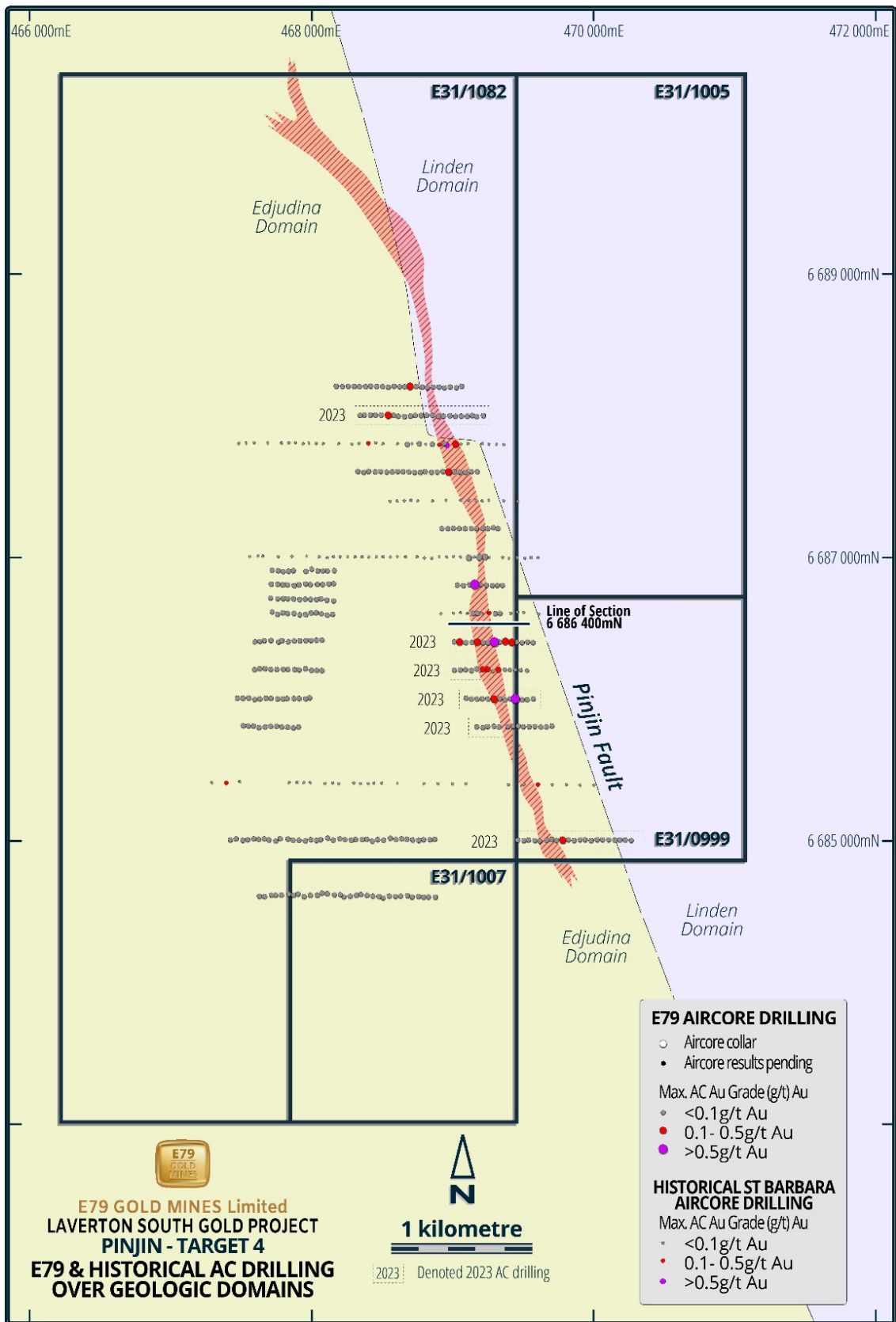


Figure 5: Plan of aircore drill results at Target 4

REVIEW OF OPERATIONS

Murchison (Jungar Flats) Project

The Jungar Flats Project, in the North Murchison region, is located 70km west of Meekatharra and 45km north-northeast of the 2.8Moz Big Bell gold deposit. The Project tenure covers an area of 699km², contains approximately 60km of strike of the highly prospective Big Bell Shear and straddles a narrow north-south trending greenstone belt.

E79 expanded its landholding during the year with a strategic acquisition of the Beebyn tenements, which sit adjacent to and south of the existing Jungar Flats tenements. E79 Gold acquired the mineral rights to one tenement (minus Iron) as well as pegging an adjoining tenement⁸.

Work on the Jungar Flats project consisted of a 2,768 auger sample program. This program covered over 30km of prospective greenstone rocks in the northern part of Jungar Flats, which were delineated by E79 Gold from a previous gravity survey. The results show a number of anomalies for gold, copper and lithium that require follow up exploration (Figure 6). These anomalies sit on greenstone rocks that run through the tenement.

At the newly acquired southern part of Jungar Flats (Beebyn) a 215km² airborne gravity survey was undertaken to identify prospective greenstone units. The program was successful in identifying prospective greenstone extending for 10km longer than previous known⁹.

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⁸ Refer to E79 ASX Announcement 28 September 2022

⁹ Refer to E79 ASX Announcement 21 June 2023

REVIEW OF OPERATIONS

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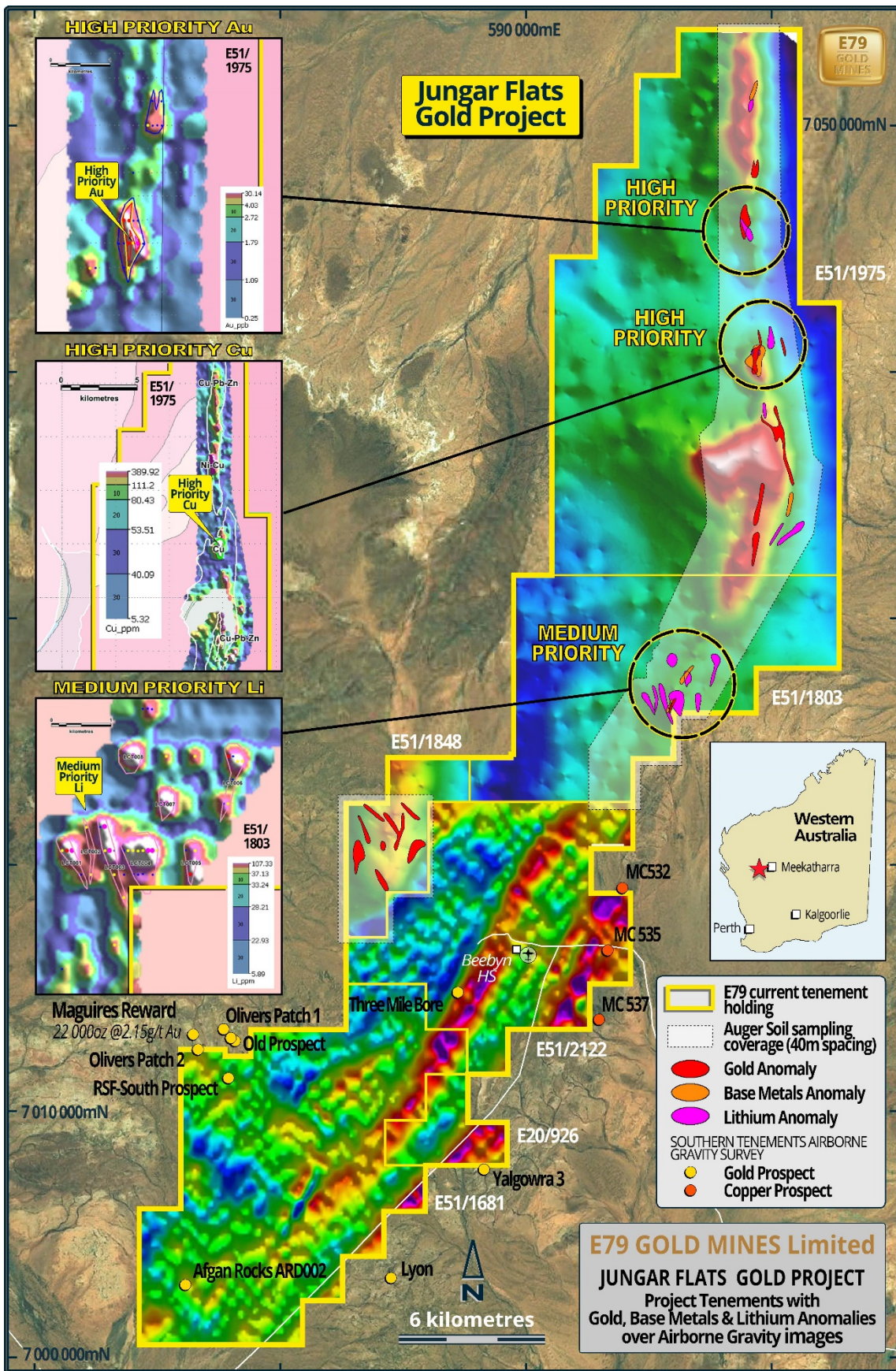


Figure 6: Map of Jungar Flats tenement with area of auger sampling

DIRECTORS' REPORT

Your Directors submit their report for the year ended 30 June 2023.

DIRECTORS

The Directors in office at the date of this report and at any time during the year are as follows. Directors were in office for the entire period unless otherwise stated.

Current Directors

Christopher Cairns - appointed 30 September 2021

Peter Ironside – appointed 5 April 2007

Deborah Lord - appointed 30 September 2021

INFORMATION ON DIRECTORS

Christopher Cairns – B.Sc (Hons)

Non-executive Chair - appointed 30 September 2021

Christopher (Chris) Cairns completed a First Class Honours degree in Economic Geology from the University of Canberra in 1992. Chris has extensive experience having worked for:

- BHP Minerals as Exploration Geologist/Supervising Geologist in Queensland and the Philippines.
- Aurora Gold as Exploration Manager at the Mt Muro Gold Mine in Borneo.
- LionOre as Supervising Geologist for the Thunderbox Gold Mine and Emily Anne Nickel Mine drill outs
- Sino Gold as Geology Manager responsible for the Jinfeng Gold Deposit feasibility drillout and was responsible for the discovery of the stratabound gold mineralisation, taking the deposit from 1.5Moz to 3.5Moz in 14 months.

Chris joined Integra Mining Limited in March 2004 and as Managing Director oversaw the discovery of three gold deposits, the funding and construction of a new processing facility east of Kalgoorlie, transforming the company from explorer to gold producer with first gold poured in September 2010. In 2008, Integra was awarded the Australian Explorer of the Year by Resources Stocks Magazine and in 2011, was awarded Gold Miner of the Year by Paydirt Magazine and the Gold Mining Journal.

In January 2013, Integra was taken over by Silver Lake Resources Limited for \$426 million (at time of bid) at which time Chris resigned along with the whole Integra Board, after having successfully recommended shareholders accept the Silver Lake offer.

Chris is currently the Executive Chairman of Stavely Minerals Limited, is a Fellow of the Australian Institute of Geoscientists, a Fellow of the Australian Institute of Mining and Metallurgy, a member of the JORC Committee, a member of the Society of Economic Geologists and Chairman of the Australian Prospectors and Miners Hall of Fame. In 2020, Stavely Minerals Limited was awarded the prestigious Craig Oliver Award for an 'all-round' mid-to small-cap mining company.

Chris is a member of the Company's Audit and Risk Committee.

Other Current Directorships of Listed Companies: Stavely Minerals Limited.

Former Directorships of Listed Companies in last three years: None.

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DIRECTORS' REPORT

Peter Ironside - B.Com, CA

Non-executive Director - appointed 5 April 2007

Peter Ironside has a Bachelor of Commerce Degree and is a Chartered Accountant and business consultant with over 40 years' experience in the exploration and mining industry. Peter has a significant level of accounting, financial compliance and corporate governance experience including corporate initiatives and capital raisings. Peter has been a Director and/or Company Secretary of several ASX listed companies including Integra Mining Limited and Extract Resources Limited (before \$2.18Bn takeover) and is currently a Non-Executive Director of Stavely Minerals Limited.

Peter is a member of the Company's Audit and Risk Committee.

Other Current Directorships of Listed Companies: Stavely Minerals Limited.

Former Directorships of Listed Companies in last three years: None.

Deborah Lord - B.Sc (Hons), FAusIMM, MAIG

Non-executive Independent Director - appointed 30 September 2021

Deborah Lord has completed a Bachelor of Science Honours degree in Geology from the University of Melbourne. Deborah has more than 30 years' consulting and industry experience having previously worked with major mining companies and international consultancy firms over a range of geological terranes. Her previous experience includes BHP, SRK Consulting, Placer Dome and Western Mining Corporation. Deborah is currently a director of VRM that offers specialised consulting services, including project valuations.

Deborah is a Fellow of the Australian Institute of Mining and Metallurgy, a Member of the Australian Institute of Geoscientists and a Graduate of the Australian Institute of Company Directors. She is also a director of the UWA Centre for Exploration Targeting (CET), Chair of the VALMIN Committee and Member of the AusIMM Professional Conduct Committee. She is the recipient 2023 AusIMM President's Award.

Deborah is Chair of the Company's Audit and Risk Committee.

Other Current Directorships of Listed Companies: Lunnon Metals Limited.

Former Directorships of Listed Companies in last three years: None.

INFORMATION ON COMPANY SECRETARY

Amanda Sparks - B.Bus, CA, F.Fin

Company Secretary - Appointed 30 September 2021

Amanda Sparks is a Chartered Accountant and a Fellow of the Financial Services Institute of Australasia.

Amanda has over 35 years' of resources related financial experience, both with explorers and producers. Amanda brings a range of important skills to the Company with her extensive experience in financial management, corporate governance and compliance for listed companies. Amanda is currently a Non-Executive Director and Company Secretary of Stavely Minerals Limited, a Non-Executive Director of Godolphin Resources Limited and Company Secretary for ADX Energy Ltd.

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DIRECTORS' REPORT

INFORMATION ON CHIEF EXECUTIVE OFFICER

Edward Summerhayes – M.Sc (Economic Geology), B.Sc (Hons)
Chief Executive Officer – Appointed 2 August 2021

Edward (Ned) Summerhayes has completed a Masters degree in Economic Geology from the University of Tasmania and a Bachelor of Science Honours degree in Geology from the Australian National University. Ned has more than 17 years' experience in mineral exploration, primarily in Western Australia. Ned's most recent role was with Black Cat Syndicate as Exploration Manager, having both corporate responsibilities and directing technical programmes. Ned was responsible for all site personnel, stakeholder management, reporting and compliance, as well reviewing and recommending strategic acquisitions.

MEETINGS OF THE COMPANY'S DIRECTORS

During the financial year, 3 meetings of directors were held and 2 Audit and Risk Committee meetings were held. The number of meetings attended by each director during the year is as follows:

	Board of Directors		Audit and Risk Committee	
	Meetings Held*	Meetings Attended	Meetings Held*	Meetings Attended
Chris Cairns	3	3	2	2
Peter Ironside	3	3	2	2
Deborah Lord	3	3	2	2

In addition to formal Board Meetings, Board circular resolutions were executed and the Directors held regular discussions throughout the year.

* Number of meetings held where the Director was a member of the Board or Committee.

DIRECTORS' SHAREHOLDING INTERESTS

The following table sets out each director's relevant interest in shares and options in shares of the Company as at the date of this report.

Name of Director	Number of Shares (direct and indirect)	Number of Unlisted Options at \$0.27, expiry 30/9/2023	Number of Unlisted Options at \$0.30, expiry 30/9/2025	Number of Unlisted Options at \$0.20, expiry 30/11/2025
Chris Cairns	3,683,394	250,000	250,000	500,000
Peter Ironside	5,545,801	250,000	250,000	500,000
Deborah Lord	325,440	250,000	250,000	500,000

DIVIDENDS

No dividend has been paid or declared by the Company up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend.



DIRECTORS' REPORT

SHARES UNDER OPTION

Unissued ordinary shares of the Company under option at the date of this report are as follows:

	Number	Exercise Price	Expiry Date
Unlisted Options	2,250,000	\$0.27	30/09/2023
Unlisted Options	2,750,000	\$0.30	30/09/2025
Unlisted Options	120,000	\$0.32	15/11/2023
Unlisted Options	3,700,000	\$0.20	30/11/2025

No option holder has any right under the options to participate in any other share issue of the Company or any other related entity.

No options were exercised during the year (2022: none).

CORPORATE INFORMATION

Corporate Structure

E79 Gold Mines Limited is a company limited by shares that is incorporated and domiciled in Australia. E79 Gold Mines Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year as follows:

E79 Gold Mines Limited	-	parent entity
E79 Exploration Pty Ltd	-	100% owned controlled entity
Hottub Pty Ltd	-	100% owned controlled entity

Nature of Operations and Principal Activities

The Company's principal activity is mineral exploration.

Review of Operations

Refer to the Review of Operations preceding this Directors' Report.

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DIRECTORS' REPORT

SUMMARY OF FINANCIAL POSITION, ASSET TRANSACTIONS AND CORPORATE ACTIVITIES

Corporate

The following key activities occurred:

- On 27 September 2022 a Mineral Rights Deed and a Sale and Purchase Agreement of Mineral Rights were both executed with Gascoyne (Ops Management) Pty Ltd in relation to mineral rights (excluding iron) for tenement E51/1681, named Beebyn. The total consideration was \$150,000 plus GST, consisting of \$50,000 cash and 925,925 fully paid ordinary shares in E79 Gold (\$100,000), which was settled on 17 October 2022.
- On 30 June 2023, a share placement of 15,333,334 shares was made. The shares were issued at 9 cents per share to raise a total gross amount of \$1,380,000.

A summary of key financial indicators for E79 Gold, with prior period comparison, is set out in the following table:

	30 June 2023	30 June 2022
	\$	\$
Cash and cash equivalents held at year end	4,500,134	6,890,876
Net loss for the year after tax	(4,057,090)	(2,328,032)
Included in loss for the year:		
Exploration costs	3,255,651	1,251,697
Equity-based payments	221,730	345,788
Basic profit/(loss) per share	(6.17) cents	(4.44) cents
Net cash used in operating activities	(3,354,372)	(1,825,091)
Net cash used in investing activities	(318,815)	(240,585)
Net cash provided by financing activities	1,282,445	6,280,101

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DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

The Directors present the 2023 Remuneration Report, outlining key aspects of E79 Gold's remuneration policy and framework, together with remuneration awarded this year.

The report is structured as follows:

- A. Key management personnel (KMP) covered in this report
- B. Remuneration policy, link to performance and elements of remuneration
- C. Contractual arrangements of KMP remuneration
- D. Remuneration of key management personnel
- E. Equity holdings and movements during the year
- F. Other transactions with key management personnel
- G. Use of remuneration consultants
- H. Voting of Shareholders at last year's annual general meeting

A. KEY MANAGEMENT PERSONNEL (KMP) COVERED IN THIS REPORT

For the purposes of this report key management personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether Executive or otherwise).

Key Management Personnel during the Year

Current Directors:

Christopher Cairns – Non-Executive Chair

Peter Ironside – Non-Executive Director

Deborah Lord – Non-Executive Director

Chief Executive Officer:

Edward Summerhayes

Company Secretary:

Amanda Sparks

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DIRECTORS' REPORT

B. REMUNERATION POLICY, LINK TO PERFORMANCE AND ELEMENTS OF REMUNERATION

Remuneration Governance

The Board is responsible for ensuring that the Company's remuneration structures are aligned with the long-term interests of E79 Gold and its Shareholders.

Once the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude, to assist the Board in fulfilling its duties, the Board will establish a Remuneration Committee. Until that time, the Board has taken a view that the full Board will hold special meetings or sessions as required. The Board are confident that this process is stringent and full details of remuneration policies and payments are provided to Shareholders in the annual report and on the web. The Board has adopted the following policies for Directors' and Executives' remuneration.

Remuneration Philosophy

The performance of the Group depends upon the quality of its Directors and Executives. To prosper, the Group must attract, motivate and retain highly skilled Directors and Executives.

To this end, the Group embodies the following principles in its remuneration framework:

- provide competitive rewards to attract high calibre Executives;
- link Executive rewards to shareholder value; and
- in the near future, will establish appropriate, demanding performance hurdles in relation to variable Executive remuneration.

As E79 Gold is an exploration company, not yet generating income, a greater use of equity-based remuneration is considered appropriate both to preserve capital and to retain and incentivise Key Management Personnel.

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive compensation is separate and distinct.

Non-Executive Directors' Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to Shareholders.

Structure

Non-Executive Directors' fees are paid within an aggregate limit which is approved by the shareholders from time to time. Retirement payments, if any, are agreed to be determined in accordance with the rules set out in the Corporations Act as at the time of the Director's retirement or termination. Non-Executive Directors' remuneration may include a portion consisting of options, as considered appropriate by the Board, which are subject to shareholder approval in accordance with ASX listing rules. The option incentive portion is targeted to add to shareholder value by having a strike price considerably greater than the market price at the time of granting.

The amount of aggregate remuneration sought to be approved by Shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers the amount of Director fees being paid by comparable companies with similar responsibilities and the experience of the Non-Executive Directors when undertaking the annual review process. The aggregate remuneration for Non-Executive Directors is currently \$250,000 per annum approved by Shareholders with the adoption of the Company's Constitution on 9 July 2021.

DIRECTORS' REPORT

Executive Remuneration

Objective

The Group aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group and so as to:

- reward Executives for company, and individual performance;
- ensure continued availability of experienced and effective management; and
- ensure total remuneration is competitive by market standards.

Structure

In determining the level and make-up of Executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. Remuneration is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally. If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable Executive roles.

Remuneration consists of a fixed remuneration and may include short and long term incentive portion as considered appropriate.

Fixed Remuneration - Objective

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually by the Board and the process consists of a review of Company and individual performance, and relevant comparative remuneration in the market. As noted above, the Board may engage an external consultant to provide independent advice.

Fixed Remuneration - Structure

The fixed remuneration is a base salary.

Variable Pay – Short and Long Term Incentives - Objective

The objective of short and/or long term incentives is to reward Executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. As E79 Gold is an exploration company, there are usually no performance hurdles attached to equity awards. The Board however may include an incentive portion that is payable based upon attainment of objectives related to the Executive's job responsibilities. The objectives will vary, but are to be targeted to relate directly to the Group's business and financial performance and thus to shareholder value.

Variable Pay – Short and Long Term Incentives – Structure

Short and/or long term incentives granted to Executives may be delivered in the form of options and/or performance rights. The equity incentives granted are aimed to motivate Executives to pursue the short and long term growth and success of the Group within an appropriate control framework and demonstrate a clear relationship between key Executive performance and remuneration. Performance hurdles may be attached to vesting periods and the Board determines appropriate vesting periods to provide rewards over a period of time to key management personnel.

During the year, no performance related cash payments were made.

DIRECTORS' REPORT

C. CONTRACTUAL ARRANGEMENTS OF KMP REMUNERATION

On appointment to the Board, all Non-Executive Directors enter into a service agreement with E79 Gold in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of director.

Remuneration and other terms of employment for the Executive Directors and the other key management personnel are also formalised in service agreements. The major provisions of the agreements relating to remuneration are set out below.

Name	Term of agreement	Base annual salary exclusive of statutory superannuation at 30/6/2023	Termination benefit
Non-Executive Directors			
Christopher Cairns	Ongoing, subject to re-elections	\$50,000	None
Peter Ironside	Ongoing, subject to re-elections	\$40,000	None
Deborah Lord	Ongoing, subject to re-elections	\$40,000	None
Executives and Other Key Management Personnel			
Edward Summerhayes	Ongoing	\$220,000	3 Months
Amanda Sparks	Ongoing	\$60,000	None

There were no increases in base remuneration during the year ended 30 June 2023.

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DIRECTORS' REPORT

D. REMUNERATION OF KEY MANAGEMENT PERSONNEL

Details of the remuneration of each key management personnel of the Group, including their personally-related entities, during the year were as follows:

	Year	Cash salary, directors fees, consulting fees, insurances and movement in annual leave provisions \$	Post Employment Superannuation \$	Total Cash and Provisions \$	Share Based Payments Options ⁽¹⁾ \$	Total including share based payments \$
Directors						
C Cairns	2023	50,000	5,250	55,250	30,350	85,600
	2022	37,500	3,750	41,250	47,750	89,000
P Ironside	2023	40,000	4,200	44,200	30,350	74,550
	2022	30,000	3,000	33,000	47,750	80,750
D Lord	2023	40,000	4,200	44,200	30,350	74,550
	2022	30,000	3,000	33,000	47,750	80,750
Executives / Other Key Management Personnel						
E Summerhayes	2023	192,095	48,100	240,195	59,400	299,595
	2022	215,064	20,336	235,400	95,500	330,900
A Sparks	2023	60,000	6,300	66,300	29,700	96,000
	2022	48,420	-	48,420	47,750	96,170
TOTAL	2023	382,095	68,050	450,145	180,150	630,295
	2022	360,984	30,086	391,070	286,500	677,570

⁽¹⁾ Equity based payments – options. These represent the amounts expensed for options granted and vested in the year.

There were no performance related payments made during the year. Performance hurdles were not attached to remuneration options as these options were to provide an incentive component of remuneration to motivate and reward the performance of the recipients and to provide a cost effective way for the Company to remunerate, which allows the Company to spend a greater proportion of its cash reserves on exploration than it would if alternative cash forms of remuneration were given.

Shares issued to Key Management Personnel on exercise of compensation options

During the year ended 30 June 2023, no shares were issued to Key Management Personnel on exercise of compensation options.

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DIRECTORS' REPORT

Share-based Compensation

During the year, the following options were granted as equity compensation benefits to Directors and other Key Management Personnel. These options vested at grant date.

2023	Number of Unlisted Options at \$0.20 expiry 30/11/2025	Value* per option at grant date \$
Directors		
C Cairns	500,000	0.0607
P Ironside	500,000	0.0607
D Lord	500,000	0.0607
Executives / Other Key Management Personnel		
E Summerhayes	1,000,000	0.0594
A Sparks	500,000	0.0594

By offering these incentives in the form of options, rather than cash, the Company can maximise the availability of cash for the Company's future exploration activities.

* Value at grant date has been calculated in accordance with AASB 2 Share-based Payments. The assessed fair values of the options were determined using a Black-Scholes option pricing model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option.

The inputs to the model used were:

Grant date	10/11/2022	22/12/2022
Option exercise price (\$)	0.20	0.20
Expected life of options (years)	3.06	2.94
Dividend yield (%)	-	-
Expected volatility (%)	100	100
Risk-free interest rate (%)	3.11	3.24
Underlying share price (\$)	0.115	0.115
Value of Option (\$)	.0607	.0594
Vesting Date	10/11/2022	22/12/2022

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

DIRECTORS' REPORT

E. EQUITY HOLDINGS AND MOVEMENTS DURING THE YEAR

(a) Shareholdings of Key Management Personnel

30 June 2023	Balance at beginning of the year	Other Net change during the year	Balance at end of the year
Directors			
C Cairns ¹	3,683,394	-	3,683,394
P Ironside	5,545,801	-	5,545,801
D Lord	325,440	-	325,440
Executives / Other Key Management Personnel			
E Summerhayes	285,440	-	285,440
A Sparks	585,880	444,445	1,030,325
	10,425,955	444,445	10,870,400

(b) Option holdings of Key Management Personnel

30 June 2023	Balance at beginning of the year	Granted as remuneration	Balance at end of the year	Exercisable (Escrowed to 7/10/2023)
Directors				
C Cairns	500,000	500,000	1,000,000	500,000
P Ironside	500,000	500,000	1,000,000	500,000
D Lord	500,000	500,000	1,000,000	500,000
Executives / Other Key Management Personnel				
E Summerhayes	1,000,000	1,000,000	2,000,000	1,000,000
A Sparks	500,000	500,000	1,000,000	500,000
	3,000,000	3,000,000	6,000,000	3,000,000

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DIRECTORS' REPORT

F. OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

During the year:

- Peter Ironside, Director, is a shareholder and Director of Ironside Pty Ltd. Ironside Pty Ltd is a shareholder of the 168 Stirling Highway Syndicate, the entity which owns the premises E79 Gold occupies in Western Australia. Stavely Minerals Limited, an entity of which Directors Christopher Cairns and Peter Ironside are Directors, is the lessor of the premises. E79 Gold pays a month-by month sub-lease amount for office rent to Stavely Minerals Limited. During the year an amount of \$32,430 (net of GST) (2022: \$27,656) was paid/payable for office rental at normal commercial rates.
- An employee of E79 Gold was seconded to work for a short period for Stavely Minerals Limited, an entity of which Directors Christopher Cairns and Peter Ironside are Directors. An amount of \$7,182, being the employee cost including oncosts was received from Stavely Minerals Limited, as a wages reimbursement in relation to the secondment.

G. USE OF REMUNERATION CONSULTANTS

No remuneration consultants were engaged by the Company during the year.

H. VOTING OF SHAREHOLDERS AT LAST YEAR'S ANNUAL GENERAL MEETING

The Company received 99.95% of 'yes' votes for its remuneration report for the 2022 financial year and did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

End of Audited Remuneration Report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group during the financial year.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group intends to continue its exploration activities and consider transactions to ensure further development of its tenements.

ENVIRONMENTAL REGULATIONS

The Group's environmental obligations are regulated by the laws of Australia. The Group has a policy to either meet or where possible, exceed its environmental obligations. No environmental breaches have been notified by any governmental agency as at the date of this report.

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

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DIRECTORS' REPORT

INDEMNIFICATION AND INSURANCE OF OFFICERS

The Company paid a premium to insure the Directors and Officers of the Company and its controlled entities. Details of the premium are subject to a confidentiality clause under the contract of insurance.

The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the Officers in their capacity as Officers of entities in the Group.

AUDITOR'S INDEPENDENCE

The auditor's independence declaration as required by Section 307C of the Corporations Act 2001 for the year ended 30 June 2023 has been received and can be found on page 29.

AUDITOR

BDO Audit (WA) Pty Ltd continues in office in accordance with Section 327 of the Corporations Act 2001.

NON-AUDIT SERVICES

The following non-audit services were provided by associated entities of BDO Audit (WA) Pty Ltd. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor's independence was not compromised.

Associated entities of BDO Audit (WA) Pty Ltd received or are due to receive the following amounts for the provision of non-audit services:

	2023	2022
	\$	\$
Tax Compliance Services	10,300	27,765
	10,300	27,765

CORPORATE GOVERNANCE

The Directors of the Company support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. Please refer to the Company's website for details of corporate governance policies <https://e79gold.com.au/corporate-governance/>.

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DIRECTORS' REPORT

MATERIAL BUSINESS RISKS

E79 Gold maintains a Risk Register that identifies the material risks for the Group. These risks include the loss of a significant tenement, inability to access land, failure to raise future capital, the occurrence of a fatality or permanent disability injury to persons to whom the Company has a duty of care, adverse changes to government policies or legislation, commodity price decreases, inaccurate financial reporting, non-compliance with rules and laws, and loss of technical data.

The Risk Register records all current controls in place to minimise the risks and identifies the overall control effectiveness. The Group considers the following to be key material business risks:

Exploration Risk

Mineral exploration and development are high-risk undertakings, and there is no assurance that exploration of the tenements will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified there is no guarantee that it can be economically exploited. The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to permitting requirements, availability of appropriate exploration equipment, exploration costs, seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents and many other factors beyond the control of the Company.

Additional requirements for capital

The Company's capital requirements depend on numerous factors. Given that the Company's primary business is mineral exploration and that it does not currently have any mining operations, the Company will require further funding. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

Land Access Risk

Land access is critical for exploration and exploitation to succeed. It requires both access to the mineral rights and access to the surface rights. Minerals rights may be negotiated and acquired. In all cases, the acquisition of prospective exploration and mining licences is a competitive business in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. The Company may not be successful in acquiring or obtaining the necessary licences to conduct exploration or evaluation activities outside of the mineral tenements that it owns.

The Native Title Act recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on the Company's operations and future plan.

In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which Native Title rights of Aboriginal and Torres Strait Islander people exist. If Native Title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.



DIRECTORS' REPORT

Occupational Health and Safety

Safety is a critical element of the Company. While the Company has a strong commitment to achieving a safe performance in the field and a strong record in achieving safety performance, a serious safety incident could impact upon the reputation and financial performance of the Company. Additionally, laws and regulations may become more complex and stringent. Failure to comply with applicable regulations or requirements may result in significant liabilities, suspended activities and increased costs.

EVENTS OCCURRING AFTER THE REPORTING PERIOD

There are no matters or circumstances that have arisen since 30 June 2023 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial years.

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

A handwritten signature in black ink, appearing to read "Chris Cairns".

Christopher Cairns
Non-Executive Chair
Perth, Western Australia
19 September 2023

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DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF E79 GOLD MINES LIMITED

As lead auditor of E79 Gold Mines Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of E79 Gold Mines Limited and the entities it controlled during the period.



Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth

19 September 2023

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

	Note	Consolidated	
		Year Ended 30 June 2023	Year Ended 30 June 2022
		\$	\$
Revenue and income			
Interest revenue		118,800	19,197
Other income		7,182	-
Total revenue and income		125,982	19,197
Expenses			
Administration and corporate expenses	2(a)	(705,691)	(610,943)
Initial establishment costs not capitalised	2(b)	-	(141,606)
Equity based payments	2(c)	(221,730)	(345,788)
Exploration expensed	2(d)	(3,255,651)	(1,251,697)
Total expenses		(4,183,072)	(2,350,034)
Other gains/(losses)			
Gain on foreign exchange		-	2,805
Total other gains/(losses)		-	2,805
Loss before income tax for the year		(4,057,090)	(2,328,032)
Income tax expense	4	-	-
Loss after income tax attributable to members of E79 Gold Mines Limited		(4,057,090)	(2,328,032)
Other comprehensive income/(loss)			
<i>Items that will be reclassified to profit or loss:</i>			
Other		-	-
Other comprehensive income/(loss) after income tax		-	-
Total comprehensive income/(loss) net of tax		(4,057,090)	(2,328,032)
Loss per share for the year attributable to the members of E79 Gold Mines Limited			
		Cents	Cents
Basic profit/(loss) per share	5	(6.17)	(4.44)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

		Consolidated	
	Note	30 June 2023	30 June 2022
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	6(a)	4,500,134	6,890,876
Other receivables	7	246,157	135,504
Total Current Assets		4,746,291	7,026,380
Non-Current Assets			
Other receivables	7	-	234,750
Property, plant and equipment	8	416,603	98,826
Deferred exploration expenditure acquisition costs	9	3,246,479	3,096,479
Total Non-Current Assets		3,663,082	3,430,055
Total Assets		8,409,373	10,456,435
LIABILITIES			
Current Liabilities			
Trade and other payables	10	746,398	355,990
Provisions	11	37,262	21,818
Total Current Liabilities		783,661	377,808
Total Liabilities		783,661	377,808
Net Assets		7,625,712	10,078,627
Equity			
Issued capital	12	20,739,459	19,357,014
Reserves	13	719,194	497,464
Accumulated losses		(13,382,941)	(9,775,851)
Total Equity		7,625,712	10,078,627

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



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

		Consolidated	
		Year Ended 30 June 2023	Year Ended 30 June 2022
	Note	\$	\$
Cash flows from operating activities			
Receipts including GST refunds		213,094	214,709
Interest received		126,557	5,841
Interest paid		(25)	-
Payments to suppliers and employees		(3,693,998)	(2,104,277)
Contributions from JV partner		-	58,636
Net cash used in operating activities	6(b)	(3,354,372)	(1,825,091)
Cash flows from investing activities			
Payments for plant and equipment		(268,815)	(130,139)
Prepayments for plant and equipment		-	(117,375)
Payments for acquisition of exploration tenement		(50,000)	-
Payments for bonds		-	(30,000)
Cash acquired upon acquisition of subsidiary		-	36,929
Net cash used in investing activities		(318,815)	(240,585)
Cash flows from financing activities			
Proceeds from issue of shares		1,380,000	7,000,000
Payment of share issue costs		(97,555)	(644,899)
Borrowings repaid		-	(75,000)
Net cash provided by financing activities		1,282,445	6,280,101
Net increase/(decrease) in cash and cash equivalents held		(2,390,742)	4,214,425
Add opening cash and cash equivalents		6,890,876	2,673,644
Foreign exchange on cash		-	2,807
Closing cash and cash equivalents	6(a)	4,500,134	6,890,876

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Issued Capital	Share Based Payments Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
At 1 July 2021	10,122,974	176	(7,447,819)	2,675,331
Loss for the year	-	-	(2,328,032)	(2,328,032)
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive income for the year	-	-	(2,328,032)	(2,328,032)
Transactions with owners in their capacity as owners:				
Issue of share capital	10,015,000	-	-	10,015,000
Cost of issue of share capital	(780,960)	-	-	(780,960)
Equity based payments – options	-	497,288	-	497,288
Total transactions with owners in their capacity as owners	9,234,040	497,288	-	9,731,328
At 30 June 2022	19,357,014	497,464	(9,775,851)	10,078,627
At 1 July 2022	19,357,014	497,464	(9,775,851)	10,078,627
Loss for the year	-	-	(4,057,090)	(4,057,090)
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive income for the year	-	-	(4,057,090)	(4,057,090)
Transactions with owners in their capacity as owners:				
Issue of share capital	1,480,000	-	-	1,480,000
Cost of issue of share capital	(97,555)	-	-	(97,555)
Equity based payments – options (note 3)	-	221,730	-	221,730
Total transactions with owners in their capacity as owners	1,382,445	221,730	-	1,604,175
At 30 June 2023	20,739,459	719,194	(13,832,941)	7,625,712

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of Preparation

These general purpose financial statements for the year ended 30 June 2023 have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board. These financial statements have been prepared in accordance with the historical costs convention with the exception of investments which have been measured at fair value. E79 Gold Mines Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial report is presented in Australian dollars, which is the Group's functional and presentation currency.

The financial report of E79 Gold Mines Limited for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of Directors on 19 September 2023.

(ii) Statement of Compliance

This financial report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(iii) Adoption of New and Revised Standards and Change in Accounting Standards

Early adoption of accounting standards

The Group has not elected to apply any pronouncements before their operative date in the annual reporting year beginning 1 July 2023.

New and amended standards adopted by the Company

The Group adopted all new or amended Accounting Standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

New Accounting Standards and Interpretations not yet mandatory or early adopted by the Company

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(iv) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances.

The key judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities are:

Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 3 for further information.

Commitments - Exploration

The Group has certain minimum exploration commitments to maintain its right of tenure to exploration permits. These commitments require estimates of the cost to perform exploration work required under these permits.

Deferred Exploration Expenditure Acquisition Costs

The Group capitalises acquisition expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the Directors are of the continued belief that such expenditure should not be written off since exploration activities in such areas have not yet concluded.

(v) Basis Of Consolidation And Business Combinations

The consolidated financial statements comprise the financial statements of E79 Gold Mines Limited (Company or Parent Entity) and its subsidiaries (the Group). Subsidiaries are all entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(v) Basis Of Consolidation And Business Combinations - continued

The financial statements of the subsidiaries are prepared for the same period as the Parent Entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit or losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition.

Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

The purchase method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued, or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the combination. Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange, adjusted for any conditions imposed on those shares. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

All identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the business combination over the net fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the Group's share of the net fair value of the identifiable net assets of the subsidiary, the difference is recognised as a gain in the statement of profit or loss and other comprehensive income, but only after a reassessment of the identification and measurement of the net assets acquired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 2023

	30 June 2023	30 June 2022
	\$	\$
2. INCOME AND EXPENSES		
Expenses:		
(a) Administration and Corporate Expenses		
Administration and corporate expenses include:		
Depreciation – administration	7,535	4,228
Office premises expenses	34,850	29,661
Personnel costs	346,597	191,236
Other administration and corporate expenses	316,709	385,818
	705,691	610,943
(b) Initial Establishment Costs Not Capitalised		
Initial establishment expenses include:		
ASX initial listing fees	-	80,154
Recruitment costs	-	43,964
Other expenses	-	17,488
	-	141,606
(c) Equity Based Payments Expensed		
Equity based payments (refer note 3)	221,730	345,788
(d) Exploration Costs Expensed		
Exploration costs expensed include:		
Depreciation – exploration	60,876	27,086
Other exploration costs expensed	3,194,775	1,224,611
	3,255,651	1,251,697

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 2023

	30 June 2023	30 June 2022
	\$	\$

3. EQUITY-BASED PAYMENTS

(a) Value of equity based payments in the financial statements

Expensed in the profit and loss:

Equity-based payments - options	221,730	345,788
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Expensed as cost of share issues:

Equity-based payments - options to brokers	-	151,500
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Total Equity-based payments	221,730	497,288
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(b) Summary of equity-based payments - options - granted during the year:

On 10 November 2022, the following unlisted options were granted to Directors upon approval from Shareholders on 10 November 2022:

Name	Options exercisable at \$0.20 each on or before 30/11/2025
Directors	
Christopher Cairns	500,000
Peter Ironside	500,000
Deborah Lord	500,000
Total Options	1,500,000

On 22 December 2022, the following unlisted options were granted to key management personnel and employees:

Name	Options exercisable at \$0.20 each on or before 30/11/2025
Company Secretary	
Amanda Sparks	500,000
CEO	
Edward Summerhayes	1,000,000
Other Employees	700,000
Total Options	2,200,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 2023

3. EQUITY-BASED PAYMENTS – continued

The assessed fair values of the options were determined using a Black-Scholes option pricing model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option. The inputs to the model used for the issue of the options in the 2023 year were:

Grant date	10/11/2022	22/12/2022
Option exercise price (\$)	0.20	0.20
Expected life of options (years)	3.06	2.94
Dividend yield (%)	-	-
Expected volatility (%)	100	100
Risk-free interest rate (%)	3.11	3.24
Underlying share price (\$)	0.115	0.115
Value of Option (\$)	.0607	.0594
Vesting Date	10/11/2022	22/12/2022

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

4. INCOME TAX

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint operations, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 2023

4. INCOME TAX - continued

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint operations, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 2023

5. EARNINGS PER SHARE

Basic earnings per share is calculated as net profit attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the Company, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

	30 June 2023	30 June 2022
	Cents	Cents
Basic earnings/(loss) per share	(6.17)	(4.44)
	\$	\$
Profit/(loss) attributable to members of E79 Gold Mines Limited used in the calculation of basic loss per share	(4,057,090)	(2,328,032)
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share	65,768,786	65,074,824

Diluted earnings per share is not disclosed because potential ordinary shares, being options granted, are not dilutive and their conversion to ordinary shares would not demonstrate an inferior view of the earnings performance of the Group.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 2023

6. CASH AND CASH EQUIVALENTS

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

	Year Ended 30 June 2023	Year Ended 30 June 2022
	\$	\$

(a) Cash and cash equivalents

Cash at bank and short-term deposits	4,500,134	6,890,876
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The Company's exposure to interest rate risk is discussed in note 17. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

(b) Reconciliation of profit/(loss) after tax to the net cash flows used in operations

Loss after income tax	(4,057,090)	(2,328,032)
Non-cash share based payments expensed	221,730	345,788
Non-cash depreciation expensed	68,411	31,314
Foreign exchange gains	-	(2,807)
Change in assets and liabilities:		
(Increase)/decrease in receivables	(110,652)	(34,689)
Increase/(decrease) in payables	507,784	141,517
Increase/(decrease) in provisions	15,444	21,818
Net cash flows used in operating activities	(3,354,372)	(1,825,091)

(c) Non-cash financing and investing activities:

During the year:

- On 27 September 2022 a Mineral Rights Deed and a Sale and Purchase Agreement of Mineral Rights were executed with Gascoyne (Ops Management) Pty Ltd in relation to mineral rights (excluding iron) for tenement E51/1681, named Beebyn. The total consideration was \$150,000 plus GST, consisting of \$50,000 cash and 925,925 fully paid ordinary shares in E79 Gold (\$100,000). Refer to note 12.

During the 2022 year:

- the Company acquired the E79 Exploration Group for 15,000,000 ordinary shares (\$3,000,000).
- the Company issued 1.5 million unlisted options as part brokerage fees for the IPO (\$151,500).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 2023

7. OTHER RECEIVABLES

Other receivables are initially recognised at fair value and subsequently measured at amortised cost, less allowance for doubtful debts. Current receivables for GST are due for settlement within 60 days and other current receivables within 12 months. There are no receivables that are past the due date.

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

	30 June 2023	30 June 2022
	\$	\$
Current		
GST refundable	140,091	24,030
Prepayments	70,295	66,831
Term Deposit ANZ – Credit Card Security	30,171	30,000
Other	5,600	14,643
	246,157	135,504
Non-Current		
Prepayments – Deposit for Caravans	-	234,750

Fair Value and Risk Exposures:

- Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.
- The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security.
- Details regarding interest rate risk exposure are disclosed in note 17.
- Other receivables generally have repayments between 30 and 365 days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 2023

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment	-	0 to 4 years
Motor vehicles	-	3 to 7 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

	30 June 2023	30 June 2022
	\$	\$
Plant and equipment - at cost	35,945	15,177
Less: Accumulated depreciation	(15,592)	(4,823)
	20,353	10,354
Vehicles - at cost	480,384	114,963
Less: Accumulated depreciation	(84,134)	(26,491)
	396,250	88,472
Total property, plant and equipment	416,603	98,826

Reconciliation of property, plant and equipment:

Plant and Equipment

Carrying amount at beginning of year	10,354	-
Additions	20,768	15,177
Depreciation	(10,769)	(4,823)
Carrying amount at end of year	20,353	10,354

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 2023

	30 June 2023	30 June 2022
	\$	\$
8. PROPERTY, PLANT AND EQUIPMENT – continued		
Vehicles		
Carrying amount at beginning of year	88,472	-
Additions	365,421	114,963
Depreciation	(57,643)	(26,491)
Carrying amount at end of year	396,250	88,472

9. DEFERRED EXPLORATION EXPENDITURE ACQUISITION COSTS

Exploration expenditure is expensed to the statement of profit or loss and other comprehensive income as and when it is incurred and included as part of cash flows from operating activities. Exploration costs are only capitalised to the statement of financial position if they result from an acquisition. Costs carried forward in respect of an area of interest which is abandoned are written off in the year in which the abandonment decision is made.

	30 June 2023	30 June 2022
	\$	\$
Deferred exploration acquisition costs brought forward	3,096,479	-
Fair Value of E79 Exploration Group capitalised as Exploration Acquisition Costs	-	3,056,489
Capitalised exploration acquisition costs held by E79 Exploration Group at date of acquisition	-	39,990
Acquisition of mineral rights (excluding iron rights) – E51/1681 (note 6(c))	150,000	-
Deferred exploration acquisition costs carried forward	3,246,479	3,096,479

Ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation or, alternatively, sale of the respective areas.

10. TRADE AND OTHER PAYABLES

Trade payables and other payables are recognised initially at fair value and subsequently at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 60 days of recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 2023

	30 June 2023	30 June 2022
	\$	\$
10. TRADE AND OTHER PAYABLES – continued		
Current		
Trade creditors	650,678	252,796
Accruals and other payables	95,720	103,194
	746,398	355,990

Fair Value and Risk Exposures

- (i) Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.
- (ii) Trade and other payables are unsecured and usually paid within 60 days of recognition.
- (iii) All amounts are expected to be paid within 12 months.

11. PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(i) Wages, salaries and, annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave that are expected to be settled wholly within 12 months of the reporting date are recognised in the current provision for employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave not expected to be settled wholly within 12 months of the reporting date are recognised in the non-current provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows. The obligations are presented as current liabilities if the Group does not have an unconditional right to defer settlement for at least 12 months of the reporting date, regardless of when actual settlement is expected to occur.

	30 June 2023	30 June 2022
	\$	\$
Current		
Employee Entitlements	37,262	21,818

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 2023

12. ISSUED CAPITAL

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

	30 June 2023	30 June 2022
	\$	\$
(a) Issued Capital		
81,334,083 ordinary shares fully paid (June 2022: 65,074,824 shares)	20,739,459	19,357,014

(b) Movements in Ordinary Share Capital

Summary of Movements	Year ended 30 June 2023		Year ended 30 June 2022	
	Number of Shares	\$	Number of Shares	\$
	Opening balance	65,074,824	19,357,014	64,550,000
Share consolidation	-	-	(49,550,176)	-
	65,074,824	19,357,014	14,999,824	10,122,974
Issued – acquisition of E79 Exploration	-	-	15,000,000	3,000,000
Issued – final acquisition of E79 subsidiary, Hottub Pty Ltd	-	-	75,000	15,000
Issued – IPO	-	-	35,000,000	7,000,000
Costs of issues	-	(97,555)	-	(629,460)
Costs of issues – broker options	-	-	-	(151,500)
Issued – Gascoyne	925,925	100,000	-	-
Issued – share placement	15,333,334	1,380,000	-	-
Closing Balance	81,334,083	20,739,459	65,074,824	19,357,014

During the year:

- On 27 September 2022 a Mineral Rights Deed and a Sale and Purchase Agreement of Mineral Rights were both executed with Gascoyne (Ops Management) Pty Ltd in relation to mineral rights (excluding iron) for tenement E51/1681, named Beebyn. The total consideration was \$150,000 plus GST, consisting of \$50,000 cash and 925,925 fully paid ordinary shares in E79 Gold (\$100,000).
- On 30 June 2023, a share placement of 15,333,334 shares was made. The shares were issued at 9 cents per share to raise a total amount of \$1,380,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 2023

12. ISSUED CAPITAL - continued

(c) Options on issue

	Number	Exercise Price	Last Exercise Date
Unlisted Options	2,250,000	27 cents	30/09/2023. Escrowed to 7/10/2023
Unlisted Options	2,750,000	30 cents	30/09/2025. Escrowed to 7/10/2023
Unlisted Options	120,000	32 cents	15/11/2023
Unlisted Options	3,700,000	20 cents	30/11/2025
	8,820,000		

During the year:

- (i) 3,700,000 unlisted options were granted as share-based payments (2022: 5,120,000 options);
- (ii) No unlisted options expired (2022: nil); and
- (iii) No unlisted options were exercised (2022: nil).

(d) Terms and Conditions of Issued Capital

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

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

(e) Capital Management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to Shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management may in the future adjust the capital structure to take advantage of favourable costs of capital and issue further shares in the market. Management has no current plans to adjust the capital structure. There are no plans to distribute dividends in the next year.

Total capital is equity as shown in the statement of financial position. The Company is not subject to any externally imposed capital requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 2023

13. RESERVES

Equity-based payment transactions:

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes option pricing model.

	30 June 2023	30 June 2022
	\$	\$
<i>Equity-based payments reserve:</i>		
Balance at the beginning of the year	497,464	176
Equity-based payments – refer note 3	221,730	497,288
Balance at the end of the year	719,194	497,464

Nature and purpose of the reserves:

The Equity-based payments reserve is used to recognise the fair value of options granted.

14. RELATED PARTY TRANSACTIONS

	30 June 2023	30 June 2022
	\$	\$
<i>Key Management Personnel Compensation</i>		
Short-term employment benefits	382,095	360,984
Post-employment benefits	68,050	30,086
Equity-based payment	180,150	286,500
	630,295	677,570

Other transactions with Key Management Personnel

During the year:

- a) Peter Ironside, Director, is a shareholder and Director of Ironside Pty Ltd. Ironside Pty Ltd is a shareholder of the 168 Stirling Highway Syndicate, the entity which owns the premises E79 Gold occupies in Western Australia. Stavely Minerals Limited, an entity of which Directors Christopher Cairns and Peter Ironside are Directors, is the lessor of the premises. E79 Gold pays a month-by month sub-lease amount for office rent to Stavely Minerals Limited. During the year an amount of \$32,430 (net of GST) (2022: \$27,656) was paid/payable for office rental at normal commercial rates.
- b) An employee of E79 Gold was seconded to work for a short period for Stavely Minerals Limited, an entity of which Directors Christopher Cairns and Peter Ironside are Directors. An amount of \$7,182, being the employee cost including oncosts, was received from Stavely Minerals Limited, as a wages reimbursement in relation to the secondment.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 2023

14. RELATED PARTY TRANSACTIONS – continued

During the 2022 year:

- a) On 30 September 2021, the Company acquired 100% of E79 Exploration Pty Ltd (refer to note 4) for consideration of 15,000,000 shares in the Company. Director Peter Ironside was one of the vendors of E79 Exploration Pty Ltd and received 3,173,428 shares as consideration for his shares in E79 Exploration Pty Ltd. CEO Edward Summerhayes was also one of the vendors of E79 Exploration Pty Ltd and received 275,440 shares as consideration for his shares in E79 Exploration Pty Ltd.
- b) On 19 October 2021, \$75,000 of loans in E79 Exploration Pty Ltd owed to DJ Ironside, Peter Ironside's spouse, were repaid.
- c) Stavely Minerals Limited, an entity of which Directors Christopher Cairns and Peter Ironside are Directors, sold a second-hand motor vehicle to E79 during the year. The agreed price was \$38,173 (excl GST) which was determined after researching prices of similar vehicles with similar mileage.

Transactions with Other Related Parties

There were no transactions with other related parties (2022: none).

15. AUDITORS' REMUNERATION

	30 June 2023	30 June 2022
	\$	\$
Amount received or due and receivable by BDO Australia:		
Audit and review of financial statements	42,415	43,735
Other services – taxation	10,300	27,765
	52,715	71,500

16. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Group does not have any material operating segments with discrete financial information. The Group does not have any customers and all its assets and liabilities are primarily related to the mineral exploration industry and are located within Australia. The Board of Directors review internal management reports on a regular basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 2023

17. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND INSTRUMENTS

Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

The Group's principal financial instruments comprise cash and short-term deposits. The main purpose of these financial instruments is to provide working capital for the Group's operations.

The Group has various other financial instruments such as receivables and trade creditors, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and credit risk. The Board reviews and agrees on policies for managing each of these risks and they are summarised below.

Liquidity Risk

The Group has no significant exposure to liquidity risk as there is effectively no debt. The Group manages liquidity risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

Interest Rate Risk

At reporting date, the Group's exposure to market risk for changes in interest rates relates primarily to the Group's short-term cash deposits. The Company constantly analyses its exposure to interest rates, with consideration given to potential renewal of existing positions, the mix of fixed and variable interest rates and the period to which deposits may be fixed.

At reporting date, the Company had the following financial assets exposed to variable interest rates:

	2023	2022
	\$	\$
Financial Assets:		
Cash and cash equivalents (interest-bearing accounts)	4,276,822	6,620,648
Receivables	30,717	30,000
Net exposure	4,306,993	6,650,648

There is no interest rate exposure on the Group's financial liabilities.

At 30 June 2023, if interest rates had increased by 3% from the year end variable rates with all other variables held constant, post tax loss for the Company would have been \$128,604 lower and equity higher (2022: changes of 0.5% \$33,524 higher). The 3% (2022: 0.5%) sensitivity is based on reasonably possible changes, over a financial year, using an observed range of historical RBA movements over the last three years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 2023

17. FINANCIAL RISK MANAGEMENT OBJECTIVES, POLICIES AND INSTRUMENTS - continued

Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group measures credit risk on a fair value basis.

Significant cash deposits are with institutions with a minimum credit rating of AA- (or equivalent) as determined by a reputable credit rating agency e.g. Standard & Poor.

The Group does not have any other significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics.

18. COMMITMENTS AND CONTINGENCIES

The Group has certain minimum exploration commitments to maintain its right of tenure to exploration permits. These commitments require estimates of the cost to perform exploration work required under these permits.

	2023 \$	2022 \$
Tenement Expenditure Commitments:		
The Group is required to maintain current rights of tenure to tenements, which require outlays of expenditure in 2023/2024. Under certain circumstances these commitments are subject to the possibility of adjustment to the amount and/or timing of such obligations, however, they are expected to be fulfilled in the normal course of operations.	798,000	639,000

The Company has no other commitments or contingent liabilities.

19. PARENT ENTITY INFORMATION

	Company	
	30 June 2023	30 June 2022
	\$	\$
Statement of Financial Position Information		
Current assets	4,386,194	6,660,181
Non-current assets	3,003,237	3,008,331
Current liabilities	(161,451)	(140,395)
Net Assets	<u>7,227,980</u>	<u>9,528,117</u>
Issued capital	20,739,459	19,357,014
Reserves	719,194	497,464
Accumulated losses	(14,230,673)	(10,326,361)
Total Equity	<u>7,227,980</u>	<u>9,528,117</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 2023

19. PARENT ENTITY INFORMATION – continued

	Company	
	30 June 2023	30 June 2022
	\$	\$
Profit or Loss information		
Profit/(loss) for the year	(3,904,312)	(2,878,542)
Comprehensive profit/(loss) for the year	<u>(3,904,312)</u>	<u>(2,878,542)</u>

Commitments and contingencies

There are no commitments or contingencies, including any guarantees entered into by E79 Gold Mines Limited on behalf of its subsidiaries.

Subsidiaries	Name of Controlled Entity	Class of Share	Place of Incorporation	30 June	30 June
				2023	2022
				% Held by Parent Entity	% Held by Parent Entity
	E79 Exploration Pty Ltd	Ordinary	Australia	100%	100%
	Hottub Pty Ltd (held 100% by E79 Exploration Pty Ltd)	Ordinary	Australia	100%	100%

20. EVENTS OCCURRING AFTER THE REPORTING PERIOD

There are no matters or circumstances that have arisen since 30 June 2023 that have or may significantly affect the operations, results, or state of affairs of the Group in future financial years.

DIRECTORS' DECLARATION

In the opinion of the Directors:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001, including:
- (i) giving a true and fair view of the Group's financial position at 30 June 2023 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (iii) complying with International Financial Reporting Standards (IFRS) as stated in note 1 of the financial statements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2023.

On behalf of the Board



Christopher Cairns
Non-Executive Chair
Perth, Western Australia
19 September 2023

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INDEPENDENT AUDITOR'S REPORT

To the members of E79 Gold Mines Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of E79 Gold Mines 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, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, 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:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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

Key audit matters

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

Carrying value of exploration and evaluation expenditure

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As disclosed in Note 9 to the Financial Report, the carrying value of capitalised exploration and evaluation expenditure represents a significant asset of the Group.</p> <p>Refer to Note 9 of the Financial Report for a description of the accounting policy and significant judgments applied to capitalised exploration and evaluation expenditure.</p> <p>In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources (“AASB 6”), the recoverability of exploration and evaluation expenditure requires significant judgment by management in determining whether there are any facts or circumstances that exist to suggest that the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date, which included obtaining and assessing supporting documentation such as license status records; • Considering the Group’s intention to carry out significant ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group’s exploration budgets, ASX announcements and directors’ minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Notes 1(iv) and 9 to the Financial Report.

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Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the 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 ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/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 25 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of E79 Gold Mines 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.

BDO Audit (WA) Pty Ltd



Dean Just

Director

Perth,

19 September 2023

ADDITIONAL SHAREHOLDER INFORMATION

Information as at 15 September 2023

a) Substantial Shareholders

Name	Number of Ordinary Shares per Notice given to E79 Gold Mines Limited
Peter Reynold Ironside	5,545,801
Benkari Group Pty Ltd	3,779,543

b) Shareholder Distribution Schedule

Size of Holding	Number of Shareholders	% Issued Share Capital
1 - 1,000	44	0.02
1,001 - 5,000	186	0.72
5,001 - 10,000	110	1.15
10,001 - 100,000	363	18.74
100,001 and over	154	79.37
Total	857	100%
Number of Shareholders holding less than a marketable parcel	266	

c) Voting Rights

- (i) at meetings of members entitled to vote each member may vote in person or by proxy or attorney, or in the case of a member which is a body corporate, by representative duly appointed under section 250D;
- (ii) on a show of hands every member entitled to vote and present in person or by proxy or attorney or representative duly authorised shall have one (1) vote;
- (iii) on a poll every member entitled to vote and present in person or by proxy or attorney or representative duly authorised shall have one (1) vote for each fully paid share of which he is the holder and in the case of contributing shares until fully paid shall have voting rights pro rata to the amount paid up or credited as paid up on each such share; and
- (iv) a member shall not be entitled to vote at general meeting or be reckoned in a quorum in respect of any shares upon which any call or other sum presently payable by him is unpaid.

ADDITIONAL SHAREHOLDER INFORMATION

d) Twenty Largest Shareholders – Quoted Ordinary Shares:

Name	Number of Quoted Ordinary Shares	% of Quoted Ordinary Shares
1 BENKARI GROUP PTY LTD <TIPARA INVESTMENTS A/C>	3,779,543	5.26%
2 SYRACUSE CAPITAL PTY LTD <TENACITY A/C>	2,791,176	3.88%
3 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,619,795	3.64%
4 6466 INVESTMENTS PTY LTD	1,733,724	2.41%
5 IRONSIDE PTY LTD <IRONSIDE SUPER FUND A/C>	1,448,218	2.01%
6 BERNE NO 132 NOMINEES PTY LTD <W 1253671 A/C>	1,162,664	1.62%
7 HUON PINE PTY LTD <HUON PINE INVESTMENT A/C>	1,138,480	1.58%
8 ALISSA BELLA PTY LTD <THE C&A TASSONE SF NO 2 A/C>	1,018,158	1.42%
9 KSLCORP PTY LTD	1,000,000	1.39%
10 REMBU PTY LTD <THE DONOHUE INVESTMENT A/C>	986,138	1.37%
11 MRS TRACY FRASER	977,976	1.36%
12 GASCOYNE RESOURCES LIMITED	925,925	1.29%
13 6466 INVESTMENTS PTY LTD	888,889	1.24%
14 PAYZONE PTY LTD <ST BARNABAS SUPER A/C>	788,889	1.10%
15 CITICORP NOMINEES PTY LIMITED	693,961	0.97%
16 MRS STELLA SAVVAS FATOUROS & MR CHRISTOS FATOUROS <EC&S FATOUROS S/F A/C>	691,666	0.96%
17 ATKINS SUPERANNUATION FUND PTY LTD <ATKINS SUPER A/C>	650,000	0.90%
18 MR WILLIAM HENRY HERNSTADT	572,333	0.80%
19 CLARKSON'S BOATHOUSE PTY LTD <CLARKSON SUPER FUND A/C>	555,555	0.77%
20 JAYLEAF HOLDINGS PTY LTD <POLLOCK INVESTMENT A/C>	550,000	0.77%
	24,973,090	34.74%
Total Quoted Ordinary Shares on Issue at 15 September 2023	71,890,129	100.00%
Total Unquoted (Escrowed) Shares on Issue at 15 September 2023	9,443,954	
Total Ordinary Shares on Issue at 15 September 2023	81,334,083	

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ADDITIONAL SHAREHOLDER INFORMATION

e) Shareholders – Unquoted (Escrowed) Ordinary Shares:

Name	Number of Unquoted (Escrowed) Ordinary Shares	% of Unquoted (Escrowed) Ordinary Shares
1 Goldwork Asset Pty Ltd <The Cairns Family A/C>	3,259,004	34.51%
2 Ironside Pty Ltd <Ironside Family A/C>	3,003,509	31.80%
3 Ironside Pty Ltd <Ironside Super Fund A/C>	624,554	6.61%
4 Rembu Pty Ltd <Donohue Super Fund A/C>	611,563	6.48%
5 Labonne Enterprises Pty Ltd <McIntyre Family A/C>	438,034	4.64%
6 Rembu Pty Ltd <The Donohue Investment A/C>	332,612	3.52%
7 Mr Roy Earle Ironside	209,101	2.21%
7 Ian Wallace Ironside	209,101	2.21%
8 Julian Goldsworthy & Deborah Lord <The Goldsworthy Family A/C>	125,440	1.33%
9 Goldwork Asset Pty Ltd <Cairns Family S/F A/C>	100,352	1.06%
10 Brave Heart Investments P/L	94,082	1.00%
11 John O'Connor <The O'Connor A/C>	94,080	1.00%
11 Market Watch Pty Ltd	94,080	1.00%
11 Mr Andrew Stewart Coles & Mrs Alexandra Constance Manook <Coles Family Super Fund A/C>	94,080	1.00%
11 Mr Bernard John McGuinness & Mrs Ann Geraldine McGuinness <McGuinness Super Fund A/C>	94,080	1.00%
12 Raw Power (Aust) Pty Ltd <Penkethman Family A/C>	41,814	0.44%
13 Goldwork Asset Pty Ltd <Cairns Family Super A/C>	17,329	0.18%
14 Labonne Enterprises Pty Ltd <P McIntyre Super Fund A/C>	1,139	0.01%
Total Unquoted (Escrowed) Shares on Issue at 15 September 2023	9,443,954	100%

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ADDITIONAL SHAREHOLDER INFORMATION

f) Unlisted Options Holders

Name	Options exercisable at \$0.27 each on or before 30/09/2023	Options exercisable at \$0.30 each on or before 30/09/2025	Options exercisable at \$0.32 each on or before 15/11/2023	Options exercisable at \$0.20 each on or before 30/11/2025
Goldwork Asset Pty Ltd <Cairns Family A/C>	250,000	250,000	-	
Ironside Pty Ltd <Ironside Family A/C>	250,000	250,000	-	500,000
Julian Goldsworthy & Deborah Lord	250,000	250,000	-	500,000
Mrs Amanda Grace Sparks	250,000	250,000	-	-
Mr Edward Summerhayes	500,000	500,000	-	
Benkari Group Pty Ltd <Tipara Investments A/C>	250,000	250,000	-	
Zenix Nominees Pty Ltd	500,000	1,000,000	-	
Mr Christopher John Cairns Issued under E79 Gold's Employee Incentive Plan in 2022 (2 holders)	-	-	120,000	
Issued under E79 Gold's Employee Incentive Plan in 2023 (6 holders)				2,200,000
Total Options	2,250,000	2,750,000	120,000	3,700,000

g) Escrowed Securities

Category	Number	ASX or Voluntary	End of Escrow Period
Shares	9,443,954	ASX	7 October 2023
Unlisted Options (27 cents)	2,250,000	ASX	7 October 2023
Unlisted Options (30 cents)	2,750,000	ASX	7 October 2023

h) Use of Funds Statement Pursuant to Listing Rule 4.10.19

Between the date of the Company's admission to the official list of the ASX on 7 October 2021 and the end of the reporting period on 30 June 2023, the Company used its cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.

TENEMENT SCHEDULE – as at 18 September 2023

Lease	Location (Western Australia)	Area (km2)	Status	% Interest
Murchison Project				
E 51/1975	Jungar Flats	211.3	LIVE	100
E 51/1803#	Jungar Flats	55.1	LIVE	100
E 20/0926	Jungar Flats	12.2	LIVE	100
E 51/1848	Jungar Flats	21.4	LIVE	100
E51/2122	Jungar Flats	82.5	LIVE	100
E51/1681	Jungar Flats	122.4	LIVE	100*
E 51/2173	Jungar Flats	62.3	PENDING	100^
E 51/2174	Jungar Flats	131.7	PENDING	100^
Laverton South Project				
E28/2659#	Lake Yindana	124.1	LIVE	100
E28/3239	Lake Yindana	8.9	LIVE	100
E 31/1082	Pinjin	20.8	LIVE	100
E 31/1005	Pinjin	5.9	LIVE	100
E 31/1056	Pinjin	65.2	LIVE	100
E 28/2375	Pinjin	32.6	LIVE	100
E 28/2283	Pinjin	3.0	LIVE	100
E 28/2284	Pinjin	5.9	LIVE	100
E 31/1007	Pinjin	3.0	LIVE	100
E 31/0999	Pinjin	3.0	LIVE	100
Mount Gibson Project				
E59/2772	Mt Gibson	47.7	PENDING	100^

*E79 Gold holds mineral rights (excluding iron rights)

^ Tenements under application

#Underwent standard 40% reduction after the end of the year

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