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ACN: 629 672 144

Annual Report
For the Year Ended 30 June 2023



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Corporate Directory

Directors Hon Adam Giles | *Non-Executive Chairman*
Mr Stephen Woodham | *Managing Director*
Mr Stephen Brockhurst | *Non-Executive Director*

Company Secretary Mr Alan Armstrong

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Perth Western Australia 6000

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Auditors Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
Subiaco Western Australia 6008

Bankers National Australia Bank Limited
Ground Floor, 100 St Georges Terrace
Perth Western Australia 6000

Share Register Computershare Investor Services Pty Limited
Level 17, 221 St Georges Terrace
Perth Western Australia 6000

Stock Exchange Listing Australian Securities Exchange ('ASX')
ASX code: LKY

ACN 629 672 144

Website www.locksleyresources.com.au



Directors' Report (continued)

Directors' Report

The Directors present their report together with the financial statements of Locksley Resources Limited (referred to hereafter as 'Locksley' or the 'Company') for the financial year ended 30 June 2023.

Directors

The following persons were directors of Locksley during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Hon Adam Giles | Non-Executive Chairman | Appointed 29 October 2018
- Mr Stephen Woodham | Managing Director | Appointed 29 October 2018
- Mr Stephen Brockhurst | Non-Executive Director | Appointed 29 October 2018

Principal Activity

The principal activity of the Company during the financial year was the evaluation of resource projects.

Operating Results

The operating result of the Company for the financial year was a loss of \$1,500,283 (2022: \$2,754,968). The net assets of the Company for the financial year ended 30 June 2023 amount to \$6,848,908 (2022: net assets \$6,582,054).

Risk Management

The Company aims to identify material risks and manage these effectively. The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, unpredictable and the extent to which the Board can effectively manage them is limited.

The following section is a non-exhaustive list of risks faced by the Company and investors, are not in order of importance or significance and actual events may differ from those described.

Exploration and development

The future value of the Company will depend on its ability to find and develop resources that are economically recoverable. Mineral exploration and development is a speculative undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things; discovery and proving-up an economically recoverable resource or reserve, access to adequate capital throughout the project development phases, securing and maintaining title to mineral exploration projects, obtaining required development consents and approvals and accessing the necessary experienced operational staff, the financial management, skilled contractors, consultants and employees.

The Company is entirely dependent upon its projects, which are the sole potential source of future revenue, and any adverse development affecting these projects would have a material adverse effect on the Company, its business, prospects, results of operations and financial condition.



Directors' Report (continued)

Economic Conditions

Factors such as (but not limited to) political movements, stock market fluctuations, interest rates, inflation levels, commodity prices, foreign exchange rates, industrial disruption, taxation changes and legislative or regulatory changes, may all have an adverse impact on operating costs, the value of the Company's projects, the profit margins from any potential development and the Company's share price.

Reliance on key personnel

The Company's success is to a large extent dependent upon the retention of key personnel and the competencies of its directors, senior management, and personnel. The loss of one or more of the directors or senior management could have an adverse effect on the Company's. There is no assurance that engagement contracts for members of the senior management team personnel will not be terminated or will be renewed on their expiry. If such contracts were terminated, or if members of the senior management team were otherwise no longer able to continue in their role, the Company would need to replace them which may not be possible if suitable candidates are not available.

Future funding risk

Continued exploration and evaluation is dependent on the Company being able to secure future funding from equity markets. The successful development of a mining project will depend on the capacity to raise funds from equity and debt markets. The Company will need to undertake equity/debt raisings for continued exploration and evaluation. There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Company's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Company.

Unforeseen expenditure risk

Exploration and evaluation expenditures and development expenditures may increase significantly above existing projected costs. Although the Company is not currently aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company and its proposed business plans.

Environmental, weather & climate change

The highest priority climate related risks include reduced water availability, extreme weather events, changes to legislation and regulation, reputational risk, and technological and market changes. Mining and exploration activities have inherent risks and liabilities associated with safety and damage to the environment, including the disposal of waste products occurring as a result of mineral exploration and production, giving rise to potentially substantial costs for environmental rehabilitation, damage control and losses. Delays in obtaining approvals of additional remediation costs could affect profitable development of resources.

Tenure and Access risk

While the Company does not anticipate there to be any issues with the grant or renewals of its tenements, there can be no assurance that the application (or future applications) will be granted. Mining and exploration licences are subject to periodic renewal. The renewal of the term of granted tenure is subject to the discretion of the relevant authorities. Renewal conditions may include



Directors' Report (continued)

increased expenditure or obligations on the Company or compulsory relinquishment of areas of the tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

The Company's tenements may overlap third party interests or private property that may limit the Company's ability to conduct exploration and mining activities. Where the Project overlaps private land, exploration and mining activity on the Project may require authorisation or consent from owners of the land. Restrictions or inability to access the Company's tenements adversely affect the operations, financial position and/or performance of the Company.

Review of Operations

TOTTENHAM PROJECT

Helicopter Borne Transient Electromagnetic Survey

A 1066.2 line km helicopter borne magnetic and electromagnetic, (HeliTEM), survey was completed over parts of EL6592, EL9307 and all of EL8384 by Xcalibur Multiphysics. Electromagnetic, (EM). Aims of the survey were:

- To explore the area under cover between the Tottenham deposits and the CZ Deposit;
- To explore the area in the core of the Orange Plains Anticline about the Lacey's Tank copper occurrence;
- To have additional data over previously identified anomalies in the Orange Plains – Effies Ace – Jimmy Woodser areas;
- To provide further data on untested anomalies in the Ace Mine and Underlay Mine areas;

The HeliTEM results indicated that for parts of EL9307 and EL8384 the overburden is too conductive to allow the anomalies from moderate basement conductors to be discriminated from the strong and highly variable overburden response. The strength of the overburden response is related to saline groundwater as suggested by water bore data from the NSW Office of Water.

The survey generated 10 Priority one (1) and 15 Priority two (2) targets. Most of these are on the Underlay, Effies Ace and Jimmy Woodser trends. Outside of this area, anomalies at Lacey's Tank represent the greatest likelihood of bedrock conductors. The location of these anomalies is shown in "Figure 1" below. *For further details see ASX: LKY 26/9/2022.*



Directors' Report (continued)

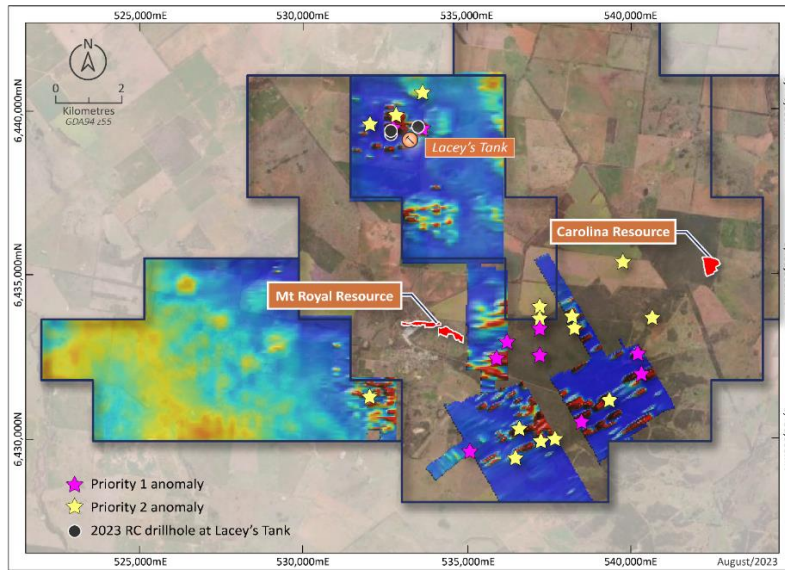


Figure 1: Tottenham Project – Historic drillholes and ranked HeliTEM² anomalies in the Tottenham area with current resources shown in orange.

Rock Sampling

September 2022 Programme

Results were received for 46 rock samples from EL6592 and EL6656. Anomalous to ore grade results were returned from several areas. *For further details see ASX: LKY 12/9/2022.*

Burdenda

The Burdenda Prospect is located on EL6656. Outcrop is very sparse on this licence with sampling largely restricted to excavated material from farm dams and grain pits. 11 samples of metasediment and residual quartz lag were assayed with no anomalous results.

Orange Plains Mine

Previously, a single scout sample of ferruginised psammite float from ~270m north of the Orange Plains core yard returned anomalous values of 0.22ppm Au, 8ppm Ag, 326ppm Cu, 28ppm Mo. This area is well into the footwall of the Orange Plains deposit, in an area of no previous work. An additional 10 samples were collected from this area with several low-level anomalous results for Ag, Au, Cu, Fe, Mo and Zn. Best values include 0.15 ppm Au, 1ppm Ag, 0.19% Cu, 17ppm Mo, 371ppm Zn.

Jimmy Woodser Mine – Crystal Shaft

At Jimmy Woodser recent clearing has allowed quartz – magnetite rocks and minor gossan to be traced for 900m to the NNE from the old workings. This zone is up dip of a historic EM conductor plate that is intended to be tested by drilling. Three (3) areas of anomalous samples were detected:

- i. South shaft area with values to 0.38ppm Au, 2ppm Ag, 0.81% Cu, 0.15% Zn
- ii. North Shaft (Main Shaft) area with values to 0.42ppm Au, 3ppm Ag, 1.13% Cu, 0.16% Zn
- iii. A former railway cutting with values to 0.14ppm Au, 0.51% Cu, 0.12% Zn



Directors' Report (continued)

Six (6) additional samples were collected further to the northeast in the vicinity of Crystal Shaft which is a collapsed prospecting shaft in quartz veined mafic schist. No significant values were returned.

Effies Ace Mine

At Effies Ace, multiple shafts, pits and costeans trace a gossan horizon for ~800m before being obscured by cover to both the east and west. Ore grade copper results were previously returned from multiple samples with values to 2.2% Cu. Gold values were consistently in the range of 0.5ppm Au to 1.4ppm Au. The rock chips outline 2 separate mineralised horizons at surface. An additional 12 samples were collected that extend the mineralised horizons to the east with values up to 4ppm Ag, 1.05ppm Au, 3.75% Cu, 76ppm Mo, 0.12% Zn.

Carolina Deposit

Seven (7) samples were collected to the west of the Carolina Deposit to examine historic VTEM and IP anomalism footwall to the Carolina resource. Outcrop was sparse with metasediment and metabasalt located. A small gossan occurrence returned anomalous values of 0.27ppm Au, 2ppm Ag, 883ppm Cu in an area of no previous drilling.

December 2022 Programme

Results were received for 71 rock samples, collected from a variety of areas about Tottenham. Much of this work was done on foot when vehicle access was not possible. Anomalous to ore grade values were returned from several areas. *For further details see ASX: LKY 5/1/2023.*

Burdenda - Hunts Road

Two (2) lag samples were collected close to the Burdenda Prospect with no anomalous results. Most of this area is under transported cover with historic hole TMAC003 returning 14m @ 0.3% Cu. (ASX MCR Quarterly Report 23/10/2012). Three (3) samples were collected along Hunts Road close to a historic anomalous sample. No anomalous values were returned.

Bogan River

Two (2) samples of reverberatory furnace slag were sampled at the Bogan River Mine. These returned higher than expected values up to 0.7ppm Au, 8ppm Ag, 1.53% Cu, and 2% S.

Bogan Way

Three (3) samples collected from road cuttings, along the Bogan Way, of intensely folded psammite with no anomalous results.

Laceys Tank

16 rock samples were collected about the Lacey's Tank Prospect in an area of sporadic and limited exposure. A series of prospecting pits were located that agree with historic descriptions. These are approximately 600m from the supposed location in government data sets and are close to anomalies identified in the recent helicopter borne electromagnetic (EM), survey. The samples show a WSW-ENE trending mineralised fault zone with quartz veining and gossan that is traceable for over 200m at



Directors' Report (continued)

surface. The mineralisation post-dates regional deformation and metamorphism and is of a different style to the main Tottenham deposits. The setting and style are similar to the Iron Duke Deposit. Samples are anomalous in Au (to 0.38ppm), and Cu (to 0.18%). Elevated values are also present for Ag, As, Bi, In, Mo, Sb, Sn, Zn. The Lacey's Tank area has had minimal historic exploration with no previous drilling.

Jimmy Woodser

14 samples were collected to the south and west of the Jimmy Woodser Mine. These samples were collected as reconnaissance about a helicopter borne EM anomaly, (see ASX LKY announcement 26/9/2022). Gossanous psammite from a prospecting pit returned elevated values of 0.14ppm Au, 0.08% Cu, 0.05% Zn. This work adds to previous Locksley sampling and historic sampling by Mincor Resources (see ASX LKY announcement 12/9/2022). Of particular interest are anomalous copper results along strike to the WSW of the Jimmy Woodser Mine.

Railway Forest

Four (4) samples were collected between the Bogan Way and the Tottenham Branch Railway, over EM response RF4. Banded quartz-magnetite rocks present with values to 0.06%Cu, 0.06% Zn. Nearby historic Mincor Resources samples assay up to 0.24% Cu, 0.37ppm Au.

Underlay Mine - Nelson Mine

26 samples were collected in the general vicinity of the Underlay and Nelson Mines. Anomalous to ore grade results were reported in several places:

- Nelson Mine, west shaft. Up to 1.68% Cu, 0.38ppm Au, 0.12% Zn
- Nelson Mine, east shaft. Up to 1.97% Cu, 1.82ppm Au, 4ppm Ag, 0.12% Zn
- 400m WNW of the Underlay Mine, 0.24% Cu.

Historic Drilling

19 historic drill holes, for over 2600m of drilling, from the Tottenham Project are stored at the W B Clarke Geoscience Centre (NSW Core Library) at Londonderry in western Sydney. Two diamond drill holes from the Nelson Mine area, (N-DDH2, NL1), were logged and sampled. Historically both holes report intervals of moderate grade results with values to 2.39ppm Au, 21ppm Ag, 0.49% Cu, 0.19% Zn. Both holes are dominated by metabasalt and meta-volcaniclastics with a distinct high magnetite horizon in each hole. The dominance of mafic rocks in this area indicates a volcanic centre with increased prospectivity for sulphide deposits. Insufficient sample remained to resample the main mineralised areas and no significant results were reported from additional sampling. All archived holes from the Tottenham Project have now been reassessed.

Over 10,000m of previous diamond drilling is stored at the Orange Plains field camp in Tottenham. Many of these holes contain unsampled intervals of mineralisation. Two diamond drill holes, (TMD023, TMD024), were relogged. TMD023 was drilled in 2011 by Mincor Resources at the Jimmy Woodser Mine to test for plunge extensions to the south. Only moderate mineralisation was observed in two zones. It is now thought that mineralisation plunges to the east and TMD023 has drilled below



Directors' Report (continued)

the main mineralised trend. TMD024 was drilled in 2011 by Mincor Resources at the Underlay Mine to test for depth extensions to the southeast. Only weak mineralisation was observed.

WATSONS CREEK PROJECT (EL9400)

The Watsons Creek Project is located 15km north-west of the town of Bendemeer in northern NSW. The Watson's Creek alluvial cassiterite deposit commences at the foot of Giant's Den Hill and has been intensively exploited for at least 3km downstream, including the use of floating dredges. Previous mining has located concentrations of alluvial tin for a further 12km downstream until Watson's Creek joins the MacDonald River. The Watson's Creek alluvial deposits grade into eluvial deposits on the flank of Giant's Den Hill and are sourced from the Giants Den Greisen. The Giant's Den mineralisation occurs as cassiterite in sheeted quartz-greisen veins, over an area of 400m x 600m. Greisen veins have been exploited to a depth of

~30m. Alluvial tin has also been exploited in Giants Den Creek which drains to the south of the Giants Den Greisen. Alluvial tin production is reported from Fish Creek, 6km to the ESE of Giant's Den. This area is in a separate drainage to the Giant's Den greisen and the source of the tin has not been identified. Work during the financial year was restricted to data review, compilation and determining areas of interest for field investigation.

REVERSE CIRCULATION (RC) DRILLING PROGRAM AT TOTTENHAM

First two (2) Quarters of 2023

18 RC drillholes for a total of 3,267 metres targeting five prospect areas (Table 1, Figure 2) were completed. The drilling was designed to predominantly focus on testing EM anomalies with the potential of identifying new discoveries. Eight (8) RC holes were designed to extend the current Inferred JORC Mineral Resource, at Mount Royal to Orange Plains Deposits located within exploration licence EL6592.

Drillholes targeting the Chris Watson prospect were designed to test the eastern margin of a major historic EM anomaly that potentially represents an additional ore shoot to the Mount Royal – Orange Plains resource.

PROSPECT AREA	HOLE TYPE	HOLE NUMBER RANGE	No. HOLES	RC METRES
Orange Plains	RC	TORC029-031, 039	4	786
Chris Watson	RC	TORC032, 036-038	4	1170
Bogan River	RC	TORC033-035	3	105
Jimmy Woodser	RC	JWRC001-004	4	648
Laceys Tank	RC	LTRC001-003	3	558
TOTAL			18	3,267

Table 1: Tottenham Project – Summary drilling table



Directors' Report (continued)

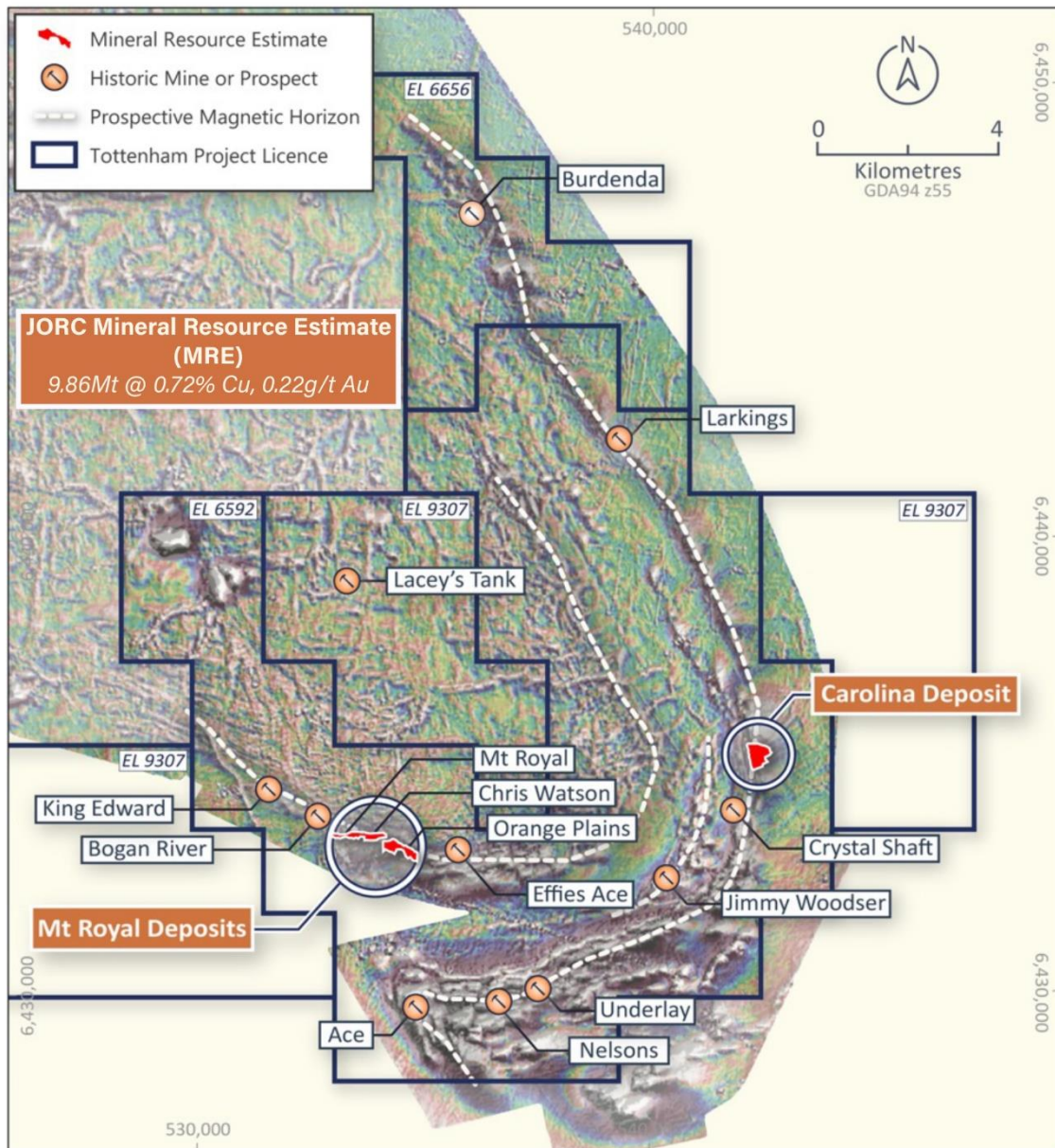


Figure 2: Tottenham Project Overview on Airborne Magnetism RTP Image

The assay results for the drilling program were announced to the market, via ASX:LKY announcement on 21 August 2023.

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Directors' Report (continued)

MOJAVE PROJECT

Locksley Resources Limited was presented with the opportunity to acquire 100% of the issued capital of Enigma Strategic Minerals Holdings Pty Ltd (“ESM”) which, through its wholly owned subsidiaries, owned 201 mineral claims making up the North Block and South Block of the Mojave Project located in the Mojave Desert, California, USA and also took the option to acquire an additional five (5) mineral claims making up the El Campo Prospect area (see Figure 3).

The El Campo Prospect has produced high grade samples with five of the twenty-five rock-chip samples collected, returning TREO results with assays up to 9.49%. These samples were collected from outcrops of syenite, shonkinite and carbonatite comprising a six-meter-wide mineralised zone.

As a consequence, Locksley Resources Limited (ASX:LKY) (“Locksley” or “the Company”) was pleased to announce on the 28th August 2023 that it had successfully completed the acquisition of the highly prospective rare-earth elements (REE) exploration project.

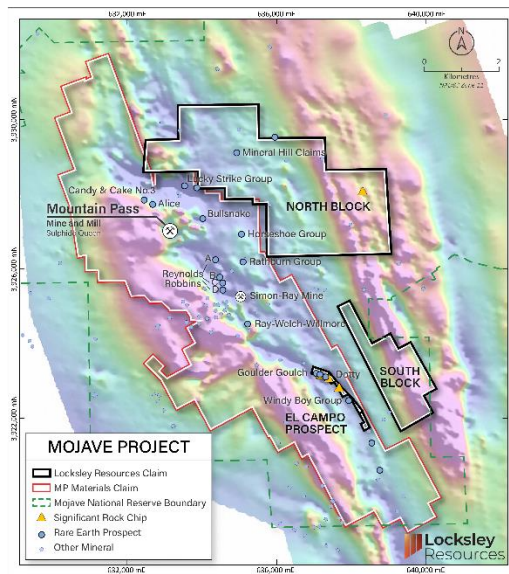


Figure 3. MOJAVE PROJECT – Location of the Mojave Project Prospects relative to MP Materials Mountain Pass Mine and Claims. Background = Regional RTP magnetics

The key terms of the acquisition are set out in the announcement dated 15 June 2023.



Directors' Report (continued)

Compliance Statements Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of the Company. Actual values, results or events may be materially different to those expressed or implied in this document. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. No representation is made that, in relation to the tenements the subject of this presentation, the Company has now or will at any time the future develop resources or reserves within the meaning of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves.

Competent Persons

The information in this document that relates to exploration targets, exploration results, mineral resources or ore reserves is based on information compiled by David Ward BSc, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AUSIMM), (Member 228604). David Ward is a shareholder of Locksley Resources Ltd. David Ward has over 25 years of experience in metallic minerals mining, exploration and development and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaking to qualify as a 'Competent Person' as defined under the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ward consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The Competent Person for the Tottenham Project 2022 Resource is Mr Jeremy Peters FAusIMM CP(Geo, Min), a Director of Burnt Shirt Pty Ltd. The Mineral Resource estimate is stated in accordance with the provisions of the JORC Code (2012). Mr Peters has more than five years' experience in the estimation and reporting of Mineral Resources for base metals mineralisation in Australia and overseas, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Peters consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

Significant Changes in State of Affairs

Other than those disclosed in this annual report, no significant changes in the state of affairs of the Company occurred during the financial year.

Significant Changes in State of Affairs

Other than those disclosed in this annual report, no significant changes in the state of affairs of the Company occurred during the financial year.

Events after Reporting Date

On 21 August 2023 the Company issued 49,166,669 ordinary shares at an issue price of \$0.06 per share as part of the Placement announced to ASX on 15 June 2023.



Directors' Report (continued)

On 28 August 2023 the Company announced that it had completed the acquisition of the Mojave REE Project through the acquisition of 100% of the issued capital of Enigma Strategic Minerals Pty Ltd ("ESM"). In consideration for the acquisition the Company issued 10,000,000 ordinary shares, 5,000,000 unlisted options exercisable at \$0.10 on or before 30 March 2026 and 30,000,000 Performance Rights to the vendors of ESM. The Company also paid \$500,000 to the vendors of ESM in reimbursement of historical expenditure incurred on the Enigma Project.

On 29 August 2023 the Company issued 1,200,000 unlisted options exercisable at \$0.10 and expiring on 30 March 2026 to employees pursuant to the Company's employee incentive scheme.

On 29 August 2023 the Company issued 3,500,000 unlisted options exercisable at \$0.10 and expiring on 30 March 2026 and 1,000,000 Class B Performance Rights to Directors which expire on 29 August 2026.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Information on Directors

The names of directors who held office during the whole of the financial year and up to the date of this report are as follows. Directors were in office for this entire year unless otherwise stated.

- **Hon Adam Giles**

Non-Executive Chairman

Adam was the 10th Chief Minister of the Northern Territory and held office from 2013 until 2016. During his political career Adam held the portfolios of Northern Australia, Major Projects, Economic Development, Indigenous Affairs, Transport and Infrastructure and Treasury. Prior to politics, Adam had a long career in the Indigenous affairs, housing, training and employment sectors and previously worked as a social and economic policy adviser in the Department of Prime Minister and Cabinet and led Indigenous Economic Policy for the Australian Government. Adam now provides consultancy advice on agriculture and mining, politics, media, Indigenous policy and employment and training.

Directorships of other ASX listed companies in the last 3 years	Nil
Interest in securities	1,280,000 Ordinary Fully Paid Shares 1,000,000 Unlisted Options exercisable at \$0.25 on or before 31 March 2024 500,000 Unlisted Options exercisable at \$0.10 on or before 30 March 2026



Directors' Report (continued)

- **Mr Stephen Woodham**
Managing Director

Mr Woodham has over 15 years' experience in the mining and exploration industry in Western Australia and New South Wales. His area of specialisation includes field logistics and support and land access in rural and remote environments. He also has an extensive track record of tenement acquisition, mining investment and commercial and cross-cultural negotiation. Mr Woodham was a founding director of Centaurus Resources, Kingwest Resources and managing director of Tellus Resources.

Directorships of other ASX listed companies in the last 3 years	Coolabah Metals Ltd (28 July 2021 – Present)
Interest in securities	2,667,893 Ordinary Fully Paid Shares 2,000,000 Unlisted Options exercisable at \$0.25 on or before 31 March 2024 2,000,000 Unlisted Options exercisable at \$0.10 on or before 30 March 2026 1,000,000 Class B Performance Rights

- **Mr Stephen Brockhurst**
Non-Executive Director

Mr Brockhurst is the founding director of Mining Corporate Pty Ltd and has over 15 years' experience in the finance and corporate advisory industry and has been responsible for the preparation of the due diligence process and prospectuses on a number of initial public offers. His experience includes corporate and capital structuring, corporate advisory and company secretarial services, capital raising, ASX and ASIC compliance requirements.

Directorships of other ASX listed companies in the last 3 years	- Kingwest Resources Ltd (13 March 2018 to 1 July 2021) - Estrella Resources Ltd (3 April 2017 – 4 April 2022) - Firetail Resources Ltd (10 November 2021 – 5 April 2023) - Nelson Resources Ltd (since 1 February 2019)
Interest in securities	1,375,001 Ordinary Fully Paid Shares 1,000,000 Unlisted Options exercisable at \$0.25 on or before 31 March 2024 1,000,000 Unlisted Options exercisable at \$0.10 on or before 30 March 2026

Company Secretary

Mr Alan Armstrong is an experienced director and company secretary with a demonstrated history of working in the mining and metals industry. He has strong business development professional experience, holds a Grad Dip CA from The Institute of Chartered Accountants Australia and is a member of the Australian Institute of Company Directors.



Directors' Report (continued)

Meetings of Directors

The number of Directors' meetings and the number of meetings attended by each of the Directors of the Company for the time the Director held office during the financial year are as follows:

Director	Number Eligible to Attend	Number Attended
Hon Adam Giles	5	5
Mr Stephen Woodham	5	5
Mr Stephen Brockhurst	5	5

Remuneration Report (Audited)

This report outlines the remuneration arrangements in place for the Directors of Locksley Resources Limited in accordance with the requirements of the Corporation Act 2001 and its Regulations. For the purpose of this report, Key Management Personnel ('KMP') of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Details of Key Management Personnel and their service agreements are as follows:

- Hon Adam Giles - Non-Executive Chairman
 - Base Chairman fee of \$60,000 plus superannuation per annum; and
 - Terms of agreement – no fixed term.
- Mr Stephen Woodham - Managing Director
 - Base salary of \$195,000 plus superannuation per annum;
 - Motor vehicle allowance of \$30,000 per annum; and
 - Executive service employment agreement – no fixed term.
- Mr Stephen Brockhurst - Non-Executive Director
 - Base director's fee of \$48,000 plus superannuation per annum; and
 - Terms of agreement – no fixed term.
- Ian Cooper – Operations Manager
 - Daily consulting rate – \$770 plus superannuation; and
 - Terms of agreement – no fixed term.

Remuneration Policy

The Board, in capacity as a Remuneration Committee, is responsible for determining and reviewing remuneration compensation arrangements for the Executive and Non-Executive Directors. The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions and individual's experience and qualifications with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The Company does not directly link the nature and amount of the emoluments of such officers to the Company's financial or operational performance. The expected outcome of the remuneration policy is to attract and retain



Directors' Report (continued)

the best executives and directors to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

As part of its Corporate Governance Policies and Procedures, the Board has adopted a formal Remuneration Committee Charter. The rewards for Directors' have no set or pre-determined performance conditions or key performance indicators as part of their remuneration due to the current nature of the business operations. The Remuneration Committee determines appropriate levels of performance rewards as and when they consider rewards are warranted.

Directors' Fees

The Company's Constitution provides that the remuneration of Directors will not be more than the aggregate fixed sum per annum as may be determined by a general meeting. This amount of the aggregate fixed sum may only be increased with the approval of shareholders at a general meeting. Fees for Non-Executive Directors are not dependant on the satisfaction of performance conditions. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in the employee incentive plan.

Directors are entitled to be paid all travelling, accommodation and other expenses incurred in consequence of their attendance at meetings of Directors and otherwise in the execution of their duties as Directors. A Director may also be paid additional amounts as fees or as the Directors determine where a Director performs extra services or makes any special exertions, which in the option of the Directors are outside the scope of the ordinary duties of a Director.

The remuneration for each Key Management Personnel of the Company during the financial years ended 30 June 2023 and 30 June 2022 are as follows:

Key Management Personnel	Year	Short-Term Benefits	Post-Employment Benefits	Other Benefits	Total
		Cash Salary and Fees	Super-annuation	Allowances	
Directors		\$	\$	\$	\$
Hon Adam Giles	2023	48,000	5,055	-	53,055
	2022	58,871	5,912	-	64,783
Mr Stephen Woodham ¹	2023	141,250	14,881	27,500	183,631
	2022	191,331	19,214	29,435	239,980
Mr Stephen Brockhurst ²	2023	41,600	-	-	41,600
	2022	52,000	-	-	52,000
Management					
Ian Cooper	2023	179,156	17,883	-	197,039
	2022	264,495	26,530	-	291,025
Total	2023³	410,006	37,819	27,500	475,325
	2022	566,697	51,656	29,435	647,788



Directors' Report (continued)

Notes:

- 1) Mr Woodham is entitled to an allowance per his employment agreement for the use of a motor vehicle suitable for field work and other general use.
- 2) Excludes services provided by Mining Corporate Pty Ltd of which Mr Brockhurst is a Director.
- 3) During the 2023 financial year the Directors temporarily reduced their salaries with which to conserve cash.

Given the nature of the Company's present activity, no remuneration is performance related.

Number of Shares held by Key Management Personnel as at 30 June 2023

Key Management Personnel	Net Change During		30 June 2023
	1 July 2022	the Year	
Directors			
Hon Adam Giles	1,000,000	280,000	1,280,000
Mr Stephen Woodham	2,000,000	667,893	2,667,893
Mr Stephen Brockhurst	1,000,001	375,000	1,375,001
Management			
Ian Cooper	250,000	125,000	375,000
Total	4,250,001	1,447,893	5,697,894

Number of Options held by Key Management Personnel as at 30 June 2023

Key Management Personnel	Net Change During		30 June 2023
	1 July 2022	the Year	
Directors			
Hon Adam Giles	1,000,000	-	1,000,000
Mr Stephen Woodham	2,000,000	-	2,000,000
Mr Stephen Brockhurst	1,000,000	-	1,000,000
Management			
Ian Cooper	-	-	-
Total	4,000,000	-	4,000,000



Directors' Report (continued)

Other Transactions with Key Management Personnel

During the year ended 30 June 2023, fees of \$142,935 (2022: \$138,560) were paid or due to be paid to Mining Corporate Pty Ltd, a company of which Mr Brockhurst is a Director of, for company secretarial, accounting and bookkeeping services.

During the 2022 financial year \$23,660 was paid to Locksley Holdings Pty Ltd for motor vehicle and trailer rentals, a company of which Mr Woodham is a Director of.

There were no further transactions with KMPs including their related parties other than those disclosed above.

All transactions were made on normal commercial terms and conditions and at market rates.

End of Remuneration Report (Audited)



Directors' Report (continued)

Shares under Option

At the date of this report, Locksley Resources Limited has the following ordinary shares under option that have been issued to Directors:

	Expiry Date	Exercise Price	Number under Option
Unlisted Options	31 March 2024	\$0.25	4,000,000
Total			4,000,000

Dividends

No dividends have been paid, and the Directors do not recommend the payment of a dividend for the financial year ended 30 June 2023.

Environmental Regulation

The Directors are mindful of the regulatory regime in relation to the impact of the Company's activities on the environment. There have been no known breaches of any environmental regulation by the Company during the financial year.

Future Developments

Further information, other than as disclosed this report, about likely developments in the operations of the Company and the expected results of those operations in future periods, has not been included in this report as disclosure of this information would be likely to result in unreasonable prejudice to the Company.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors support, and adhere to, good corporate governance practices. Refer to the Company's Corporate Governance Statement at: <https://locksleyresources.com.au/corporate-governance>

Indemnification and Insurance of Officers

The Company has entered into deeds of indemnity with each Director whereby, to the extent permitted by the Corporations Act 2001, the Company agreed to indemnify each director against all loss and liability incurred as an officer of the Company, including all liability in defending any relevant proceedings.

The Company paid insurance premiums in respect of Directors' and Officers' Liability Insurance contracts for current officers of the Company. The liabilities insured are damages and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company. The total amount of insurance premiums paid has not been disclosed due to confidentiality reasons.

Indemnity and Insurance of Auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.



Directors' Report (continued)

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company or any part of those proceedings.

Officers of Locksley who are Former Partners of Hall Chadwick WA Audit Pty Ltd

There are no officers of the Company who are former partners of Hall Chadwick WA Audit Pty Ltd.

Non-Audit Services

During this financial year, no fees were paid to Hall Chadwick WA Audit Pty Ltd for non-audit services.

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, Hall Chadwick WA Audit Pty Ltd to provide the Directors of the Company with an Independence Declaration in relation to the audit of this financial report. The Directors have received the Independence Declaration which has been included within this financial report.

Signed in accordance with a resolution of the Directors.

Hon Adam Giles

Non-Executive Chairman

Dated this 26th day of September 2023

To the Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

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

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

Yours Faithfully,



HALL CHADWICK WA AUDIT PTY LTD



D M BELL CA
Director

Dated this 26th day of September 2023
Perth, Western Australia

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

	Notes	2023 \$	2022 \$
Revenue		66,540	42,005
Expenses			
Exploration and evaluation expenses		(609,621)	(1,668,343)
Administration and other expenses		(635,730)	(701,358)
Depreciation and amortisation		(69,472)	(68,182)
Consulting fees		(83,325)	(221,527)
Directors' fees	15	(41,600)	(52,000)
Legal expenses		(43,242)	(14,846)
Travel expenses		(81,794)	(67,002)
Total expenses		(1,564,784)	(2,793,258)
Finance costs		(2,039)	(3,715)
Loss before income tax		(1,500,283)	(2,754,968)
Income tax expense	4	-	-
Net loss for the year		(1,500,283)	(2,754,968)
Other comprehensive income, net of income tax		-	-
Total comprehensive loss for the year		(1,500,283)	(2,754,968)
Basic and diluted loss per share (cents per share)	17	(2.49)	(4.99)

The accompanying notes form part of these financial statements.



Statement of Financial Position

As at 30 June 2023

	Notes	2023 \$	2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	2,272,641	1,905,730
Trade and other receivables	6	125,383	579,999
Prepayments	7	25,810	851
Total Current Assets		2,423,834	2,486,580
Non-Current Assets			
Exploration expenditure	8	4,574,500	4,574,500
Property, plant and equipment	9	155,842	174,397
Right-of-use asset	10	29,702	80,618
Total Non-Current Assets		4,760,044	4,829,515
Total Assets		7,183,878	7,316,095
LIABILITIES			
Current Liabilities			
Trade and other payables	11	303,466	653,051
Borrowings	12	1,805	1,805
Lease liabilities	10	29,699	49,486
Total Current Liabilities		334,970	704,342
Non-Current Liabilities			
Lease liabilities	10	-	29,699
Total Non-Current Liabilities		-	29,699
Total Liabilities		334,970	734,041
Net Assets		6,848,908	6,582,054
EQUITY			
Issued capital	13	11,064,438	9,297,301
Reserves	14	574,500	574,500
Accumulated losses		(4,790,030)	(3,289,747)
Total Equity		6,848,908	6,582,054

The accompanying notes form part of these financial statements.



Statement of Cash Flows

For the Year Ended 30 June 2023

	Notes	2023 \$	2022 \$
Cash flows from operating activities			
Payments to suppliers and employees		(664,840)	(1,123,565)
Payments for exploration and evaluation expenditure		(813,272)	(1,565,142)
Other income		65,440	26,500
Interest received		-	5
Interest paid		(2,233)	(3,715)
Net cash used in operating activities	5	(1,414,905)	(2,665,917)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(146,872)
Net cash used in investing activities		-	(146,872)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		1,890,000	781,500
Payment for capital raising costs		(58,699)	(305,000)
Repayment of lease liabilities		(49,485)	(46,920)
Net cash from financing activities		1,781,816	429,580
Net increase in cash and cash equivalents		366,911	(2,383,209)
Cash and cash equivalents at the beginning of the year		1,905,730	4,288,939
Cash and cash equivalents at the end of the year	5	2,272,641	1,905,730

The accompanying notes form part of these financial statements.



Statement of Changes in Equity For the Year Ended 30 June 2023

	Contributed Equity \$	Reserves \$	Other Equity \$	Accumulated Losses \$	Total \$
Balance at 1 July 2022	9,297,301	574,500	-	(3,289,747)	6,582,054
Loss for the year	-	-	-	(1,500,283)	(1,500,283)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss	-	-	-	(1,500,283)	(1,500,283)
Transactions with equity holders in their capacity as owners					
Issue of ordinary shares	1,890,000	-	-	-	1,890,000
Capital raising costs	(122,863)	-	-	-	(122,863)
Total transactions with equity holders in their capacity as owners	1,767,137	-	-	-	1,767,137
Balance at 30 June 2023	11,064,438	574,500	-	(4,790,030)	6,848,908
Transactions with equity holders in their capacity as owners					
Issue of ordinary shares	9,000,000	-	(4,218,500)	-	4,781,500
Issue of options	-	574,500	-	-	574,500
Capital raising costs	(305,000)	-	-	-	(305,000)
Total transactions with equity holders in their capacity as owners	8,695,000	574,500	(4,218,500)	-	5,051,000
Balance at 30 June 2022	9,297,301	574,500	-	(3,289,747)	6,582,054

The accompanying notes form part of these financial statements.



Notes to the Financial Statements

For the Year Ended 30 June 2023

Note 1. Corporate Information

This financial report of Locksley Resources Limited ('the Company') was authorised for issue in accordance with a resolution of the Directors on 26 September 2023.

Locksley Resources Limited is a publicly listed company, incorporated and domiciled in Australia.

Note 2. Summary of Significant Accounting Policies

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets.

(b) New and Amended Accounting Policies Adopted by the Company

During the year ended 30 June 2023, the Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(c) Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision makers to make decisions about resources to be allocated to the segments and assess their performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues.

Operating segments have been identified based on the information presented to the chief operating decision makers – being the Board of Directors.

Information about other business activities and operating segments that do not meet the quantitative criteria set out in AASB 8 "Operating Segments" are combined and disclosed in a separate category called "other".



Notes to the Financial Statements (continued)

For the Year Ended 30 June 2023

(d) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(e) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days. The Company has applied the simplified approach to measuring expected credit losses.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(f) Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation and Amortisation

The depreciable amount of all fixed assets including buildings is calculated using the straight line method, over their estimated useful lives to the economic entity commencing from the time the asset is held ready for use. The straight line depreciation and amortisation rates used for each class of assets are as follows:

- Computer equipment – 25%
- Computer software – 20%
- Office equipment – 10%
- Motor vehicle – 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss.

(g) Right-Of-Use Assets

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



Notes to the Financial Statements (continued) For the Year Ended 30 June 2023

costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

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

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

(h) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed in profit and loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(i) Exploration and Evaluation Assets

Exploration and evaluation expenditure is expensed as incurred, with the exception of consideration for the acquisition of projects, which is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the capitalised costs for the relevant area of interest will be amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

(j) Trade and Other Payables

Liability for trade creditors and other amounts are carried at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed.



Notes to the Financial Statements (continued)

For the Year Ended 30 June 2023

(k) Borrowings

Borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a current liability until extinguished on conversion or redemption as the maturity date is within 12 months. The corresponding interest on convertible notes is expensed to profit or loss.

(l) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

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

(m) Employee Benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

(n) Provisions

Provisions are recognised when the Company 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. Provisions are measured at the present value of the expected liabilities.



Notes to the Financial Statements (continued)

For the Year Ended 30 June 2023

(o) Contributed Equity

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

(p) Revenue Recognition

The Company recognises revenue as follows:

Interest

Revenue is recognised as the interest accrues (using the effective interest method) to the net carrying amount of the financial asset.

Other revenue

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

(q) Finance Costs

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

(r) Income Tax

Deferred 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 assets and unused tax losses can be utilised, except:

- Where the deferred 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; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred 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 tax asset to be utilised.

Unrecognised deferred 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 tax assets and liabilities are measured at the tax rates that are expected to apply to the financial period 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.



Notes to the Financial Statements (continued) For the Year Ended 30 June 2023

Income taxes relating to items recognised directly in equity are recognised in equity.

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 tax authority.

(s) Goods and Services Tax ('GST')

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

- Where 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 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 statement of cash flows 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.

(t) Earnings Per Share ('EPS')

Basic EPS is calculated by dividing the net profit/(loss) attributable to members of the Company for the reporting period, after excluding any costs of servicing equity, by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings/(loss), adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive ordinary shares adjusted for any bonus issue.

(u) New Accounting Standards for Application in Future Periods

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

(v) Critical Accounting Estimates and Judgments

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



Notes to the Financial Statements (continued)

For the Year Ended 30 June 2023

externally and within the Company. In the opinion of the Directors, there are no critical accounting estimates or judgments in this financial report. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial period are discussed below.

Share-Based Payment Transactions

The Company 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 by using the 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 14 for further information.

Note 3. Segment Information

The Company has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

The Board considers that it has only operated in one segment, being mineral exploration.



Notes to the Financial Statements (continued) For the Year Ended 30 June 2023

Note 4. Income Tax Expense

Major components of income tax expense are:

	2023	2022
	\$	\$
Income tax expense reported in the statement of profit or loss and other comprehensive income	-	-

A reconciliation of income tax expense applicable to accounting loss before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate is as follows:

Net loss before income tax	(1,500,283)	(2,754,968)
Corporate tax rate applicable	30.00%	30.00%
Income tax expense/(benefit) on above at applicable corporate rate	(450,085)	(826,490)
Increase in income tax due to tax effect of:		
- Non-deductible expenses	601	70,912
- Current year tax losses not recognised	450,866	742,110
Decrease in income tax expense due to:		
- Movement in unrecognised temporary differences	(1,382)	13,468
Income tax expense attributable to entity	-	-

Availability of Tax Losses

The availability of the tax losses for future years is uncertain and will be dependent on the Company satisfying strict requirements with respect to continuity of ownership and the same business test imposed by income tax legislation.

The recoupment of available tax losses as at 30 June 2023 is contingent upon the following:

- (a) the Company deriving future assessable income of a nature and of an amount sufficient to enable the benefit from the losses to be realised;
- (b) the conditions for deductibility imposed by income tax legislation continuing to be complied with; and
- (c) there being no changes in income tax legislation which would adversely affect the Company from realising the benefit from the losses.

Given the Company is currently in a loss making position, a deferred tax asset has not been recognised with regard to unused tax losses, as it has not been determined that the Company will generate sufficient taxable profit against which the unused tax losses can be utilised.



Notes to the Financial Statements (continued)

For the Year Ended 30 June 2023

Note 5. Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash at bank and in hand	2,272,641	1,905,730

Cash at bank earns interest at floating rates based on daily at call bank deposit and savings rates.

Reconciliation from net loss after tax to net cash flows from operations:

	2023	2022
	\$	\$
Net loss for the year	(1,500,283)	(2,754,968)
<i>Non-cash flows in loss:</i>		
Depreciation and amortisation	69,472	68,182
<i>Changes in assets and liabilities:</i>		
Decrease / (Increase) in other receivables	390,452	(213,456)
Decrease / (Increase) in prepayments	(24,959)	20,552
(Decrease) / Increase in trade and other payables	(349,587)	213,773
Net cash used in operating activities	(1,414,905)	(2,665,917)



Notes to the Financial Statements (continued) For the Year Ended 30 June 2023

Note 6. Trade and Other Receivables

	2023	2022
	\$	\$
Reimbursement of costs receivable	-	188,424
Security deposits	92,533	92,533
GST receivable	31,704	281,992
Other receivables	1,146	17,050
	125,383	579,999

Note 7. Prepayments

	2023	2022
	\$	\$
Prepayments	25,810	851
	25,810	851

Note 8. Exploration Expenditure

	2023	2022
	\$	\$
Exploration and evaluation assets		
Balance at the beginning of year	4,574,500	-
Issue of shares to acquire the Tottenham Project ⁽ⁱ⁾	-	4,000,000
Issue of options to acquire the Tottenham Project ⁽ⁱⁱ⁾	-	574,500
Balance at the end of the year	4,574,500	4,574,500

(i) The issue of 20 million shares at a deemed price of 20 cents per share to the vendors of the Tottenham Project.

(ii) The value of the 5 million options granted to the vendors of the Tottenham Project has been determined using the Black-Scholes Valuation Method, using the following inputs:

<i>Exercise Price</i>	<i>\$0.25</i>
<i>Grant Date</i>	<i>6/7/2021</i>
<i>Expiry Date</i>	<i>6/7/2024</i>
<i>Share Price at Grant</i>	<i>\$0.20</i>
<i>Risk Free Rate</i>	<i>0.07%</i>
<i>Volatility</i>	<i>100%</i>



Notes to the Financial Statements (continued)

For the Year Ended 30 June 2023

Note 9. Property, Plant and Equipment

	2023	2022
	\$	\$
Land – at cost	75,610	75,610
Plant and equipment – at cost	51,369	51,369
Less: Accumulated depreciation	(26,226)	(13,676)
	<u>25,143</u>	<u>37,693</u>
Motor vehicles – at cost	67,870	67,870
Less: Accumulated depreciation	(12,781)	(6,776)
	<u>55,089</u>	<u>61,094</u>
Total property, plant and equipment	<u>155,842</u>	<u>174,397</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land	Plant and equipment	Motor vehicles	Total
	\$	\$	\$	\$
Balance at 1 July 2021	-	46,801	-	46,801
Additions	75,610	3,392	67,870	146,872
Depreciation expense	-	(12,500)	(6,776)	(19,276)
Balance at 1 July 2022	75,610	37,693	61,094	174,397
Additions	-	-	-	-
Depreciation expense	-	(12,550)	(6,005)	(18,555)
Balance at 30 June 2023	75,610	25,143	55,089	155,842



Notes to the Financial Statements (continued)

For the Year Ended 30 June 2023

Note 10. Leases

The Company has a lease contract for its office, which has a three-year lease term. The Company's obligations under its lease are secured by the lessor's title to the leased assets.

Set out below is the carrying amount of the right-of-use asset recognised and the movements during the year:

	2023	2022
Right-of-Use Asset	\$	\$
Carrying amount at the beginning of the year	80,618	126,585
Additions	-	-
Modifications	-	2,939
Depreciation	(50,916)	(48,906)
Carrying amount at the end of the year	29,702	80,618

Set out below are the carrying amount of lease liabilities and the movements during the year:

	2023	2022
Lease Liabilities	\$	\$
Carrying amount at the beginning of the year	79,185	123,166
Additions	-	-
Modifications	-	2,939
Repayments	(49,486)	(46,920)
Carrying amount at the end of the year	29,699	79,185

Lease liabilities - current	29,699	49,486
Lease liabilities – non-current	-	29,699
Total lease liabilities	29,699	79,185

Depreciation expense for right-of-use asset	50,916	48,906
Interest expense on lease liabilities	2,040	3,715
Total amount recognised in statement of profit or loss	52,956	52,621

Note 11. Trade and Other Payables

	2023	2022
	\$	\$
Trade Payables	229,963	464,919
Accruals	44,704	153,727
Provision for annual leave	28,799	34,405
	303,466	653,051

Trade creditors are expected to be paid on 30-day terms.



Notes to the Financial Statements (continued)

For the Year Ended 30 June 2023

Note 12. Borrowings

	2023	2022
	\$	\$
Loans – Directors	1,805	1,805
Total Borrowings	1,805	1,805

All loans made to the Company by related and third parties are unsecured, non-interest bearing and are due and payable within 12 months. Amounts were loaned to the Company by Mr Woodham & Mr Brockhurst when the Company was first established.

Reconciliation of liabilities from financing activities:

	2023	2022
	\$	\$
Carrying amount at beginning of the year	1,805	1,805
Cash flows	-	-
<i>Non-cash changes:</i>		
Conversion to equity	-	-
Carrying amount at the end of the year (total liabilities from financing activities)	1,805	1,805

Non-cash changes relate to the conversion of non-interest bearing loans into ordinary shares during the year.

Note 13. Issued Capital

	2023	2022
	\$	\$
87,499,996 Ordinary shares – issued and fully paid (2022: 56,000,001 Ordinary shares)	11,064,438	9,297,301

	Number of Shares	\$
Movement in Ordinary Shares on Issue		
On issue at 1 July 2022	56,000,001	9,297,301
Rights Issue	13,999,997	840,000
Placement	17,499,998	1,050,000
Share issue costs	-	(122,863)
On issue at 30 June 2023	87,499,996	11,064,438



Notes to the Financial Statements (continued) For the Year Ended 30 June 2023

Shares under Option

At 30 June 2023, Locksley Resources Limited had the following shares under option on issue:

- 5,000,000 unlisted options exercisable at \$0.25 on or before 1 July 2024; and
- 4,000,000 unlisted options exercisable at \$0.25 on or before 31 March 2024.

Note 14. Reserves

	2023	2022
	\$	\$
Share based payments reserve – options	<u>574,500</u>	<u>574,500</u>

Note 15. Related Party Disclosures

(a) Remuneration of Key Management Personnel

	2023	2022
	\$	\$
KMP remuneration		
Directors' fees	41,600	52,000
Salaries and wages	368,406	514,697
Superannuation	37,820	51,656
Allowances	27,500	29,435
Total KMP remuneration	<u>475,326</u>	<u>647,788</u>

(b) Related Party Transactions

During the year ended 30 June 2023, fees of \$142,935 (2022: \$138,560) were paid or due to be paid to Mining Corporate Pty Ltd, a company of which Mr Brockhurst is a Director of, for company secretarial, accounting and bookkeeping services.

During the 2022 financial year \$23,660 was paid to Locksley Holdings Pty Ltd during the year for motor vehicle and trailer rentals, a company of which Mr Woodham is a Director of.

No loans have been made to any KMP or any of their related parties during the 2023 financial year. There were no further transactions with KMPs including their related parties other than those disclosed above. Related party loans to the Company have been disclosed above in Note 12.

All transactions were made on normal commercial terms and conditions and at market rates.

Note 16. Auditor's Remuneration

	2023	2022
	\$	\$
Remuneration of the auditor for:		
Auditing the financial statements	<u>29,710</u>	26,000
Total auditor's remuneration	<u>29,710</u>	<u>26,000</u>



Notes to the Financial Statements (continued) For the Year Ended 30 June 2023

Note 17. Loss Per Share

	2023	2022
	\$	\$
Basic and diluted loss per share (cents per share)	(2.49)	(4.99)
Loss used to calculate basic and diluted loss per share	(1,500,283)	(2,754,968)
Weighted average number of ordinary shares outstanding during the period used in calculating basic and diluted loss per share	60,332,967	55,260,275

Note 18. Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise receivables, payables and cash which arise directly from its operations.

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

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

Risk Exposures and Responses

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. The Company's exposure to market risk for changes to interest rate risk relates primarily to its earnings on cash.

Interest rate sensitivity analysis

The Company has no material interest rate risk.



Notes to the Financial Statements (continued)

For the Year Ended 30 June 2023

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company's potential concentration of credit risk consists mainly of cash balances with banks. The Company's short term cash surpluses are placed with banks that have investment grade ratings. The maximum credit risk exposure relating to the financial assets is represented by the carrying value as at the reporting date. The Company considers the credit standing of counterparties when making deposits to manage the credit risk.

Liquidity risk

The responsibility with liquidity risk management rests with the Board of Directors. The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital is maintained. The Company's policy is to ensure that it has sufficient cash reserves to carry out its planned exploration activities over the next 12 months.

Fair values

Fair values of financial assets and liabilities are equivalent to carrying values due to their short terms to maturity.

Note 19. Commitments

The Company's minimum expenditure commitments in relation to its tenements are as follows:

	2023	2022
	\$	\$
Within 1 year	181,667	310,000
Between 2 and 5 years	538,333	1,115,945
More than 5 years	-	-
Total commitments	720,000	1,425,945

Note 20. Contingent Assets and Liabilities

In June 2023 the Company entered into a binding agreement (Acquisition Agreement) to acquire 100% of the issued capital of Enigma Strategic Minerals Holdings Pty Ltd (ESM). The Acquisition of ESM is subject to several conditions precedent which if satisfied will result in the following consideration payable by the company:

- (i) 10,000,000 fully paid ordinary shares in the capital of the Company (Consideration Shares);
- (ii) 5,000,000 unlisted options to acquire Shares, exercisable at A\$0.10 on or before 30 March 2026 (Consideration Options);
- (iii) 30,000,000 performance rights (Performance Rights), which will convert into Shares on a one for one basis subject to satisfaction of the milestone in the relevant class before the expiry date, as follows:



Notes to the Financial Statements (continued)

For the Year Ended 30 June 2023

- A. (Class A): 10,000,000 Class A Performance Rights which each convert into one Share upon the Company announcing that it has identified selected rock chip samples greater than 4% Total Rare Earth Oxide (TREO) from a rock chip sampling program conducted within the area of the ESM Project or El Campo Prospect which support a decision by the Company (at its discretion) to commence drilling of over 2000 metres in total;
 - B. (Class B): 10,000,000 Performance Rights which each convert into one Share upon the Company announcing, after completion of 2,000 metres drilling, achievement of a drilling intersection within the area of the ESM Project or El Campo Prospect greater than 5 metres with an average grade above 4% TREO; and
 - C. (Class C): 10,000,000 Performance Rights which each convert into one Share upon the Company announcing achievement of a drilling intersection within the ESM Project greater than 5 metres with an average grade above 4% TREO;
- (iv) subject to the Company receiving all supporting documentation reasonable requested and being satisfied that this payment represents reimbursement of expenditure incurred by ESM in developing the Enigma Project, the Company agrees to pay up to A\$500,000 in cash to ESM (or its nominees).

On 28 August 2023 the Company announced completion of the acquisition and the issue of the above securities.

The Company has no other contingent liabilities as at 30 June 2023.

Note 21. Events after Reporting Date

On 21 August 2023 the Company issued 49,166,669 ordinary shares at an issue price of \$0.06 per share as part of the Placement announced to ASX on 15 June 2023.

On 28 August 2023 the Company announced that it had completed the acquisition of the Mojave REE Project through the acquisition of 100% of the issued capital of Enigma Strategic Minerals Pty Ltd ("ESM"). In consideration for the acquisition the Company issued 10,000,000 ordinary shares, 5,000,000 unlisted options exercisable at \$0.10 on or before 30 March 2026 and 30,000,000 Performance Rights to the vendors of ESM. The Company also paid \$500,000 to the vendors of ESM in reimbursement of historical expenditure incurred on the Enigma Project.

On 29 August 2023 the Company issued 1,200,000 unlisted options exercisable at \$0.10 and expiring on 30 March 2026 to employees pursuant to the Company's employee incentive scheme.

On 29 August 2023 the Company issued 3,500,000 unlisted options exercisable at \$0.10 and expiring on 30 March 2026 and 1,000,000 Class B Performance Rights to Directors which expire on 29 August 2026.



Notes to the Financial Statements (continued)
For the Year Ended 30 June 2023

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

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Directors' Declaration

In accordance with a resolution of the directors of Locksley Resources Limited, I state that:

1. 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 Company's financial position as at 30 June 2023 and of its performance for the year ended on that date.
 - (ii) complying with Australian Accounting Standards, International Financial Reporting Standards as issued by the International Accounting Standards Board and *Corporations Regulations 2001*.
- (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.

2. 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*.

Signed in accordance with a resolution of the Board of Directors.

Hon Adam Giles
Non-Executive Chairman

Dated this 26th day of September 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOCKSLEY RESOURCES LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Locksley Resources Limited (“the Company”), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors’ declaration.

In our opinion:

- a. the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company’s financial position as at 30 June 2023 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).

Basis for Opinion

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

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

Key Audit Matters

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

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Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Exploration Expenditure</p> <p>Exploration and evaluation expenditure is expensed as incurred, with the exception of acquisition cost which are capitalised and carried forward.</p> <p>As disclosed in note 8 to the financial statements, as at 30 June 2023, the Company's exploration expenditure was carried at \$4,574,500, with a further \$609,621 expensed during the year.</p> <p>The recognition of exploration and evaluation was considered a key audit matter due to:</p> <ul style="list-style-type: none"> • The carrying value represents a significant asset of the Company, we considered it necessary to assess whether facts and circumstances existed to suggest whether an impairment event has occurred; and • Determining whether impairment indicators exist involves significant judgement. 	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Assessing management's determination of its areas of interest for consistency with the definition in AASB 6 Exploration and Evaluation of Mineral Resources ("AASB 6"); • Assessing the Company's rights to tenure for a sample of tenements; • Testing the Company's exploration costs for the year by verifying a sample of recorded expenditure for consistency to underlying records; • By testing the status of the Company's tenure and planned future activities, reading board minutes and discussions with management we assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised exploration costs: <ul style="list-style-type: none"> ○ The licenses for the rights to explore expiring in the near future or are not expected to be renewed; ○ Substantive expenditure for further exploration in the area of interest is not budgeted or planned; ○ Decision or intent by the Company to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and ○ Data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recorded in full from successful development or sale; and ○ Assessing the appropriateness of the related disclosures in the financial statements.

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2(a), the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

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

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Bell

D M BELL CA
Director

Dated this 26th day of September 2023
Perth, Western Australia

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List of Tenements – As at 15 September 2023

Country	State	Project Name	Tenement/Claim Name	EL Number	Grant Date	Expiry Date	Group	Units/Claims
Australia	NSW	Tottenham Project	Tottenham	EL6592	29/06/2006	29/06/2026	GROUP 1	50
	NSW	Tottenham Project	Tottenham North	EL6656	27/10/2006	27/10/2026	GROUP 1	10
	NSW	Tottenham Project	Collerina	EL8384	28/07/2015	28/07/2026	GROUP 1	12
	NSW	Tottenham Project	Bulbodney Creek	EL9307	16/10/2021	16/10/2027	GROUP 1	90
	NSW	Watsons Creek Project	Watson Creek	EL9400	10/05/2022	10/05/2028	GROUP 1	56
USA	CA	Mojave Project	North Block-South Block-El Campo Lease					226

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ASX Additional Information

Additional information required by the Australia Securities Exchange Ltd ('ASX') and not shown elsewhere in this report is as follows. The information is current as at 15 September 2023.

(a) Distribution of Shareholders

Range of Shares Held	Number of Shareholders	Number of Shares
1 – 1,000	9	1,551
1,001 – 5,000	31	112,923
5,001 – 10,000	114	1,074,092
10,001 – 100,000	180	8,075,318
100,001 and over	206	137,402,781
Total	540	146,666,665

The number of shareholders with an unmarketable parcel of shares is 156, with a total of 1,208,791 shares.

(b) Top 20 Shareholders

	Shareholder	Number of Shares	%
1	CITICORP NOMINEES PTY LIMITED	7,857,737	5.36
2	ING INVESTMENT FUND PTY LTD <ING INVESTMENT FUND A/C>	6,100,000	4.16
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	5,672,374	3.87
4	BACCHUS RESOURCES PTY LTD	5,500,000	3.75
5	VANGUARD SUPERANNUATION PTY LTD <VANGUARD INVESTMENT A/C>	5,450,000	3.72
6	JETOSEA PTY LTD	5,197,720	3.54
7	DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	3,600,000	2.45
8	DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SF A/C>	2,772,177	1.89
8	VANGUARD SUPERANNUATION PTY LTD <VANGUARD SUPERANNUATION A/C>	2,772,177	1.89
10	ALPHDA PTY LTD <ALPHDA FAMILY A/C>	2,500,000	1.70
11	FOREST INVESTMENT CORPORATION PTY LTD	2,482,663	1.69
12	MAD FISH MANAGEMENT PTY LTD	2,000,834	1.36
13	GURRAVEMBI INVESTMENTS PTY LTD	2,000,000	1.36
13	SLH SHARE TRADING PTY LTD	2,000,000	1.36
15	MS CHUNYAN NIU	1,868,617	1.27
16	MR PETER HINEY	1,850,000	1.26
17	CANGU PTY LTD <CANGU FAMILY A/C>	1,667,000	1.14
18	LILKA ENTERPRISES PTY LTD <LILKA A/C>	1,512,097	1.03
19	BORA BORA RESOURCES LIMITED	1,433,333	0.98
19	MR MARK DAMION KAWECKI	1,433,333	0.98
	Total	65,670,062	44.78



(c) Substantial Shareholder (Holding not less than 5%)

	Shareholder	Number of Shares	%
1	Bevan Nigel Tarratt	8,222,177	5.60
2	Nathan Rodric Lude	7,360,081	5.01

(d) Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares:

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

(e) Restricted Securities

The Company has no restricted securities on issue as at 15 September 2023.

(f) Unquoted Securities

The Company has the following unquoted securities on issue as at 15 September 2023:

Options	Number	Expiry Date	Exercise Price
Unlisted options	4,000,000	31 March 2024	\$0.25
Unlisted options	5,000,000	1 July 2024	\$0.25
Unlisted options	9,700,000	30 March 2026	\$0.10
Performance Rights – Class A	10,000,000	28 August 2026	N/a
Performance Rights – Class B	11,000,000	28 August 2026	N/a
Performance Rights – Class C	10,000,000	28 August 2026	N/a
Total	49,700,000		

(g) On-Market Buy Back

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