



Albion Resources Limited
ACN: 620 545 664

Annual Report
for the Year Ended 30 June 2023

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**ALBION RESOURCES LIMITED
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**ALBION RESOURCES LIMITED
CORPORATE DIRECTORY**

Directors

Non-Executive Chairman
Mr Steven Formica

Non-Executive Director
Mr Julian Jarman

Non-Executive Director
Mr David Palumbo

Company Secretary
Mr David Palumbo

Registered Office

Level 8
216 St Georges Terrace
Perth Western Australia 6000

Telephone : +61 (8) 9481 0389
Facsimile : +61 (8) 9463 6103

Auditors

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

Bankers

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

Share Registrar

Computershare Investor Services Pty Ltd
Level 17, 221 St Georges Terrace
Perth WA 6000

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ALBION RESOURCES LIMITED

DIRECTORS' REPORT

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

Directors

The name and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire year unless stated otherwise.

Mr Steven Formica – Non-Executive Chairman (appointed 7 October 2022)

Mr Colin Locke – Executive Chairman (resigned 7 October 2022)

Mr David Palumbo – Non-Executive Director

Mr Julian Jarman – Non-Executive Director (appointed 7 October 2022)

Mr Mark Major – Non-Executive Director (resigned 7 October 2022)

Principal Activities

The principal activity of the Company during the financial year was the acquisition, exploration and evaluation of resource projects.

Operating Results for the Year

The operating result of the Company for the financial year was a loss of \$799,057 (2022 loss of: \$2,137,528).

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.

RISK MANAGEMENT

The Board of Directors review the key risks associated with conducting exploration and evaluation activities in Australia and steps to manage those risks. The key material risks faced by the Company include:

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.

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.

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ALBION RESOURCES LIMITED DIRECTORS' REPORT

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.

Cyber Security and IT

The Company relies on IT infrastructure and systems and the efficient and uninterrupted operation of core technologies. Systems and operations could be exposed to damage or interruption from system failures, computer viruses, cyber-attacks, power or telecommunication provider's failure or human error.

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ALBION RESOURCES LIMITED

DIRECTORS' REPORT

Review of Operations

Mongers Lake Project

The Mongers Lake Project covers a portion of the Yalgoo-Singleton Greenstone Belt in the Murchison Province of Western Australia, located between Capricorn Metals' Mt Gibson Gold Project and Silver Lakes' Rothsay Gold Projects. The Mongers Lake Project has been subject to limited historical exploration despite the regional prospectivity.

Following compilation and interpretation work over E59/2576, two high priority prospects, Red Well and Clay Pan, were highlighted as being highly prospective for greenstone-hosted orogenic gold deposits and also for VMS style copper and base metal mineralisation.

The Company engaged XM Logistics to plan and complete a soil sampling program across the newly identified Red Well and Clay Pan prospects with a total of 308 soil samples were completed at Red Well and 229 soil samples at Claypan.

The soil sampling assay results at Claypan indicate a large, central coherent gold-in-soil anomaly coincident with highly elevated silver and sulphur extending for at least 2km strike and open to the northwest. The western gold anomaly extends for at least 900m and is highly coincident with very highly elevated silver, sulphur, bismuth and tellurium and again open to the northwest. Airborne magnetic imagery indicates the soil anomalies are strongly associated with northwest-trending demagnetised lineaments that are possibly indicative of structures and associated alteration.

The Soil sampling results at Red Well indicate two coherent and coincident nickel-copper-platinum-palladium -in-soil anomalies that extend for 2km (central) and 1 km (western) respectively and trend consistently northwest. Airborne magnetics indicates that the anomalies are highly coincident with prominent linear magnetic features that trend northwest.

These newly defined consistent and coherent Au-Ag-S and Ni-Cu-PGM anomalies at Clay Pan and Red Well are highly significant and strongly support the potential for gold and Ni-Cu-PGM discoveries on the project.

Lennard Shelf Project

Albion's Lennard Shelf Project is located in the world class Mississippi Valley type Zinc-Lead province, the Lennard Shelf, approximately 30 km southeast of Fitzroy Crossing in the Kimberley, Western Australia. Despite hosting significant historic mines, Pillara (19.3Mt @ 7.8% Zn + 2.6% Pb) and the Cadjebut Trend (16.4Mt @ 8.9% Zn + 5% Pb), regional exploration in the Lennard Shelf Province has been largely overlooked since the late 1980's. The Lennard Shelf Project, comprising three sub-projects, covers an expansive area of ~319 km² and contains comparable geology to Pillara and the Cadjebut Trend.

Following the 2021 drill program, the Company identified two target areas for field investigation: 1) The western extension of the Uncle Billy Fault at Pillara East; and 2) the north striking faults in the vicinity of the Goongewa Zn-Pb mine at Prices Hill. During the year, the Company undertook a field visit to review these two target areas.

The findings at target area 1 noted that whilst the western extension of the Uncle Billy Fault was present, there was abundant granite and schist outcrop forming the foundation for the Pillara limestone above. The presence of the granitic basement downgrades the area for significant mineralisation potential, as any limestone present near the Uncle Billy Fault would likely be very thin.

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ALBION RESOURCES LIMITED DIRECTORS' REPORT

The findings at target area 2 noted that fault complexity was present, with many of the transfer zone faults containing breccias, fracture networks, and often abundant ferruginous material, highlighting that faults where Pillara Formation limestone is in the hanging wall and Emanuel Formation is in the footwall are potentially valid drill targets.

Leinster Project

The Leinster Project, located 30km southeast of Leinster, covers an area of 42km² and is prospective for nickel-copper being adjacent to BHP's Nickel West Weebo Ni deposit.

A review of the 2021 drilling and sampling program was undertaken to produce further viable drilling gold and nickel targets. The eastern section of the exploration licence was downgraded by the disappointing 2021 RC drilling program results. However, the prominent magnetic feature on the western section of the exploration licence remains under explored and warrants further exploration.

Corporate:

On 7 October 2022, Steven Formica and Julian Jarman were appointed to the Board as Non-Executive Chairman and Non-Executive Director respectively, with Colin Locke and Mark Major resigning.

On 31 October 2022, the Company announced that it had received firm commitments to raise \$462,000 (before costs) via a placement (Placement) of 6,600,000 fully paid ordinary shares at \$0.07 per share (Placement Shares). The Placement included 3,000,000 Placement Shares, comprising of 1,000,000 and 2,000,000 Placement Shares to be issued to Directors Mr Steven Formica and Mr Julian Jarman (or their nominees) respectively, following approved at the Company's 2022 Annual General Meeting.

On 31 October 2022, the Company also announced the launch of a partially underwritten 1 for 3 non-renounceable entitlement offer to raise approximately A\$1.03 million (before costs) via the issue of ~14.7 million new shares (New Shares) at \$0.07 per share, the same price as the Placement (Entitlement Offer). The Entitlement Offer was successfully completed on 1 December 2022, with underwriter Stevsand Holdings Pty Ltd as trustee for the Formica Horticultural trust, an entity controlled by Director Mr Steven Formica, subscribing for 3,080,308 fully paid ordinary shares.

Albion continues to assess other opportunities as they are presented with a view to adding to the discovery potential within the Company's portfolio of projects.

Significant Events after Reporting date

No 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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ALBION RESOURCES LIMITED

DIRECTORS' REPORT

Information on Directors

Mr Steven Formica **Non-Executive Chairman**

Mr Formica brings to the Company practical management and business development experience. He has been a successful businessman and operations manager for over 35 years in several privately held business ventures across multiple industry sectors. Mr Formica is currently a Non-Executive Director of ASX listed EchoIQ Limited (ASX: EIQ), Non-Executive Chairman of Ragnar Metals Ltd (ASX: RAG) and a successful investor in a number of ASX listed entities. Mr Formica has previously held directorships with ASX listed companies Jade Gas Holdings Limited (ASX:JGH) (previously High Grade Metals Limited (ASX:HGM)), Bowen Coking Coal Limited (ASX:BCB), Orminex Ltd (ASX: ONX) and Lindian Resources Limited (ASX: LIN).

Mr Julian Jarman **Non-Executive Director**

Mr. Jarman is a finance professional with over 20 years' experience in the industry, he has significant corporate and capital raising experience especially with start-ups and small to mid-cap size companies. He is currently a director of advisory firm Alignment Capital Pty Ltd, which he co-founded in 2014. Alignment Capital is the current corporate advisor of Albion, having been appointed in October 2021 for a period of 2 years. Julian has previously been a director of Mozambi Coal Ltd which became Volt Resources Limited (ASX: VRC).

Mr David Palumbo **Non-Executive Director and Company Secretary**

Mr Palumbo is a Chartered Accountant and graduate of the Australian Institute of Company Directors with over 15 years' experience across company secretarial, corporate advisory and financial management and reporting of ASX listed companies. Mr Palumbo is Head of Corporate Compliance at Mining Corporate Pty Ltd, where he has been actively involved in numerous corporate transactions. Mr Palumbo is currently company secretary for several ASX listed companies and a non-executive director of Krakatoa Resources Limited and Rubix Resources Limited.

Interests in the Shares of the Company

As at the date of this report, the interests of the Directors in the securities of Albion Resources Limited were:

Directors	Ordinary Shares held	Options held
S Formica	5,092,309	-
D Palumbo	4,933,334	1,850,000
J Jarman	2,000,000	-
C Locke (ceased 7 October 2022)	3,909,525	1,600,000
M Major (ceased 7 October 2022)	-	-

Dividends

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each director of Albion Resources Limited and for the executives receiving the highest remuneration.

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ALBION RESOURCES LIMITED

DIRECTORS' REPORT

1. Employment Agreements

Mr Formica was appointed to the board as Non-Executive Chairman on 7 October 2022 after the resignation of Executive Chairman Colin Locke on 7 October 2022 who was entitled to \$120,000 per annum plus super. Under the terms of his appointment Mr Formica is entitled to \$48,000 per annum plus superannuation. The agreement may be terminated by either party in accordance with Company's constitution.

Appointments of non-executive directors David Palumbo and Julian Jarman are formalised in the form of service agreements between themselves and the Company. Their engagements have no fixed term but cease on their resignation or removal as a director in accordance with the Corporations Act 2001. Mr Palumbo is currently entitled to receive directors' fees of \$48,000 plus superannuation (previously \$60,000 per annum plus superannuation) and Mr Jarman is currently entitled to receive directors' fees of \$48,000 per annum plus superannuation. Mr Jarman was appointed to the board on 7 October 2022, after Mr Mark Major resigned from his position on the board. Mr Major was entitled to \$40,000 per annum plus superannuation, prior to his resignation.

2. Remuneration policy

The Company's remuneration policy has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Company's financial results. The board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the Company is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by the board.
- All executives receive a base salary (which is based on factors such as length of service and experience), superannuation and are entitled to the issue of share options.
- Incentive paid in the form of share options are intended to align the interests of directors and Group with those of the shareholders.

The performance of executives is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the Company's shareholders' value. The board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements. All remuneration paid to directors and executives is valued at the cost to the Company and expensed to exploration expenditure as appropriate. Options, if given to directors and executives in lieu of remuneration, are valued using the Black-Scholes methodology. The board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The maximum aggregate amount of fees that can be paid to non-executive directors is \$250,000 per annum. Remuneration paid to executive directors is determined by the board. Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Group and are able to participate in the employee share option plan.

3. Performance-based remuneration

There is currently no performance-based remuneration policy in place.

**ALBION RESOURCES LIMITED
DIRECTORS' REPORT**

4. Details of remuneration for the year ended 30 June 2023

The remuneration for each key management personnel of the Company during the financial year ended 30 June 2023 and 30 June 2022 was as follows:

2023	Short-term Benefits	Post-employment Benefits	Other Long-term Benefits	Share based Payment		Total	Performance Related	Value of Options Re-muneration
Key Management Person	Cash, salary & commissions	Super-annuation	Other	Equity	Options			
Directors	\$	\$	\$	\$	\$	\$	%	%
Steven Formica*	35,226	3,699	-	-	-	38,925	-	-
Colin Locke**	41,935	4,403	-	-	-	46,338	-	-
Julian Jarman*	35,226	3,699	-	-	-	38,925	-	-
David Palumbo	51,452	5,402	-	-	-	56,854	-	-
Mark Major**	10,645	1,118	-	-	-	11,763	-	-
	174,484	18,321	-	-	-	192,805	-	-

2022	Short-term Benefits	Post-employment Benefits	Other Long-term Benefits	Share based Payment		Total	Performance Related	Value of Options Re-muneration
Key Management Person	Cash, salary & commissions	Super-annuation	Other	Equity	Options			
Directors	\$	\$	\$	\$	\$	\$	%	%
Colin Locke**	100,000	10,000	-	-	-	110,000	-	-
David Palumbo	60,000	6,000	-	-	-	66,000	-	-
Jonathon King***	19,909	1,991	-	-	-	21,900	-	-
Mark Major**	21,075	2,107	-	-	-	23,182	-	-
	200,984	20,098	-	-	-	221,082	-	-

5. Equity holdings of key management personnel

Shareholdings

Number of shares held by key management personnel during the financial year ended 30 June 2023 was as follows:

2023	Balance 1.7.2022 No.	Received as Compensation No.	Options Exercised No.	Net Change Other No.	Balance 30.6.2023 No.
Directors					
Steven Formica*	-	-	-	5,092,309	5,092,309
Julian Jarman*	-	-	-	2,000,000	2,000,000
David Palumbo	3,700,000	-	-	1,233,334	4,933,334
Colin Locke**	3,200,000	-	-	709,525	3,909,525
Mark Major**	-	-	-	-	-
Total	6,900,000	-	-	9,035,168	15,935,168

**ALBION RESOURCES LIMITED
DIRECTORS' REPORT**

Option holdings

Number of options held by key management personnel during the financial year ended 30 June 2023 was as follows:

2023	Balance 1.7.2022 No.	Received as Compensation No.	Options Expired No.	Net Change Other No.	Balance 30.6.2023 No.
Directors					
Steven Formica*	-	-	-	-	-
Julian Jarman*	4,000,000	-	-	(4,000,000)	-
David Palumbo	1,850,000	-	-	-	1,850,000
Colin Locke**	1,600,000	-	-	-	1,600,000
Mark Major**	-	-	-	-	-
Total	7,450,000	-	-	(4,000,000)	3,450,000

*Steven Formica and Julian Jarman were appointed as Non-Executive Chairman and Non-Executive Director of the Company respectively on 7 October 2022.

**Colin Locke and Mark Major resigned from their position as Executive Chairman and Non-Executive Director of the Company respectively effective 7 October 2022, and were paid director fees until the date of their resignation.

***Jonathon King resigned from his position as Non-Executive Director effective 23 December 2021, and was paid director fees until the date of his resignation.

6. Other transactions with key management personnel

During the year ended 30 June 2023 there were no payments made to related parties outside of their directorship roles. In the previous financial year, Collective Prosperity Pty Ltd, an entity in which Jonathan King (former Albion director) is a director, invoiced for consulting fees of \$91,638 plus GST for services performed in line with the scope of the agreement. The services were provided on arm's length terms.

7. Equity instruments granted as compensation

There were no other equity instruments granted as compensation during the year.

End of "Remuneration Report (Audited)"

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ALBION RESOURCES LIMITED DIRECTORS' REPORT

Directors' Meetings

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	No. eligible to attend	No. attended
S. Formica	3	3
C. Locke	-	-
J. Jarman	3	3
D. Palumbo	3	3
M. Major	-	-

Indemnification and Insurance of Officers

The Company has entered into deeds of indemnity with each director and the company secretary 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 has paid premiums to insure each of the directors and the company secretary against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The disclosure of the amount of the premium is prohibited by the insurance policy.

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.

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.

Share Options

At the date of this report, Albion Resources Limited has 28,000,000 options exercisable at \$0.25 on or before 29 September 2023 and 3,500,000 options exercisable at \$0.25 on or before 21 January 2024 on issue.

Environmental Regulation

The Directors are mindful of the regulatory regime in relation to the impact of the organisation'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 in this report, about likely developments in the operations of the Company and the expected results of those operations in future years, 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://albionresources.com.au/corporate-governance-policies/>

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**ALBION RESOURCES LIMITED
DIRECTORS' REPORT**

Non-Audit Services

There were, no additional fees were paid to Hall Chadwick WA Audit Pty Ltd to provide Independent Assurance services in relation to the Company's prospectus and listing during the year.

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 Independence

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:



**Mr Steven Formica
Non-Executive Chairman**

Dated this 27 day of September 2023

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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 Albion 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 27th day of September 2023
Perth, Western Australia

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

	Note	2023 \$	2022 \$
Other Income	4(a)	79,644	16,715
Exploration, evaluation and tenement acquisition expense	4(b)	(223,710)	(1,480,596)
Directors' fees	14	(192,805)	(221,082)
Corporate compliance expense		(201,211)	(203,359)
Administration expense		(58,293)	(74,939)
Share based payment expense	13	(160,793)	(156,322)
Depreciation		(41,889)	(17,945)
Profit/(loss) before income tax		<u>(799,057)</u>	<u>(2,137,528)</u>
Income tax expense	5	-	-
Net profit/(loss) for the year		(799,057)	(2,137,528)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		<u>(799,057)</u>	<u>(2,137,528)</u>
Basic and diluted loss per share (cents per share)	22	(1.41)	(4.86)

The accompanying notes form part of these financial statements

ALBION RESOURCES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	3,239,542	2,505,826
Trade and other receivables	7	16,533	32,608
Other Assets	8	18,390	22,626
TOTAL CURRENT ASSETS		3,274,465	2,561,060
NON CURRENT ASSETS			
Right of Use Asset	10a	-	143,560
TOTAL NON CURRENT ASSETS		-	143,560
TOTAL ASSETS		3,274,465	2,704,620
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	49,411	93,637
Provisions		-	4,872
Lease Liability	10b	-	50,100
TOTAL CURRENT LIABILITIES		49,411	148,609
NON CURRENT LIABILITIES			
Lease Liability	10b	-	95,578
TOTAL NON CURRENT LIABILITIES		-	95,578
TOTAL LIABILITIES		49,411	244,187
NET ASSETS		3,225,054	2,460,433
EQUITY			
Issued Capital	11	6,014,193	4,611,308
Reserves	12	677,234	516,441
Accumulated losses		(3,466,373)	(2,667,316)
TOTAL EQUITY		3,225,054	2,460,433

The accompanying notes form part of these financial statements

**ALBION RESOURCES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from other income		30,367	16,715
Payments to suppliers and employees		(482,417)	(479,036)
Payments for exploration and evaluation expenditure		<u>(217,119)</u>	<u>(1,538,374)</u>
Net cash flows (used in) operating activities	17	<u>(669,169)</u>	<u>(2,000,695)</u>
Cash flows from financing activities			
Proceeds from issue of shares in the Company (net of costs)		1,402,885	(16,554)
Proceeds from issue of options (net of costs)		<u>-</u>	<u>(21,305)</u>
Net cash flows (used in) / from financing activities		<u>1,402,885</u>	<u>(37,859)</u>
Net (decrease)/ increase in cash and cash equivalents		733,716	(2,038,554)
Cash and cash equivalents at the beginning of the year		2,505,826	4,544,380
Cash and cash equivalents at the end of the year	6	<u>3,239,542</u>	<u>2,505,826</u>

The accompanying notes form part of these financial statements

ALBION RESOURCES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2021	4,654,613	338,119	(529,788)	4,462,944
Loss for the year	-	-	(2,137,528)	(2,137,528)
Other comprehensive income	-	-	-	-
	-	-	(2,137,528)	(2,137,528)
Transactions with equity holders in their capacity as owners				
Options issued during the year (net of costs)	(43,305)	178,322	-	135,017
Issue of shares (net of costs)	-	-	-	-
Total transactions with equity holders in their capacity as owners	(43,305)	178,322	-	135,017
Balance at 30 June 2022	4,611,308	516,441	(2,667,316)	2,460,433
Balance at 1 July 2022	4,611,308	516,441	(2,667,316)	2,460,433
Loss for the year	-	-	(799,057)	(799,057)
Other comprehensive income	-	-	-	-
	-	-	(799,057)	(799,057)
Transactions with equity holders in their capacity as owners	-	-	-	-
Options issued during the year (net of costs)	-	160,793	-	160,793
Issue of shares (net of costs)	1,402,885	-	-	1,402,885
Total transactions with equity holders in their capacity as owners	1,402,885	160,793	-	1,563,678
Balance at 30 June 2023	6,014,193	677,234	(3,466,373)	3,225,054

The accompanying notes form part of these financial statements

**ALBION RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

1. CORPORATE INFORMATION

This financial report of Albion Resources Limited ("Company") was authorised for issue in accordance with a resolution of the directors on 27 September 2023.

Albion Resources Limited is a public listed company, incorporated and domiciled in Australia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected financial assets for which the fair value basis of accounting has been applied. All amounts are presented in Australian dollars unless otherwise stated.

(b) Accounting Standards that are mandatorily effective for the current reporting year

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2022.

The Directors have determined that there is no material impact from new and revised Accounting Standards and Interpretations on the Company and, therefore, no material change is necessary to Company accounting policies.

At the date of authorisation of the financial statements, the Company has not applied the new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective. Based on a preliminary review of the standards and amendments, the Directors do not anticipate a material change to the Company's accounting policies, however further analysis will be performed when the relevant standards are effective.

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ALBION RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(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".

(d) Exploration and Evaluation Assets

Exploration and evaluation expenditure in relation to the Company's mineral tenements is expensed as incurred. When the Directors decide to progress the development of an area of interest all further expenditure incurred relating to the area will be capitalised. Projects are advanced to development status and classified as mine development when it is expected that further expenditure can be recouped through sale or successful development and exploitation of the area of interest. Such expenditure is carried forward up to commencement of production at which time it is amortised over the life of the economically recoverable reserves. All projects are subject to detailed review on an annual basis and accumulated costs written off to the extent that they will not be recoverable in the future.

(e) Cash and Cash Equivalents

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

(f) 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.

(g) 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, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been Companded based on days overdue.

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

(h) Borrowings

Loans and 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.

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ALBION RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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.

(i) Leases

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 payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option 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.

(j) Issued Capital

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

(k) Revenue Recognition

The Company recognises revenue as follows:

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) 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.

(l) Income Tax

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

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; 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 income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

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ALBION RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the 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.

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.

(m) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

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**ALBION RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

(n) Impairment of Assets

At the end of each reporting period, the directors assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Accounting Standard.

Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard. 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.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

(o) 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.

(p) 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.

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ALBION RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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(q) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report 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 externally and within the Company.

Share-based payment transactions

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

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 operating segments are identified by the Board based on the phase of operation within the mining industry. For management purposes, the Company has organised its operations into two reportable segments on the basis of stage of development as follows:

- Development assets; and
- Exploration and evaluation assets, which includes assets that are associated with the determination and assessment of the existence of commercial economic reserves.

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

During this financial year, the Company had no development assets. The Board considers that it has only operated in one segment, being mineral exploration.

4. REVENUE AND EXPENSES

	2023	2022
	\$	\$
(a) Revenue		
Other Income	79,644	16,715
	79,644	16,715
 (b) Exploration, evaluation and tenement acquisition expense		
General exploration and evaluation	223,710	1,480,596
	223,710	1,480,596

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ALBION RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

5. INCOME TAX

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:

	2023	2022
	\$	\$
Net profit/(loss) before income tax expense	<u>799,057</u>	<u>(2,137,528)</u>
Prima facie tax calculated at 25% (2022: 25%)	(199,764)	(534,382)
Non-deductible expenses	1,379	2,820
Tax losses carried forward	<u>198,385</u>	<u>531,562</u>
Income tax expense	<u>-</u>	<u>-</u>
Unrecognised tax losses		
Revenue losses	<u>3,431,284</u>	<u>2,638,550</u>

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.

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ALBION RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

6. CASH AND CASH EQUIVALENTS

	2023	2022
	\$	\$
Cash at bank and in hand	3,239,542	2,505,826
	<u>3,239,542</u>	<u>2,505,826</u>

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

7. TRADE AND OTHER RECEIVABLES

	2023	2022
	\$	\$
GST receivable	16,533	32,608
	<u>16,533</u>	<u>32,608</u>

8. OTHER ASSETS

	2023	2022
	\$	\$
Prepayments	18,390	22,626
	<u>18,390</u>	<u>22,626</u>

9. TRADE AND OTHER PAYABLES

	2023	2022
	\$	\$
Trade and other payables	49,411	93,637
	<u>49,411</u>	<u>93,637</u>

Trade creditors, excluding related party payables, are expected to be paid on 30 day terms.

10. LEASES

	2023	2022
	\$	\$
a) Right-of-use asset		
Balance at the beginning of the year	143,560	-
Additions	-	161,505
Depreciation	(41,889)	(17,945)
De-recognition ¹	(101,671)	-
Balance at the end of the year	<u>-</u>	<u>143,560</u>
Non-Current	-	143,560
Total	<u>-</u>	<u>143,560</u>

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FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
b) Lease liabilities		
Office lease	-	145,678
Current	-	50,100
Non-Current	-	95,578
Total	-	145,678

¹Effective 1 March 2023, the Company vacated its premises on Level 4, 172 St Georges Terrace, Perth WA 6000, after management was able to transfer rights of the lease to another Company.

11. ISSUED CAPITAL

	2023	2022
	\$	\$
Ordinary shares		
Issued and fully paid	6,014,193	4,611,308
	<i>No.</i>	\$
Movement in ordinary shares on issue:		
At 30 June 2021	44,000,000	4,611,308
No issues of share capital during the financial period	-	-
At 30 June 2022	44,000,000	4,611,308
Issue of shares – 7 November 2022	3,600,000	252,000
Issue of shares – 1 December 2022	17,666,667	1,236,667
Transaction costs	-	(85,782)
At 30 June 2023	65,266,667	6,014,193

12. RESERVES

	2023	2022
	\$	\$
Share based payment reserve (a)	655,234	494,441
Options reserve (b)	22,000	22,000
	677,234	516,441

(a) Movement in share based payments reserve

	2023	2022
	<i>No.</i>	\$
Balance at 1 July 2022	9,500,000	494,441
Employee options issue – 17 September 2021 (Refer Note 13i)	-	14,093
Corporate advisory options issue – 11 October 2021 (Refer Note 13ii)	-	146,700
Balance as at 30 June 2023	9,500,000	655,234

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ALBION RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(b) Options reserve

On 13 August 2021, the Company announced a non-renounceable entitlement issue of options to eligible shareholders on the basis one (1) option (“Loyalty Option”) for every two (2) ordinary shares held by eligible shareholders at 5pm (WST) on the Record Date of 18 August 2021 (“Record Date”) at an issue price of A\$0.001 (0.1 cents) per Loyalty Option (“Entitlement Offer”). On 9 September 2021, a total of 22,000,000 options exercisable at \$0.25 on or before 29 September 2023 were issued raising \$22,000 before costs.

13. SHARE BASED PAYMENTS

The following shares based payments occurred during the financial year ended 30 June 2023:

- (i) 500,000 options were issued to employees under the Company’s Employee Securities Incentive Plan on 17 September 2021. The options are exercisable at \$0.25 on or before 21 January 2024 and vest after a 12 month service period. During the financial year ended 30 June 2023 the remaining amount of \$14,093 was recognised (2022: \$51,020) as the options are now fully vested.
- (ii) 6,000,000 options were issued to Alignment Capital as consideration for their two year appointment as corporate advisors to the Company on 11 October 2021. The options are exercisable at \$0.25 on or before 29 September 2023 and are subject to 12 month voluntary escrow. A pro-rata share based payment expense of \$146,700 (2022: \$105,302) has been recognised for the financial year ended 30 June 2023.

Grant Date/entitlement	Number of Instruments	Grant Date	Expiry Date	Exercise Price	Fair value per instrument \$	Value \$
Employee Options	500,000	17/09/2021	21/04/2024	\$0.25	0.13	65,113
Corporate Advisory Options	6,000,000	11/10/2021	29/09/2023	\$0.25	0.049	294,000

Employee options issued during the period were calculated using the Black-scholes option pricing model with the following inputs:

	Options granted Range
Expected volatility (%)	100%
Risk free interest rate (%)	0.01%
Weighted average expected life of options (years)	2.3
Expected dividends	Nil
Option exercise price (\$)	\$0.25

Corporate Advisory options issued during the period were calculated with reference to the listed options market price (ASX: ALBO) which were on the same terms.

There were 31,500,000 total options on issue exercisable for the financial year ended 30 June 2023. The weighted average exercise price of these options is \$0.25 (2022: \$0.25).

**ALBION RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

14. DIRECTORS AND EXECUTIVE DISCLOSURES

Remuneration of Key Management Personnel

The totals of remuneration paid to the KMP of the Company during the year are as follows:

	2023	2022
	\$	\$
Short-term employee benefits	174,484	200,984
Post employment benefits	18,321	20,098
Total remuneration	<u>192,805</u>	<u>221,082</u>

15. RELATED PARTY TRANSACTIONS

Amounts Payable to Related Parties

There were no transactions with key management personell during the 2023 financial year.

In the previous year ended 30 June 2022, Collective Prosperity Pty Ltd, an entity which Jonathan King is a director, invoiced for consulting fees of \$91,638 plus GST for services performed in line with the scope of the agreement. The services were provided on arm's length terms.

16. AUDITORS' REMNERATION

	2023	2022
	\$	\$
Remuneration of the auditor for:		
- Auditing the financial statements	28,000	26,000
	<u>28,000</u>	<u>26,000</u>

17. CASHFLOW INFORMATION

	2023	2022
	\$	\$
Reconciliation from the net loss after tax to the net cash flows from operations		
Net profit/(loss) for the year	(799,057)	(2,137,528)
Non-cash flows:		
Share based payments	160,793	156,322
<i>Changes in assets and liabilities:</i>		
Trade and other receivables	16,075	11,635
Other assets	4,236	(11,900)
Trade and other payables	(46,344)	(24,096)
Provisions	(4,872)	4,872
Net cash from operating activities	<u>(669,169)</u>	<u>(2,000,695)</u>

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**ALBION RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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

The Company generates income from interest on surplus funds. At reporting date, the Company had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

	2023	2022
	\$	\$
Financial Assets		
Cash and cash equivalents	3,239,542	2,505,826
Trade and Other Receivables	16,533	32,608
Financial Liabilities		
Trade and Other Payables	(49,411)	(93,637)
Net Financial Assets	3,206,644	2,444,797

Interest rate sensitivity analysis

The Company has no material interest rate risk.

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 deposits 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.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

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**ALBION RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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Fair values

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

19. COMMITMENTS

In order to maintain current rights of tenure to Western Australia exploration tenements, the Company is required to perform minimum exploration requirements specified by the Department of Mines and Industry Regulation of \$222,000 (2022: \$202,500).

20. EVENTS AFTER REPORTING DATE

No 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.

21. CONTINGENT LIABILITIES

The Company has no contingent liabilities as at 30 June 2023 (2022:None).

22. EARNINGS PER SHARE

	2023	2022
	\$	\$
Loss used to calculate basic EPS	(799,057)	(2,137,528)
	No.	No.
Weighted average number of ordinary shares outstanding during the period used in calculating basic and diluted EPS	56,530,594	44,000,000
	Cents	Cents
Basic and diluted EPS	(1.41)	(4.86)

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**ALBION RESOURCES LIMITED
DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Albion 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:



Mr Steven Formica
Non-Executive Chairman

Dated this 27 day of September 2023

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Albion 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. 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 year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Exploration Expenditure	
<p>During the year the Company incurred exploration and evaluation expenditure of \$223,710.</p> <p>Exploration expenditure is a key audit matter due to the significance to the Company's statement of profit or loss and other comprehensive income.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Testing exploration expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the Company's accounting policy and the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>; and • Assessing the Company's rights to tenure by corroborating to government registries.

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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 WA AUDIT PTY LTD


D M BELL CA
Director

Dated this 27th day of September 2023
Perth, Western Australia

**ALBION RESOURCES LIMITED
ASX INFORMATION**

AS AT 18 SEPTEMBER 2023

The following additional information is required by the ASX Limited in respect of listed public companies and was applicable at 18 September 2023.

1. Shareholder and Option holder information

a. Number of Shareholders and Option Holders

Shares

As at 18 September 2023, there were 442 shareholders holding a total of 65,266,667 fully paid ordinary shares.

Options

As at 18 September 2023, there were 3,500,000 Unquoted Options exercisable at \$0.25 on or before 21 January 2024 held by 3 holders, and 28,000,000 quoted options exercisable at \$0.25 exercisable on or before 29 September 2023.

b. Distribution of Equity Securities

Fully paid ordinary shares Category (size of holding)	Number (as at 18 September 2023)	
	Shareholders	Ordinary Shares
1 – 1,000	18	2,881
1,001 – 5,000	67	227,181
5,001 – 10,000	76	630,088
10,001 – 100,000	194	6,584,541
100,001 – and over	87	57,821,976
	442	65,266,667

The number of shareholdings held in less than marketable parcels is 99 shareholders amounting to 311,571 shares.

Listed Options expiring 29/09/2023 Category (size of holding)	Number (as at 18 September 2023)	
	Option holders	Listed Options
1 – 1,000	8	3,738
1,001 – 5,000	74	273,839
5,001 – 10,000	32	253,770
10,001 – 100,000	122	4,206,389
100,001 – and over	34	23,262,264
	270	28,000,000

The number of listed options held in less than marketable parcels is 205 amounting to 2,524,955 options.

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ALBION RESOURCES LIMITED
ASX INFORMATION

c. The names of substantial shareholders listed in the company's register as at 18 September 2023 are:

Shareholder	Ordinary Shares	%Held of Total Ordinary Shares
Steve Formica	5,092,309	7.8
David Palumbo	4,933,334	7.56
Colin Locke	3,909,525	5.99
Brian Byass	3,332,500	5.11

d. Voting Rights

The voting rights attached to the ordinary shares are as follows:

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. 20 Largest Shareholders as at 18 September 2023 — Ordinary Shares

		Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1	MR DAVID LEE PALUMBO	4,933,334	7.56
2	MR COLIN KENNETH LOCKE	3,909,525	5.99
3	MR BRIAN PETER BYASS	3,332,500	5.11
4	ASP CAPITAL MANAGEMENT PTY LTD <ABG FAMILY A/C>	3,250,000	4.98
5	STEV SAND INVESTMENTS PTY LTD <STEVEN FORMICA FAMILY A/C>	3,246,988	4.97
6	BROWNNARROWS PTY LTD <EJM A/C>	3,133,334	4.80
7	MS LAURA BAILEY	2,456,000	3.76
8	EZR SYSTEMS PTY LTD	2,000,000	3.06
9	STEV SAND HOLDINGS PTY LTD <FORMICA HORTICULTURAL A/C>	1,845,231	2.83
10	HELMSDALE INVESTMENTS PTY LTD	1,813,334	2.78
11	CITYSIDE INVESTMENTS PTY LTD	1,601,428	2.45
12	MR PETER FRANCIS SCANLAN	1,420,000	2.18
13	FIRST ONE REALTY PTY LTD	1,000,000	1.53
13	MR JAMES OWEN STROGUSZ + MRS MALGORZATA STROGUSZ	1,000,000	1.53
15	AUKERA CAPITAL PTY LTD <AUKERA DISCRETIONARY A/C>	900,000	1.38
16	ARMS CAPITAL PTY LTD	739,428	1.13
17	UNION SQUARE CAPITAL PTY LTD <ENDEAVOR A/C>	725,000	1.11
18	EXP1 ASSET MANAGEMENT PTY LTD <EXP1 A/C>	700,000	1.07
19	MR JOHN JAMES JARDINE + MRS MARYKE JARDINE <J & M JARDINE S/F A/C>	671,508	1.03
20	ARIEL KING	666,667	1.02
		<u>39,344,277</u>	<u>60.27</u>

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ALBION RESOURCES LIMITED
ASX INFORMATION

20 Largest Option holders as at 18 September 2023 – Listed Options

	Number of Listed Options held	% Held of Listed Options
1 UNION SQUARE CAPITAL PTY LTD <ENDEAVOR A/C>	2,700,000	9.64
2 AUKERA CAPITAL PTY LTD <AUKERA DISCRETIONARY A/C>	2,000,000	7.14
2 ELLAZ PTY LTD <THE RIPPER A/C>	2,000,000	7.14
2 MR TROY ROBERT VALENTINE	2,000,000	7.14
5 MR DAVID LEE PALUMBO	1,850,000	6.61
6 MR COLIN KENNETH LOCKE	1,600,000	5.71
7 JAPL NOMINEES PTY LTD <JAPL INVESTMENT A/C>	1,437,401	5.13
8 CITYSIDE INVESTMENTS PTY LTD	1,100,000	3.93
9 MS LAURA BAILEY	921,000	3.29
10 MR BRIAN PETER BYASS	812,500	2.90
11 SENTINEL CAPITAL PTY LTD	700,000	2.50
12 HELMSDALE INVESTMENTS PTY LTD	680,000	2.43
13 CUMANI INVESTMENTS PTY LTD	600,000	2.14
13 LAKE SPRINGS PTY LTD <THE LAKE SPRINGS S/F A/C>	600,000	2.14
15 ARCHFIELD HOLDINGS PTY LTD	498,976	1.78
16 MR JAMES OWEN STROGUSZ + MRS MALGORZATA STROGUSZ	469,000	1.68
17 BROWNNARROWS PTY LTD <EJM A/C>	428,500	1.53
18 MR PETER FRANCIS SCANLAN	365,000	1.30
19 ARIEL KING	250,000	0.89
20 CARMELLO INVESTMENTS PTY LTD	200,000	0.71
	21,212,377	75.73

2. The name of the company secretary is David Palumbo.
3. The address of the principal registered office in Australia is:
Level 8, 216 St Georges Terrace Perth WA 6000
4. Registers of securities are held at the following address:
Computershare Investor Services Pty Ltd, Level 17, 221 St Georges Terrace, Perth WA 6000
5. Stock Exchange Listing
Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the ASX Limited.

**ALBION RESOURCES LIMITED
ASX INFORMATION**

6. Use of Funds:
Between the date of listing on ASX and the date of this report the Company has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives and as set out in the pursuant to the Prospectus dated 18 March 2021.

7. Restricted Securities:
The Company currently has no restricted securities.

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**ALBION RESOURCES LIMITED
TENEMENT SCHEDULE**

Project	Sub-Project	Tenement	Status	% Held
Lennard Shelf	Pillara East	E04/2499	Granted	100%
Lennard Shelf	Pillara East	E04/2637	Granted	100%
Lennard Shelf	Pillara East	E04/2672	Granted	100%
Lennard Shelf	Prices Hill	E04/2504	Granted	100%
Lennard Shelf	Sadler Ridge	E80/5352	Granted	100%
Leinster	-	E36/1005	Granted	100%
Mongers Lake	-	E59/2576	Granted	100%
Mongers Lake	-	E59/2641	Granted	100%
Mongers Lake	-	E59/2802	Application	100%

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