



ABN 93 092 304 964

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and its controlled entity

**Annual Report for the
financial year ended
30 June 2023**

Corporate directory

Board of Directors

Mr Peter Christie	Non-Executive Chairman
Mr Guy Le Page	Non-Executive Director
Mr Simon Mitchell	Non-Executive Director

Company Secretary

Mr Johnathon Busing

Registered Office

Ground Floor
168 Stirling Highway
Nedlands, Western Australia 6009
Tel: +61 8 6165 8858

Principal Place of Business

Ground Floor
168 Stirling Highway
Nedlands, Western Australia 6009
Tel: +61 8 6165 8858

Postal Address

PO Box 369
Nedlands, Western Australia 6909

Auditors

HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
Perth, Western Australia 6000

Share Registry

Advanced Share Registry Ltd
110 Stirling Highway
Nedlands, Western Australia 6009
Tel: +61 8 9389 8033
Fax: +61 8 9262 3723

Stock Exchange

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

ASX Code

MRD

Annual report for the financial year ended 30 June 2023

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Directors' report

The directors of Mount Ridley Mines Limited ("Mount Ridley" or "the Company") submit herein the annual report of Mount Ridley Mines Limited and its subsidiary ("the Group") for the financial year ended 30 June 2023. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Information about the directors

The names and particulars of the directors of the Group who held office during or since the end of the financial year are:

Name	Particulars
Mr Peter Christie <i>BBus</i>	Non-Executive Chairman, joined the board on 8 October 2018 as Non-Executive Chairman. Mr. Christie is a qualified accountant and tax agent with over 25 years of public accounting experience.
Mr Guy Le Page <i>B.A., B.Sc., B.App.Sc. (Hons), MBA, M.Fin.Plan., GradDipAppFin, MAusIMM, FFIN</i>	Non-Executive Director, joined the board on 19 December 2012. Mr Le Page is currently a director and corporate advisor of RM Corporate Finance specialising in resources. He is actively involved in a range of corporate initiatives from mergers and acquisitions, initial public offerings to valuations, consulting and corporate advisory roles.
Mr Simon Mitchell <i>BSc (Hons) Geol, GradDipAppFin, MAusIMM, GAICD, MSEG</i>	Non-Executive Director, joined the board on 14 October 2019. Mr Mitchell is a geologist and finance executive with over 30 years of resources industry experience in technical and corporate roles including 10 years gold exploration and mine development experience. Mr Mitchell worked for 6 years at the Commonwealth Bank Australia, predominantly in Project Finance, and more than 6 years with Toro Energy as General Manager of Business Development where he was responsible for mergers and acquisitions, capital raisings and the engagement of investors worldwide. Mr Mitchell was recently the Managing Director of South Korean gold explorer Southern Gold Ltd (ASX: SAU) and was previously Managing Director of Asiatic Gold Ltd, an unlisted public company whose gold assets in South Korea were subsequently acquired by Southern Gold.
Mr Graeme Johnston <i>B.Sc, M.Sc, DIC</i>	Non-Executive Director, joined the board on 1 December 2020 and resigned on 18 July 2022. Mr Johnston is a Geologist with over 30 years' experience in Australia, the middle East, Romania, Malaysia and the Democratic Republic of Congo ("DRC"), with exposure to a range of commodities, including iron, gold and lithium. He specialises on the transition period between orebody delineation and mine opening. Mr Johnston's experience with iron extends from engagements with Rio Tinto and then Midwest Corporation where he was the Principal Geologist during its sale to Sinosteel Corporation for US\$1.4 billion. This was followed by nine years as Technical Director of Ferrowest Limited, contributing to the successful completion of the Feasibility Study for the Yalgoo Pig Iron Project. Mr Johnston is also the Technical Director for AVZ Minerals Limited, following on from his role of Project Manager for the Manono Lithium Project in the DRC.

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Directorships of other listed companies

Directorships of other listed companies held by directors in office as at 30 June 2023, in the three years immediately before the end of the financial year are as follows:

Name	Company	Period of directorship
Guy Le Page	Conico Limited	Since May 2007
	Tasman Resources Limited	Since June 2001
Peter Christie	Caeneus Minerals Ltd	Oct 2017 – Sep 2022
Simon Mitchell	Southern Gold Limited	Feb 2015 – Oct 2021

Directors' shareholdings

The following table sets out each directors' relevant interests in shares and options of the Company or a related body corporate as at the date of this report:

Directors	Fully paid ordinary shares	Performance rights
	Number	Number
Peter Christie	29,872,904	60,000,000
Guy Le Page	72,031,251	30,000,000
Simon Mitchell	10,000,000	30,000,000

Company Secretary**Johnathon Busing *BBus, CA***

Mr Busing held the position of company secretary of Mount Ridley Mines Ltd at the end of the financial year. He joined Mount Ridley in June 2017. Mr Busing is a member of Chartered Accountants Australia and New Zealand. His experience includes financial reporting of ASX listed companies, corporate compliance, corporate restructuring and taxation.

Dividends

No dividends have been paid or declared since the start of the financial year and the directors have not recommended the payment of a dividend in respect of the financial year.

Shares under option or issued on exercise of options

Details of unissued shares or interests under options as at the date of this report are:

Issuing entity	Grant date	Number of shares under option	Class of shares	Exercise price of option	Expiry date of options
Mount Ridley Mines Limited	28 Dec 2021	624,925,539	Ordinary	\$0.003	31 Dec 2025
Mount Ridley Mines Limited	28 Dec 2021	436,103,136	Ordinary	\$0.005	31 Dec 2025

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the Company or of any other body corporate or registered scheme.

There have been no options granted over unissued shares or interests of any controlled entity within the Group during or since the end of the reporting period.

Details of shares or interests issued during or since the end of the financial year as a result of exercise of an option are:

Issuing entity	Number of shares issued	Class of shares	Amount paid for shares	Amount unpaid on shares
Mount Ridley Mines Limited	1,927,854,428	Ordinary	\$5,783,563	\$NIL

Details of performance rights or interests issued during or since the end of the financial year:

Issuing entity	Class	Number of Rights	Grant Date	Expiry Date
Mount Ridley Mines Limited	Class A Rights	72,500,000	30 Nov 2022	28 Dec 2027
Mount Ridley Mines Limited	Class B Rights	72,500,000	30 Nov 2022	28 Dec 2027
Mount Ridley Mines Limited	Class C Rights	72,500,000	30 Nov 2022	28 Dec 2027
Mount Ridley Mines Limited	Class D Rights	72,500,000	30 Nov 2022	28 Dec 2027

The Company has issued 120,000,000 performance rights to directors and 170,000,000 performance rights to consultants in four different classes each with its own specific vesting conditions. The performance rights vest on the date that the vesting conditions relating to the performance right has been satisfied. Details of the vesting conditions are disclosed in note 18 of the consolidated financial statements.

Indemnification of officers and auditors

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company (as named above), the company secretary, and all executive officers of the Company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, three board meetings were held and eighteen circular resolutions were passed.

Directors	Board of Directors	
	Held	Attended
Peter Christie	5	5
Guy Le Page	5	5
Simon Mitchell	5	5

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 for all or any part of those proceedings.

Non-audit services

The directors are 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 auditors' independence for the following reasons:

- all non-audit services are reviewed and approved by the Board of Directors 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.

During the financial year, the auditor provided tax compliance services. Refer to Note 25.

Auditor's independence declaration

The auditor's independence declaration is included on page 14 of this annual report and forms part of the directors' report.

Corporate governance

The directors support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. The Company's Corporate Governance Statement and its compliance with ASX guidelines can be found on the Company's website at www.mtridleymines.com.au. The policies and compliance as stated were in place for the whole year and are current as at the date of this report.

Operating and financial review

Principal activities

Mount Ridley Mines Limited is a Perth based Australian Exploration Company actively targeting demand-driven minerals in Western Australia. The Company's core projects include: The Mount Ridley Project, considered prospective for rare earth elements (REE) and nickel and copper (Ni and Cu) sulphides, and the Weld Range West Project, considered prospective for iron (Fe) and gold (Au).

Operating results

The consolidated loss of the Group for the financial year, after providing for income tax, amounted to \$4,647,108 (2022: \$4,312,267). Further discussions on the Group's operations are provided below:

Review of operations

The Mount Ridley Rare Earths Project

During the first half of the financial year, the Company announced that it has received Programme of Works (POW) approvals from the Department of Mines Industry Regulation and Safety (DMIRS), which permits aircore drilling at all prospects, including Mia, Butch, Tyrrell's Keith's, Marcellus', Winston's, Jules' and Vincent's Prospects.

The Company has retained Independent Metallurgical Operations, a Perth-based metallurgical consultancy and laboratory, to plan and oversee REE extraction test work as the first step towards the development of a process flowsheet.

409 bottom-of-hole, mostly fresh, samples of basement rocks have been analysed by Portable Spectral Services, using a Bruker M4 Tornado microXRF. These are in addition to 344 samples previously scanned. A proprietary mineral library allows precise mineral and rock identification. This technology is used to identify the lithology of basement rocks, and REE-containing minerals and other mineralisation indicators.

Additional aircore drilling results and emerging new prospects (Jody and Marvelous Marvin)

New prospects at Jody and Marvelous Marvin were discovered, with each displaying relatively shallow (less than 20m of cover), widespread, thick, high-grade TREO intervals containing up to 33% MagREO. Individual assays of higher grade (above 1,000ppm) TREO were common.

The latest drill results have expanded the mineralisation footprint to at least 1,500km² and resulted in the discovery of:

The Jodi Prospect, where new mineralisation is within a 5km long and 5km wide area, located approximately 3km north of previous drilling. Mineralisation is relatively shallow, starting from 6m depth (average 24m), with an average thickness of 13m (above 500ppm TREO) and average MREO content of 25%. Mineralisation is open in all directions.

The Marvelous Marvin Prospect, where new mineralisation (above 500ppm TREO) has been intersected along an 8km-long regional traverse approximately 15km southwest of the Mia Prospect. Average thickness of significant TREO mineralisation is 11m from a depth of 21m. Using aeromagnetic imagery, the Marvelous Marvin Prospect can be interpreted as a southern extension to the REE mineralisation intersected at the Mia Prospect, indicating a prospective corridor that exceeds 20km in length.

Exploration Update

Assays: Aircore drilling results are flowing through with all results expected by the end of May.

Metallurgy: Beneficiation testwork is progressing well. Most samples have been screened and are being filtered. When complete, the fine fraction will be tested by ANSTO, IMO and Simulus laboratories.

Surveys: Aboriginal Heritage Protection surveys are advancing, with a drone survey in progress. Spring flora surveys are scheduled for priority drilling areas at the contiguous Mia and Marvin Prospects. Targets take into consideration the location of the magnetic 'ridges' evident in aeromagnetic imagery.

Drilling: Programmes of Work approvals have been received from the DMIRS, to drill up to 9 kilometres north and up to 10 kilometres south of the central Mia Prospect area and as far south as the Marvin Prospect. These approvals include provisions to progressively infill the drilling grid in areas to a 400m x 400m density. The Company is targeting high silica-kaolin saprolite that may be amenable to beneficiation through simple screening.

Geology and Mineralogy: A geological map of basement rock types is progressing under a Research and Development (R&D) programme, with emphasis on distinguishing regional and local units with elevated REE. A separate R&D study is looking at the relationship between clay type, Redox fronts and the distribution of REE mineralisation.

Drilling approvals, environmental and heritage protection surveys have been broken down into parts, which are fully funded and advancing.

Completed: Second pass drilling of the 25km², central Mia area where holes have been drilled along 5 lines spaced 2km apart, each between 5 and 7 km long, and with holes spaced at 400m along these lines. Assays from this work are expected at the end of April 2023.

Completed: North-south and east-west aircore traverses across known mineralisation at central Mia, drilled on 100m spacings to provide geostatistical data for future resource estimations. This also targeted drill hole MRAC1188 which ended in 2.88% TREO.

Scheduled: Subject to results, Infill drilling of the same 25km² central Mia area to bring the drilling density down to a 400m x 400m grid pattern. A POW for this work is approved subject to completing heritage and flora surveys, booked for early April 2023.

Further Drilling: Separate POWs have been applied for or approved, subject to completing heritage and flora surveys, to drill up to 9 kilometres north and up to 10 kilometres south of the central Mia Prospect, as far south as the Marvin Prospect. These approvals include provisions to progressively infill the drilling grid to a 400m x 400m pattern.

Heritage Protection and Environment Management

The Company and the Esperance Tjaltjraak Native Title Aboriginal Corporation (ETNTAC) has developed an Aboriginal Heritage Management Plan (AHMP) which, among other things, identifies areas of cultural significance that the Company will avoid.

The Company has adopted a best practice Exploration Environment Management Plan (EEMP) recording the Company's obligations and procedures when operating at the Mount Ridley Project.

In addition, under the AHMP and EEMP, areas of proposed new clearing will be inspected by on-site heritage and flora/fauna monitors when drill traverses are cleared.

Completed Work Summary

- The Company has assayed over 800 AC holes representing over 36,000m of drilling. This work identified wide-spread clay-hosted REE mineralisation, which has resolved into 11 targets for further detailed work.
- Samples from over 3,500m of drilling by Mt Ridley Mines from 2017-2018 were analysed for REE using a 'total digest' fusion technique ("Fusion"), designed to report the total amount of REE in each sample.
- A second analysis of higher grade REE samples was completed using a weak aqua regia digestion technique intended to take into solution soluble REE. This test indicated that at a grade of approximately 800ppm TREO, 80% of light REO 76% of heavy HREO and 80% of CREO were taken into solution under the conditions trialled.
- Subsequently in late 2022, 101 holes (4,521m) were drilled generating a further 2,816 samples which are currently being analysed.
- Twenty diamond drill holes for a total of 961.5m of core were completed across the Project.
- 961.5m of PQ diamond drill core has been drilled and is being processing for extractive metallurgical test work.
- 1,264 drill pulps have been analysed using a short wave infra-red ("SWIR") instrument to help map clay mineral distribution as a component of an ongoing Research and Development project studying the REE mineralisation genesis.
- 691 samples of near fresh rock stubs from the bottom of aircore holes drilled in 2014 and 2022 have been scanned using a Bruker M4 Tornado micro-XRF analyser. This is a Research and Development project designed to geologically map basement rocks (protolith). The protolith has a major bearing on the style of clay that the REE mineralisation is hosted in.
- The Company's geochemical consultant is continuing to generate prospectivity indices from these datasets.

Corporate*Capital Raising*

During the first half of the year, the Company issued 1,927,854,428 fully paid ordinary shares on exercise of MRDOB listed options exercisable at \$0.0030, and which expired on 30 November 2022.

The Company paid an underwriting fee of \$326,869 (incl. GST) (6% of the Underwritten amount) to Capital Investment Partners Pty Ltd as per the underwriting agreement dated 17 August 2022.

On 28 December 2022, the Company issued 290,000,000 performance rights to its directors and consultants, as approved at the 2022 annual general meeting, and in accordance with the employee incentive securities plan.

Annual General Meeting

The Company held its Annual General Meeting on 30 November 2022. All resolutions were passed by the requisite majority. Details of proxies and poll votes were set out in a summary attached to the announcement made on the same day.

Subsequent Events

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs in the future financial years.

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Remuneration report (audited)

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of Mount Ridley Mines Limited's key management personnel for the financial year ended 30 June 2023. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. The prescribed details for each person covered by this report are detailed below under the following headings:

- key management personnel
- remuneration policy
- relationship between the remuneration policy and Group performance
- remuneration of key management personnel
- key terms of employment contracts.

Key management personnel

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

Non-executive directors	Position
Mr Peter Christie	Non-executive chairman
Mr Guy Le Page	Non-executive director
Mr Simon Mitchell	Non-executive director
Mr Graeme Johnston (resigned 18 July 2022)	Non-executive director

Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year.

Remuneration policy

Mount Ridley's remuneration policy, which is set out below, is designed to promote superior performance and long term commitment to the Group.

Non-executive director remuneration

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board may, from time to time, consider advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process. Each director receives a fee for being a director of the Group.

The aggregate amount of remuneration paid to the non-executive directors during the financial year was \$204,518 (2022: 159,000).

Non-executive directors are encouraged by the Board to hold shares in the Company (purchased by the director on market). It is considered good governance for directors to have a stake in the Company on whose Board he or she sits.

The remuneration of Non-Executive Directors for the year ended 30 June 2023 is detailed below.

Executive director remuneration

Based on the current stage in the Group's development, its size, structure and strategies, the Board considers that the key performance indicator in assessing the performance of executive directors ("executives") and their contribution towards increasing shareholder value is share price performance over the review period.

Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive and business conditions where it is in the interests of the Group and shareholders to do so. Executive remuneration and other terms of employment are reviewed annually by the Board having regard to their performance, relevant comparative information and expert advice.

The Board's remuneration policy reflects its obligations to align executive remuneration with shareholder interests and to retain appropriately qualified executive talent for the benefit of the Group. The main principles are:

- (a) remuneration reflects the competitive market in which the Group operates;
- (b) individual remuneration should be linked to performance criteria if appropriate; and
- (c) executives should be rewarded for both financial and non-financial performance.

The total remuneration of executives consists of the following:

- (a) salary - executives receive a fixed sum payable monthly in cash;
- (b) cash at risk component - executives may participate in share and option schemes generally made in accordance with thresholds set in plans approved by shareholders if deemed appropriate. However, the board considers it appropriate to issue shares and options to executives outside of approved schemes in exceptional circumstances;
- (c) performance rights - executives may, if deemed appropriate by the Board, participate in share-based incentive programme in accordance with Company policy; and
- (d) other benefits - executives may, if deemed appropriate by the Board, be provided with a mobile phone and other forms of remuneration.

The Board has not formally engaged the services of a remuneration consultant to provide recommendations when setting the remuneration received by key management personnel during the financial year.

Relationship between the remuneration policy and Group performance

The board considers that at this time, evaluation of the Group's financial performance using generally accepted measures such as profitability, total shareholder return or per company comparison are not relevant.

The table below sets out summary information about the Group's earnings and movements in shareholder wealth for the five years to 30 June 2023:

	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
	\$	\$	\$	\$	\$
Revenue	708,144	48,405	46,932	114,132	114,883
Net loss before tax	(4,647,108)	(4,312,267)	(943,745)	(64,849)	(589,558)
Net loss after tax	(4,647,108)	(4,312,267)	(943,745)	(64,849)	(589,558)
Share price at start of year	0.005	0.002	0.001	0.001	0.004
Share price at end of year	0.002	0.005	0.002	0.001	0.001
Basic loss per share (cents per share)	0.066	0.078	0.027	0.003	0.030
Diluted loss per share (cents per share)	0.066	0.078	0.027	0.003	0.030

Remuneration of key management personnel

2023	Short-term employee benefits		Post-employment benefits	Share-based payments		Total	% of remuneration performance related
	Salary & fees \$	Other \$	Super-annuation \$	Options	Performance Rights \$		
Directors							
Graeme Johnston ¹	-	-	-	-	-	-	-
Guy Le Page	40,500	-	-	-	15,242	55,742	27%
Peter Christie	60,000	-	-	-	30,484	90,484	34%
Simon Mitchell	40,100	-	2,950	-	15,242	58,292	26%
Total	140,600	-	2,950	-	60,968	204,518	30%

¹ Mr Johnston was appointed as director on 1 December 2020 and resigned on 18 July 2022.

2022	Short-term employee benefits		Post-employment benefits	Share-based payments		Total	% of remuneration performance related
	Salary & fees \$	Other \$	Super-annuation \$	Options	Performance Rights \$		
Directors							
Graeme Johnston ¹	36,000	-	-	-	-	36,000	-
Guy Le Page	30,000	-	-	-	-	30,000	-
Peter Christie	60,000	-	-	-	-	60,000	-
Simon Mitchell	30,000	-	3,000	-	-	33,000	-
Total	156,000	-	3,000	-	-	159,000	-

¹ Mr Johnston was appointed as director on 1 December 2020 and resigned on 18 July 2022.

Bonuses and share-based payments granted as compensation for the current financial year

Bonuses

No bonuses were paid to key management personnel during the financial year (2022: NIL).

Incentive share-based payments arrangements

On 28 December 2022, the Company has issued 120,000,000 performance rights to directors in four different classes each with its own specific vesting conditions. The performance rights vest subject on the date that the vesting condition relating to the performance right has been satisfied. Details in vesting conditions are included in Note 18.

Option exercised

Simon Mitchell exercised 10,000,000 incentive options which were granted at the 2019 AGM. The value of options granted on the grant date was \$19,548. The fair value of options exercised at the exercise date was \$30,000.

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Other transactions with KMP

Mr Simon Mitchell was paid for consulting fees and was reimbursed for travel expenditure during the year.

Mr Guy Le Page is a director of Orequest Pty Ltd & RM Corporate Finance Pty Ltd. An amount of \$4,400 was included in trade and other payables.

Amounts paid relating to services excluding directors' fees and consulting services:

	2023 \$
Simon Mitchell	5,987
RM Corporate Finance Pty Ltd	10,000

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Key management personnel equity holdings*Fully paid ordinary shares of Mount Ridley Mines Limited*

2023	Balance at 1 July 2022 No.	Granted as compensati on No.	Received on exercise of options No.	Net other change No.	Balance at 30 June 2023 No.	Balance held Nominally No.
G Johnston ¹	11,666,666	-	-	(11,666,666)	-	-
G Le Page	69,583,334	-	2,447,917	-	72,031,251	72,031,251
P Christie	26,553,692	-	3,319,212	-	29,872,904	29,872,904
S Mitchell	-	-	10,000,000	-	10,000,000	10,000,000

¹ Appointed 1 December 2020 and resigned 18 July 2022. 'Net other change' represents balance held on resignation.

2022	Balance at 1 July 2021 No.	Granted as compensati on No.	Received on exercise of options No.	Net other change No.	Balance at 30 June 2022 No.	Balance held Nominally No.
G Johnston ¹	11,666,666	-	-	-	11,666,666	11,666,666
G Le Page	69,583,334	-	-	-	69,583,334	69,583,334
P Christie	26,553,692	-	-	-	26,553,692	26,553,692
S Mitchell	-	-	-	-	-	-

¹ Appointed 1 December 2020 and resigned 18 July 2022. 'Net other change' represents balance held on resignation.

Share options of Mount Ridley Mines Limited

2023	Balance at 1 July 2022	Granted as compensation	Exercised	Expired	Net other change	Balance vested and exercisable at 30 June 2023
	No.	No.	No.	No.	No.	No.
G Johnston ¹	21,666,666	-	-	-	(21,666,666)	-
G Le Page	2,447,917	-	2,447,917	-	-	-
P Christie	13,319,212	-	3,319,212	10,000,000	-	-
S Mitchell	10,000,000	-	10,000,000	-	-	-

¹ Appointed 1 December 2020 and resigned 18 July 2022. 'Net other change' represents balance held on resignation.

2022	Balance at 1 July 2021	Granted as compensation	Exercised	Expired	Net other change	Balance vested and exercisable at 30 June 2022
	No.	No.	No.	No.	No.	No.
G Johnston ¹	11,666,666	-	-	-	10,000,000	21,666,666
G Le Page	2,447,917	-	-	-	-	2,447,917
P Christie	13,319,212	-	-	-	-	13,319,212
S Mitchell	10,000,000	-	-	-	-	10,000,000

¹ Appointed 1 December 2020 and resigned 18 July 2022. 'Net other change' represents listed options acquired on the ASX stock market.

Performance rights of Mount Ridley Mines Limited

2023	Balance at 1 July 2022	Granted as compensation	Exercised	Expired	Net other change	Balance at 30 June 2023
	No.	No.	No.	No.	No.	No.
G Le Page	-	30,000,000	-	-	-	30,000,000
P Christie	-	60,000,000	-	-	-	60,000,000
S Mitchell	-	30,000,000	-	-	-	30,000,000

This is the end of the audited remuneration report.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the directors



Mr Peter Christie
Non-Executive Chairman
 Perth, 27 September 2023

AUDITOR'S INDEPENDENCE DECLARATION

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

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

Perth, Western Australia
27 September 2023



D I Buckley
Partner

hlb.com.au

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

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

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

Liability limited by a scheme approved under Professional Standards Legislation.

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Mount Ridley Mines Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mount Ridley Mines Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

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

Basis for Opinion

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

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

Key Audit Matters

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

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

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

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

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Key Audit Matter	How our audit addressed the key audit matter
<p>Carrying amount of exploration and evaluation expenditure Refer to Note 12</p>	
<p>In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, the Group capitalises the costs of acquiring rights to explore areas of interest. All other exploration and evaluation expenditure is immediately expensed.</p> <p>Our audit focused on the Group’s assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Group. We planned our work to address the audit risk that the capitalised expenditure might no longer meet the recognition criteria of the standard.</p> <p>In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of the exploration and evaluation asset may exceed its recoverable amount.</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> ▪ We obtained an understanding of the key processes associated with management’s review of the carrying values of each area of interest; ▪ We considered the Directors’ assessment of potential indicators of impairment; ▪ We obtained evidence that the Group has current rights to tenure of its areas of interest; ▪ We examined the exploration budget as part of our assessment of the cash flow forecast, and discussed with management the nature of planned ongoing activities; ▪ We substantiated a sample of expenditure incurred to source documentation; ▪ We enquired with management, reviewed ASX announcements and reviewed minutes of Directors’ meetings to ensure that the Group had not resolved to discontinue exploration and evaluation at any of its areas of interest; and ▪ We examined the disclosures made in the financial report.

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

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

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

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

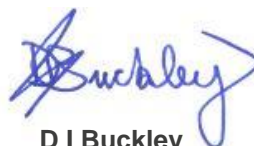
Responsibilities

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



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
27 September 2023



D I Buckley
Partner

Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 3.1 to the financial statements;
- (c) in the directors' opinion, the attached financial statements and notes comply with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements and give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year then ended; and
- (d) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the directors



Mr Peter Christie
Non-Executive Chairman
Perth, 27 September 2023

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Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2023

	Note	Consolidated	
		Year ended	
		30 June 2023	30 June 2022
		\$	\$
Revenue from continuing operations	6	36,576	9,642
Research & development claim		646,940	-
Dividend income		24,628	38,763
Consulting expenses		(246,565)	(146,650)
Depreciation		(86,320)	(31,082)
Exploration expenditure incurred		(4,065,176)	(2,278,821)
Compliance and regulatory expenses	7	(187,341)	(141,909)
Share based payments	18	(147,339)	-
Directors' fees		(143,550)	(156,000)
Administration expenses	7	(339,846)	(216,124)
Occupancy cost		(26,076)	(10,073)
Impairment of loan		(32,996)	(36,666)
Foreign currency loss		(1,753)	-
Fair value loss on FVTPL equity investments	19.9	(78,290)	(1,343,347)
Loss before income tax		(4,647,108)	(4,312,267)
Income tax benefit	8	-	-
Loss for the year		(4,647,108)	(4,312,267)
Other comprehensive income, net of income tax		-	-
Total comprehensive loss for the year		(4,647,108)	(4,312,267)
Loss per share:			
Basic/Diluted loss (cents per share)	9	(0.066)	(0.078)

The accompanying notes form part of these financial statements.

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Consolidated statement of financial position as at 30 June 2023

		Consolidated	
		Year ended	
		30 June 2023	30 June 2022
		\$	\$
	Note		
Current assets			
Cash and cash equivalents	22	3,470,272	2,263,558
Other receivables	10	144,738	185,510
Other financial assets	11	385,967	463,717
Total current assets		4,000,977	2,912,785
Non-current assets			
Exploration and evaluation expenditure	12	1,949,491	1,949,491
Property, plant and equipment	13	386,326	224,419
Right-of-use asset	14	55,902	80,704
Other non-current receivables		19,890	-
Total non-current assets		2,411,609	2,254,614
Total assets		6,412,586	5,167,399
Current liabilities			
Trade and other payables	15	420,441	130,241
Short-term lease liability	14	34,099	29,583
Unissued shares		-	730
Total current liabilities		454,540	160,554
Non-Current liabilities			
Long-term lease liability	14	23,307	51,317
Total non-current liabilities		23,307	51,317
Total liabilities		477,847	211,871
Net assets		5,934,739	4,955,528
Equity			
Issued capital	16	38,196,565	32,717,585
Share-based payment reserve	17	1,977,653	1,830,314
Accumulated losses		(34,239,479)	(29,592,371)
Total equity		5,934,739	4,955,528

The accompanying notes form part of these financial statements.

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Consolidated statement of changes in equity for the year ended 30 June 2023

	Consolidated			
	Issued capital	Share-based payment reserve	Accumulated losses	Total
	\$	\$	\$	\$
Balance at 1 July 2021	28,995,936	1,830,314	(25,280,104)	5,546,146
Loss for the year	-	-	(4,312,267)	(4,312,267)
Other comprehensive income, net of income tax	-	-	-	-
Total comprehensive loss for the year	-	-	(4,312,267)	(4,312,267)
Issue of ordinary shares	3,911,504	-	-	3,911,504
Share issue costs	(189,855)	-	-	(189,855)
Balance at 30 June 2022	32,717,585	1,830,314	(29,592,371)	4,955,528
Balance at 1 July 2022	32,717,585	1,830,314	(29,592,371)	4,955,528
Loss for the year	-	-	(4,647,108)	(4,647,108)
Other comprehensive income, net of income tax	-	-	-	-
Total comprehensive loss for the year	-	-	(4,647,108)	(4,647,108)
Issue of ordinary shares	5,783,563	-	-	5,783,563
Share issue costs	(304,583)	-	-	(304,583)
Share based payments	-	147,339	-	147,339
Balance at 30 June 2023	38,196,565	1,977,653	(34,239,479)	5,934,739

The accompanying notes form part of these financial statements.

Notes to the consolidated financial statements for the year ended 30 June 2023

1. General information

Mount Ridley Mines Limited (“the Company”) is a listed public company incorporated in Australia. The addresses of its registered office and principal place of business are disclosed in the corporate directory to the annual report.

The principal activities of the Company and its controlled entity (“the Group”) are described in the directors’ report.

2. Application of new and revised Accounting Standards

2.1 *Amendments to AASBs and the new Interpretation that are mandatorily effective for the current year*

Standards and Interpretations applicable as at 30 June 2023

In the year ended 30 June 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and therefore, no material change is necessary to Group accounting policies.

Standards and interpretations on issue not yet effective

The Directors have also reviewed all Standards and Interpretations in issue not yet effective for the period 30 June 2023. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations on issue not yet effective on the Group.

3. Significant accounting policies

3.1 *Statement of compliance*

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards (‘IFRS’).

The financial statements were authorised for issue by the directors on 27 September 2023.

3.2 *Basis of preparation*

The consolidated financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

Notes to the consolidated financial statements for the year ended 30 June 2023

3. Significant accounting policies (cont'd)

3.2 Basis of preparation (cont'd)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 or value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holdings of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and

any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Notes to the consolidated financial statements for the year ended 30 June 2023

3. Significant accounting policies (cont'd)

3.3 Basis of consolidation (cont'd)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.4 Comparatives

The accounting policies used in the preparation of these financial statements are consistent with those used in previous years. Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

3.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Revenue is recognised when control of the good or service provided has passed to the other party.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts though the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Research and Development Expenditure Tax Offset

Research and development tax incentives received as cash refunds, to the extent they relate to eligible expenditure on exploration and evaluation assets, are accounted as other income within the statement of profit or loss and other comprehensive income.

Notes to the consolidated financial statements for the year ended 30 June 2023

3. Significant accounting policies (cont'd)

3.6 *Employee benefits*

Short-term and long-term employee benefits

A liability is recognised for benefits accrued to employees in respect of wages and salaries and annual leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

3.7 *Taxation*

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.7.1 Current tax

The tax currently payable is based on taxable income for the year. Taxable income differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.7.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable income will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Notes to the consolidated financial statements for the year ended 30 June 2023

3. Significant accounting policies (cont'd)

3.7 Taxation (cont'd)

Deferred tax

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3.7.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.8 *Plant and Equipment*

Plant and equipment is stated at historical cost less accumulated depreciation and any impairment in value.

Costs include expenditures that are directly attributable to the acquisition of the asset.

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation is calculated on diminishing value basis using the following depreciation rates:

Software	40.0%
Equipment	33.3%
Furniture & Fittings	10.0%
Exploration assets	33.3%
Motor Vehicles	20.0%

Notes to the consolidated financial statements for the year ended 30 June 2023

3. Significant accounting policies (cont'd)

3.8 *Plant and Equipment (cont'd)*

Derecognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

3.9 *Exploration and evaluation expenditure*

In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, the costs of acquiring rights to explore areas of interest are capitalised. All other exploration expenditure is expensed to the consolidated statement of profit or loss and other comprehensive income. The costs of acquisition are carried forward where the rights of tenure are current and:

- (i) such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale; or
- (ii) exploration activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable resources.

Exploration and evaluation assets are assessed annually for impairment in accordance with AASB 6 and where impairment indicators exist, recoverable amounts of these assets will be estimated based on discounted cash flows from their associated cash generating units. An impairment loss is recognised in the statement of profit or loss and other comprehensive income where the carrying values of exploration and evaluation assets exceed their recoverable amounts.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development. Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

3.10 *Provisions*

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

Notes to the consolidated financial statements for the year ended 30 June 2023

3. Significant accounting policies (cont'd)

3.10 Provisions

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.11 Recoverable amount and impairment of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

The recoverable amount of plant and equipment and exploration and evaluation expenditure is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the assets belongs, unless the asset's value in use can be estimated to be close to its fair value.

An assessment is also made at each reporting date as to whether there is any indication that a previously recognised impairment loss may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at the revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

3.12 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity 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 purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest bearing loans and borrowings in the current liabilities on the statement of financial position.

Notes to the consolidated financial statements for the year ended 30 June 2023

3. Significant accounting policies (cont'd)

3.13 Other receivables

Receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Receivables are generally due for settlement within periods ranging from 30 days to 90 days.

Impairment of receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is an expectation that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance. Refer to Note 3.19 for specific references to the "expected credit loss" model used.

The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income within other expenses. When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

3.14 Trade and other payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

3.15 Share-based payment transactions

The Group may provide benefits to employees (including directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using a Black Scholes model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of Mount Ridley Mines Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled ("the vesting period"), ending on the date on which the relevant employees become fully entitled to the award ("the vesting date").

Notes to the consolidated financial statements for the year ended 30 June 2023

3. Significant accounting policies (cont'd)

3.15 Share-based payment transactions

At each subsequent reporting date until vesting, the cumulative charge to the statement of profit or loss and other comprehensive income is the product of (i) the grant date fair value of the award; (ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and (iii) the expired portion of the vesting period.

The charge to the statement of profit or loss and other comprehensive income for the year is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding credit to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not the market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of loss per share.

For equity-settled share-based payment transactions with consultants, the Group measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the fair value of the goods or service received cannot be estimated reliably, the Group measure their value and the corresponding increase in equity, indirectly, by reference to the fair value of the equity granted.

3.16 Issued capital

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

3.17 Loss per share

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

Notes to the consolidated financial statements for the year ended 30 June 2023

3. Significant accounting policies (cont'd)

3.17 *Loss per share*

Diluted loss per share is calculated as net loss attributable to members of the parent adjusted for:

- cost of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discriminatory changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

3.18 *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 Consolidated 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 amounts of GST recoverable from, or payable to, the taxation authority.

3.19 *Financial instruments*

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

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

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

Notes to the consolidated financial statements for the year ended 30 June 2023

3. Significant accounting policies (cont'd)

3.19 Financial instruments (cont'd)

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

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

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

Financial assets at amortised cost

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

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

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Group's trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit or loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

This category also contains equity investments. The Group accounts for these investments at FVTPL and did not make the irrevocable election to account for the investment in unlisted and listed equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of AASB 9, which does not allow for measurement at cost.

Notes to the consolidated financial statements for the year ended 30 June 2023

3. Significant accounting policies (cont'd)

3.19 Financial instruments (cont'd)

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

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Level 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Level 2').
- 'Level 3' would cover financial assets that have objective evidence of impairment at the reporting date.

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

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

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cashflows, considering the potential default at any point during the life of the financial instrument. In calculating, the Group used its historic experience, external indicators and forward-looking information to calculate the expected credit losses.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

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

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

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

Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

Notes to the consolidated financial statements for the year ended 30 June 2023

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period on which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Key sources of estimation uncertainty

Impairment of exploration and evaluation expenditure

Exploration and evaluation expenditure is reviewed for impairment if there is any indication that the carrying amount may not be recoverable.

The directors are required to exercise judgement on future events and the likelihood of defining an economic reserve. Assumptions made are altered as exploration and evaluation continues and more information becomes available. Where it is evident that the value of exploration and evaluation expenditure cannot be recovered, the capitalised amount will be impaired through the statement of profit or loss and other comprehensive income.

Share-based payments

Fair value is measured by the use of the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

5. Segment information

The Company operates in the mineral exploration industry. AASB 8 'Operating Segments' states that similar operating segments can be aggregated to form one reportable segment. Also, based on the quantitative thresholds included in AASB 8, there is only one reportable segment, namely the mineral exploration industry. None of the other operating segments currently meet any of the prescribed quantitative thresholds and as such do not have to be reported separately.

The Group has therefore decided to aggregate all its reporting segments into one reportable operating segment.

Notes to the consolidated financial statements for the year ended 30 June 2023

5. Segment information (cont'd)

The revenue and results of this segment are those of the Group as a whole and are set out in the consolidated statement of profit or loss and other comprehensive income. The segment assets and liabilities are those of the Group and set out in the consolidated statement of financial position.

6. Revenue

	2023	2022
	\$	\$
Interest income	2,849	333
Other income	33,727	9,309
	36,576	9,642

7. Loss for the year

Loss for the year has been arrived at after charging the following items of expenses:

	2023	2022
	\$	\$
Administration costs:		
Advertising & Marketing	180,009	114,175
Printing	703	987
Insurance	25,810	24,024
Legal fees	10,796	22,739
Travel	10,308	2,516
Other	112,220	51,683
Total administration costs	339,846	216,124
Consultants costs	246,565	146,650
Depreciation	86,320	31,082
Directors' fees	143,550	156,000
Compliance costs:		
ASX expenses	53,377	49,364
Dual Listing Fees	37,599	-
Share registry expenses	48,149	45,149
Audit expenses	41,008	41,725
ASIC expenses	7,208	5,671
Total compliance costs	187,341	141,909
Exploration expenses	4,065,176	2,278,821

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Notes to the consolidated financial statements for the year ended 30 June 2023

8. Income taxes relating to continuing operations

8.1 Income tax recognised in profit or loss

	2023	2022
	\$	\$
Current tax	-	-
Deferred tax	-	-
	-	-

8.2 Reconciliation

	2023	2022
	\$	\$
The income tax expense for the year can be reconciled to the accounting loss as follows:		
Loss before tax from continuing operations	(4,647,108)	(4,312,267)
Income tax benefit calculated at 30% (2022: 30%)	(1,394,133)	(1,293,680)
Non-deductible expenses	51,638	1,765
Assessable income	3,097	93,097
Non-assessable income	(194,082)	-
Franking credit converted to tax losses	(34,413)	(34,413)
Deferred tax assets and deferred tax liabilities not recognised	1,567,893	1,233,231
Income tax benefit recognised in profit or loss	-	-

8.3 Income tax recognised directly in equity

	2023	2022
	\$	\$
Share issue costs deductible over 5 years	113,457	55,538
	113,457	55,538

8.4 Deferred tax assets comprise

	2023	2022
	\$	\$
Losses available for offset against future taxable income	8,517,075	7,128,987
Accrued expenses	21,029	7,245
Superannuation Payable	342	300
Right-of-use lease liabilities	17,222	24,270
Other	83,680	50,295
Deferred tax assets offset	(8,639,348)	(7,211,097)
	-	-

This benefit from tax losses totalling \$8,498,287 (2022: \$7,128,987) will only be obtained if the specific entity carrying forward the tax losses derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised, and the Company complies with the conditions for deductibility imposed by tax legislation.

Notes to the consolidated financial statements for the year ended 30 June 2023

8. Income taxes relating to continuing operations (cont'd)

8.5 Deferred tax liabilities comprise

	2023	2022
	\$	\$
Exploration expenditure	(296,909)	(273,491)
Fuel tax credit receivable	-	(1,260)
Right-of-use assets	(16,771)	(24,211)
Deferred tax assets offset	313,680	298,962
	-	-

8.6 Unrecognised deferred tax assets

	2023	2022
	\$	\$
Unused tax losses for which no deferred tax assets have been recognised	28,390,251	23,763,291

9. Loss per share

	2023	2022
	cents per share	cents per share
Basic loss per share	(0.066)	(0.078)
Diluted loss per share	(0.066)	(0.078)

9.1 Basic and diluted loss per share

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2023	2022
	\$	\$
Loss for the year attributable to owners of the Company	(4,647,108)	(4,312,267)

	2023	2022
	No.	No.
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	7,049,514,044	5,527,709,252

10. Trade and other receivables

	2023	2022
	\$	\$
Prepayments	29,165	45,195
Other receivables	115,573	140,315
Unsecured loan	194,663	161,666
Less: provision for impairment ¹	(194,663)	(161,666)
	144,738	185,510

Notes to the consolidated financial statements for the year ended 30 June 2023

10. Trade and other receivables (cont'd)

¹During the prior year, the Company advanced loan funds to a third party, with no fixed repayment terms. At balance date the directors have resolved to book a provision for impairment of this loan on a conservative basis.

11. Other financial assets

	2023	2022
	\$	\$
Listed shares ¹	385,427	463,717
Unlisted shares ²	540	-
	385,967	463,717

¹ On 10 February 2020 the unlisted shares held in Prometheus Minerals Limited were converted into 120,446 Tribune Resources Limited shares at \$5.02 per share. As at 30 June 2023, these shares were revalued at a closing rate of \$3.20 per share. Refer to Note 19.9 for further information.

² On 30 July 2019 the Company received 1,000,000 Yalgoo Iron Ore Ltd shares as dividend in-specie distribution from Venus Metals Corporation. The rate of these shares during distribution is at \$0.0005389. The distribution unfranked amount per share was \$0.00053890.

The directors of the Company have designated these investments as Fair Value Through Profit or Loss (FVTPL)

12. Exploration and evaluation expenditure

	2023	2022
	\$	\$
Exploration and evaluation phase:		
Carrying value at beginning of the period	1,949,491	1,882,690
Acquisition cost of Weld Range ¹	-	70,915
Tenements surrendered	-	(4,114)
Balance at the end of the year	1,949,491	1,949,491

¹Acquisition details of Weld Range

Initial consideration	-	-
Stamp duty	-	70,915
Total	-	70,915

Consideration in Weld Range acquisition also includes milestone shares and royalties:

Milestone 1 shares ⁽ⁱ⁾	50,000,000
Milestone 2 shares ⁽ⁱⁱ⁾	50,000,000
Milestone 3 shares ⁽ⁱⁱⁱ⁾	50,000,000
Total	150,000,000

As these milestone shares and royalties are dependent upon future exploration results, no value has been recognised as at balance date.

Notes to the consolidated financial statements for the year ended 30 June 2023

(i) 50,000,000 Purchaser Shares upon the declaration of not less than 5 million tonnes of Inferred Mineral Resources 62.5%+ Fe grade in accordance with the JORC Code of 2012 (Milestone 1 Shares) within the earlier of 12 months from commencement of drilling and 60 months from the Settlement Date (Milestone 1 Achievement Date)

(ii) 50,000,000 Purchaser Shares upon the sale of 1 million tonnes of iron ore production at a C1 cost operating margin of at least US\$15 per tonne (Milestone 2 Shares) within the earlier of 24 months from commencement of mining and 60 months from the Settlement Date (Milestone 2 Achievement Date)

(iii) 50,000,000 Purchaser Shares upon the sale of a further 1 million tonnes of iron ore production (total 2 million tonnes) at a C1 cost operating margin of at least US\$15 per tonne (Milestone 3 Shares) within the earlier of 36 months from commencement of mining and 60 months from the Settlement Date (Milestone 3 Achievement Date)

Beneficiated royalty ⁽ⁱ⁾	2.2%
Iron ore royalty ⁽ⁱⁱ⁾	2.7%
Other minerals royalty ⁽ⁱⁱⁱ⁾	1.5%
Total	6.4%

Recoverability of the above carrying amount is dependent upon the successful development and commercial exploitation, or alternatively sale of the respective areas of interest.

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Notes to the consolidated financial statements for the year ended 30 June 2023

13. Property, plant and equipment

<i>Carrying amounts of</i>	2023	2022
	\$	\$
Software	124	207
Equipment and motor vehicles	178,778	92,969
Furniture and fittings	5,910	1,199
Exploration equipment	201,514	130,044
	386,326	224,419

30 June 2023	Software	Equipment & Motor Vehicles	Furniture & Fittings	Exploration equipment	Total
	\$	\$	\$	\$	\$
Cost or deemed cost					
Balance at 1 July 2022	7,708	134,477	2,265	158,832	303,282
Additions	-	123,506	5,419	87,229	216,154
Balance at 30 June 2023	7,708	257,983	7,684	246,061	519,436
Depreciation					
Balance at 1 July 2022	7,501	41,508	1,066	28,788	78,863
Depreciation for the year	83	37,697	708	15,759	54,247
Balance at 30 June 2023	7,584	79,205	1,774	44,547	133,110
Carrying amounts					
at 1 July 2022	207	92,969	1,199	130,044	224,419
at 30 June 2023	124	178,778	5,910	201,514	386,326

30 June 2022	Software	Equipment & Motor Vehicles	Furniture & Fittings	Exploration equipment	Total
	\$	\$	\$	\$	\$
Cost or deemed cost					
Balance at 1 July 2021	7,708	41,492	2,265	53,583	105,048
Additions	-	92,985	-	105,249	198,234
Balance at 30 June 2022	7,708	134,477	2,265	158,832	303,282
Depreciation					
Balance at 1 July 2021	7,363	24,581	961	24,963	57,868
Depreciation for the year	138	16,927	105	3,825	20,995
Balance at 30 June 2022	7,501	41,508	1,066	28,788	78,863
Carrying amounts					
at 1 July 2021	345	16,911	1,304	28,620	47,180
at 30 June 2022	207	92,969	1,199	130,044	224,419

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Notes to the consolidated financial statements for the year ended 30 June 2023

14. Lease

The Company entered into a lease agreement for its office in March 2022. The lease has a three-year term. The lease is reflected in the statement of financial position as a right-of-use asset and a lease liability assuming a duration of 3 years.

14.1 Lease Liabilities

Lease liabilities are presented in the statement of financial position as follows:

	2023	2022
	\$	\$
Current	34,099	29,583
Non-current	23,307	51,317
	57,406	80,900

14.2 Right-of-use Assets

	2023	2022
	\$	\$
Office-right-of-use	97,853	90,792
Less: Accumulated depreciation	(41,951)	(10,088)
Carrying value at 30 June 2023	55,902	80,704

Reconciliation

	2023	2022
	\$	\$
Opening balance as at 1 July 2022	80,704	-
Additions ¹	7,271	90,792
Depreciation expense	(32,073)	(10,088)
Total	55,902	80,704

¹ From 1 March 2023, in accordance with the terms of the lease agreement, annual rent was increased by \$3,744 to reflect the changes in consumer price index (CPI).

At 30 June 2023 the Company has not committed to any other lease.

\$2,088 interest expense in relation to leasing liabilities has been incurred for the period ended 30 June 2023.

15. Trade and other payables

	2023	2022
	\$	\$
Trade creditors	344,249	22,462
Other creditors and accruals	76,192	107,779
	420,441	130,241

Notes to the consolidated financial statements for the year ended 30 June 2023

16. Issued capital

7,784,882,867 fully paid ordinary shares
(30 June 2022: 5,857,028,439)

30 Jun 2023	30 Jun 2022
\$	\$
38,196,565	32,717,585

Fully paid ordinary shares	Year ended 30 Jun 2023		Year ended 30 Jun 2022	
	No.	\$	No.	\$
Balance at beginning of period	5,857,028,439	32,717,585	4,360,614,701	28,995,936
Issue of shares (i)	2,000,000	6,000	-	-
Issue of shares (ii)	5,000,000	15,000	-	-
Issue of shares (iii)	8,500,000	25,500	-	-
Issue of shares (iv)	2,000,000	6,000	-	-
Issue of shares (v)	442,502	1,328	-	-
Issue of shares (vi)	70,301,688	210,905	-	-
Issue of shares (vii)	6,300,000	18,900	-	-
Issue of shares (viii)	5,000,000	15,000	-	-
Issue of shares (ix)	41,403,082	124,209	-	-
Issue of shares (x)	35,863,359	107,590	-	-
Issue of shares (xi)	111,603,252	334,810	-	-
Issue of shares (xii)	446,728,308	1,340,185	-	-
Issue of shares (xiii)	210,406,123	631,218	-	-
Issue of shares (xiv)	133,928,099	401,784	-	-
Issue of shares (xv)	413,301,454	1,239,904	-	-
Issue of shares (xvi)	360,223,267	1,080,670	-	-
Issue of shares (xvii)	74,853,294	224,560	-	-
Issue of shares (xviii)	-	-	654,092,205	981,138
Issue of shares (xix)	-	-	416,666	1,250
Issue of shares (xx)	-	-	436,103,136	1,744,413
Issue of shares (xxi)	-	-	153,126,667	459,380
Issue of shares (xxii)	-	-	2,290,005	6,870
Issue of shares (xxiii)	-	-	34,890,808	104,672
Issue of shares (xxiv)	-	-	39,245,532	58,868
Issue of shares (xxv)	-	-	26,166,185	104,665
Issue of shares (xxvi)	-	-	22,000,000	66,000
Issue of shares (xxvii)	-	-	2,500,000	7,500
Issue of shares (xxviii)	-	-	6,841,668	20,525
Issue of shares (xxix)	-	-	1,297,349	3,892
Issue of shares (xxx)	-	-	2,000,000	6,000
Issue of shares (xxxi)	-	-	1,000,000	3,000
Issue of shares (xxxii)	-	-	1,500,000	4,500
Issue of shares (xxxiii)	-	-	30,000,000	90,000
Issue of shares (xxxiv)	-	-	5,834	18
Issue of shares (xxxv)	-	-	1,500,000	4,500
Issue of shares (xxxvi)	-	-	3,364,657	10,094
Issue of shares (xxxvii)	-	-	3,035,000	9,105
Issue of shares (xxxviii)	-	-	2,000,000	6,000
Issue of shares (xxxix)	-	-	16,667	50
Issue of shares (xl)	-	-	2,431,348	7,294
Issue of shares (xli)	-	-	62,090,000	186,270
Issue of shares (xlii)	-	-	1,166,666	3,500
Issue of shares (xliii)	-	-	7,333,345	22,000
Share issue costs	-	(304,583)	-	(189,855)
	7,784,882,867	38,196,565	5,857,028,439	32,717,585

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Notes to the consolidated financial statements for the year ended 30 June 2023

- (i) Issue of fully paid ordinary shares on 8 July 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.
- (ii) Issue of fully paid ordinary shares on 22 July 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.
- (iii) Issue of fully paid ordinary shares on 19 August 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.
- (iv) Issue of fully paid ordinary shares on 26 August 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.
- (v) Issue of fully paid ordinary shares on 2 September 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.
- (vi) Issue of fully paid ordinary shares on 30 September 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.
- (vii) Issue of fully paid ordinary shares on 7 October 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.
- (viii) Issue of fully paid ordinary shares on 14 October 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.
- (ix) Issue of fully paid ordinary shares on 21 October 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.
- (x) Issue of fully paid ordinary shares on 28 October 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.
- (xi) Issue of fully paid ordinary shares on 4 November 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.
- (xii) Issue of fully paid ordinary shares on 11 November 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.
- (xiii) Issue of fully paid ordinary shares on 18 November 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.
- (xiv) Issue of fully paid ordinary shares on 23 November 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.
- (xv) Issue of fully paid ordinary shares on 28 November 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.
- (xvi) Issue of fully paid ordinary shares on 1 December 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.
- (xvii) Issue of fully paid ordinary shares on 6 December 2022 at \$0.0030 each pursuant to the underwriting agreement with Capital Investment Partners Pty Ltd.
- (xviii) Issue of fully paid ordinary shares on 9 July 2021 at \$0.0015 each pursuant to a placement to sophisticated and institutional investors of the Company.
- (xix) Issue of fully paid ordinary shares on 15 July 2021 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.
- (xx) Issue of fully paid ordinary shares on 4 October 2021 at \$0.0040 each pursuant to a placement to sophisticated and institutional investors of the Company.
- (xxi) Issue of fully paid ordinary shares on 11 October 2021 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.
- (xxii) Issue of fully paid ordinary shares on 22 October 2021 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.
- (xxiii) Issue of fully paid ordinary shares on 11 November 2021 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.
- (xxiv) Issue of fully paid ordinary shares on 28 December 2021 at \$0.0015 each as consideration for services provided by RM Corporate Finance, a related party of Director Guy Le Page, pursuant to the July 2021 Lead Manager Mandate.
- (xxv) Issue of fully paid ordinary shares on 28 December 2021 at \$0.0040 each as consideration for services provided by RM Corporate Finance, a related party of Director Guy Le Page, pursuant to the September 2021 Lead Manager Mandate.
- (xxvi) Issue of fully paid ordinary shares on 21 January 2022 at \$0.0030 each pursuant to the exercise of unlisted options with 31 December 2025 expiry date.
- (xxvii) Issue of fully paid ordinary shares on 21 January 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.
- (xxviii) Issue of fully paid ordinary shares on 11 February 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.
- (xxix) Issue of fully paid ordinary shares on 18 February 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.
- (xxx) Issue of fully paid ordinary shares on 25 February 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.

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Notes to the consolidated financial statements for the year ended 30 June 2023

(xxxii) Issue of fully paid ordinary shares on 4 March 2022 at \$0.0030 each pursuant to the exercise of unlisted options with 31 December 2025 expiry date.

(xxxiii) Issue of fully paid ordinary shares on 11 March 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.

(xxxiv) Issue of fully paid ordinary shares on 18 March 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.

(xxxv) Issue of fully paid ordinary shares on 18 March 2022 at \$0.0030 each pursuant to the exercise of unlisted options with 31 December 2025 expiry date.

(xxxvi) Issue of fully paid ordinary shares on 25 March 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.

(xxxvii) Issue of fully paid ordinary shares on 8 April 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.

(xxxviii) Issue of fully paid ordinary shares on 8 April 2022 at \$0.0030 each pursuant to the exercise of unlisted options with 31 December 2025 expiry date.

(xxxix) Issue of fully paid ordinary shares on 22 April 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.

(xl) Issue of fully paid ordinary shares on 29 April 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.

(xli) Issue of fully paid ordinary shares on 11 May 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.

(xlii) Issue of fully paid ordinary shares on 11 May 2022 at \$0.0030 each pursuant to the exercise of unlisted options with 31 December 2025 expiry date.

(xliii) Issue of fully paid ordinary shares on 27 May 2022 at \$0.0030 each pursuant to the exercise of listed options with 30 November 2022 expiry date.

17. Option Reserve

17.1 Nature and purpose of Option Reserve

This reserve is used to record the value of equity benefits provided to employees (including directors) and suppliers, for services rendered.

17.2 Details of options on issue during the current year

Unlisted options	Year ended 30 Jun 2023		Year ended 30 Jun 2022	
	No.	\$	No.	\$
Balance at beginning of period	2,988,883,004	1,830,314	2,239,494,343	1,830,314
Exercise of options (i)	(2,000,000)	-	-	-
Exercise of options (ii)	(5,000,000)	-	-	-
Exercise of options (iii)	(8,500,000)	-	-	-
Exercise of options (iv)	(2,000,000)	-	-	-
Exercise of options (v)	(442,502)	-	-	-
Exercise of Options (vi)	(70,301,688)	-	-	-
Exercise of options (vii)	(6,300,000)	-	-	-
Exercise of options (viii)	(5,000,000)	-	-	-
Exercise of options (ix)	(41,403,082)	-	-	-
Exercise of options (x)	(35,863,359)	-	-	-
Exercise of options (xi)	(111,603,252)	-	-	-
Exercise of options (xii)	(446,728,308)	-	-	-
Exercise of options (xiii)	(210,406,123)	-	-	-
Exercise of options (xiv)	(133,928,099)	-	-	-
Exercise of options (xv)	(413,301,454)	-	-	-
Exercise of options (xvi)	(360,223,267)	-	-	-
Exercise of options (xvii)	(74,853,294)	-	-	-
Exercise of options (xviii)	-	-	(416,666)	-

Notes to the consolidated financial statements for the year ended 30 June 2023

Exercise of options (xix)	-	(153,126,667)	-
Exercise of options (xx)	-	(2,290,005)	-
Exercise of options (xxi)	-	(34,890,808)	-
Issue of options (xxii)	-	436,103,136	-
Issue of options (xxiii)	-	654,092,205	-
Exercise of options (xxiv)	-	(22,000,000)	-
Exercise of Options (xxv)	-	(2,500,000)	-
Exercise of options (xxvi)	-	(6,841,668)	-
Exercise of options (xxvii)	-	(1,297,349)	-
Exercise of options (xxviii)	-	(2,000,000)	-
Exercise of options (xxix)	-	(1,000,000)	-
Exercise of Options (xxx)	-	(1,500,000)	-
Exercise of Options (xxxii)	-	(30,000,000)	-
Exercise of Options (xxxiii)	-	(5,834)	-
Exercise of Options (xxxiv)	-	(1,500,000)	-
Exercise of Options (xxxv)	-	(3,364,657)	-
Exercise of Options (xxxvi)	-	(3,035,000)	-
Exercise of Options (xxxvii)	-	(2,000,000)	-
Exercise of Options (xxxviii)	-	(16,667)	-
Exercise of Options (xxxix)	-	(2,431,348)	-
Exercise of Options (xl)	-	(62,090,000)	-
Exercise of Options (xli)	-	(1,166,666)	-
Exercise of Options (xli)	-	(7,333,345)	-
Share based payments	147,339		
	1,061,028,576	1,977,653	2,988,883,004
			1,830,314

- (i) Exercise of options on 8 July 2022 at \$0.003 with 30 November 2022 expiry date.
(ii) Exercise of options on 22 July 2022 at \$0.003 with 30 November 2022 expiry date.
(iii) Exercise of options on 19 August 2022 at \$0.003 with 30 November 2022 expiry date.
(iv) Exercise of options on 26 August 2022 at \$0.003 with 30 November 2022 expiry date.
(v) Exercise of options on 2 September 2022 at \$0.003 with 30 November 2022 expiry date.
(vi) Exercise of options on 30 September 2022 at \$0.003 with 30 November 2022 expiry date.
(vii) Exercise of options on 7 October 2022 at \$0.003 with 30 November 2022 expiry date.
(viii) Exercise of options on 14 October 2022 at \$0.003 with 30 November 2022 expiry date.
(ix) Exercise of options on 21 October 2022 at \$0.003 with 30 November 2022 expiry date.
(x) Exercise of options on 28 October 2022 at \$0.003 with 30 November 2022 expiry date.
(xi) Exercise of options on 4 November 2022 at \$0.003 with 30 November 2022 expiry date.
(xii) Exercise of options on 11 November 2022 at \$0.003 with 30 November 2022 expiry date.
(xiii) Exercise of options on 18 November 2022 at \$0.003 with 30 November 2022 expiry date.
(xiv) Exercise of options on 23 November 2022 at \$0.003 with 30 November 2022 expiry date.
(xv) Exercise of options on 28 November 2022 at \$0.003 with 30 November 2022 expiry date.
(xvi) Exercise of options on 1 December 2022 at \$0.003 with 30 November 2022 expiry date.
(xvii) Exercise of options on 6 December 2022 at \$0.003 each pursuant to the underwriting agreement with Capital Investment Partners Pty Ltd.
(xviii) Exercise of options on 15 July 2021 at \$0.003 with 30 November 2022 expiry date.
(xix) Exercise of options on 11 October 2021 at \$0.003 with 30 November 2022 expiry date.
(xx) Exercise of options on 22 October 2021 at \$0.003 with 30 November 2022 expiry date.
(xxi) Exercise of options on 11 November 2021 at \$0.003 with 30 November 2022 expiry date.
(xxii) Issue of free attaching unlisted options exercisable at \$0.005 expiring 31 December 2025 pursuant to a placement to sophisticated and institutional investors of the Company. Issued on 4 October 2021.
(xxiii) Issue of free attaching unlisted options exercisable at \$0.003 expiring 31 December 2025 pursuant to a placement to sophisticated and institutional investors of the Company. Issued on 9 July 2021.
(xxiv) Exercise of options on 21 January 2022 at \$0.003 with 31 December 2025 expiry date.
(xxv) Exercise of options on 21 January 2022 at \$0.003 with 30 November 2022 expiry date.
(xxvi) Exercise of options on 11 February 2022 at \$0.003 with 30 November 2022 expiry date.
(xxvii) Exercise of options on 18 February 2022 at \$0.003 with 30 November 2022 expiry date.
(xxviii) Exercise of options on 25 February 2022 at \$0.003 with 30 November 2022 expiry date.
(xxix) Exercise of options on 25 February 2022 at \$0.003 with 31 December 2025 expiry date.
(xxx) Exercise of options on 4 March 2022 at \$0.003 with 31 December 2025 expiry date.
(xxxi) Exercise of options on 11 March 2022 at \$0.003 with 30 November 2022 expiry date.
(xxxii) Exercise of options on 18 March 2022 at \$0.003 with 30 November 2022 expiry date.

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Notes to the consolidated financial statements for the year ended 30 June 2023

- (xxxiii) Exercise of options on 18 March 2022 at \$0.003 with 31 December 2025 expiry date.
 (xxxiv) Exercise of options on 25 March 2022 at \$0.003 with 30 November 2022 expiry date.
 (xxxv) Exercise of options on 8 April 2022 at \$0.003 with 30 November 2022 expiry date.
 (xxxvi) Exercise of options on 8 April 2022 at \$0.003 with 31 December 2025 expiry date.
 (xxxvii) Exercise of options on 22 April 2022 at \$0.003 with 30 November 2022 expiry date.
 (xxxviii) Exercise of options on 29 April 2022 at \$0.003 with 30 November 2022 expiry date.
 (xxxix) Exercise of options on 11 May 2022 at \$0.003 with 30 November 2022 expiry date.
 (xl) Exercise of options on 11 May 2022 at \$0.003 with 31 December 2025 expiry date.
 (xli) Exercise of options on 27 May 2022 at \$0.003 with 30 November 2022 expiry date

18. Share-based payments

	30 Jun 2023	30 Jun 2023
	No.	\$
Issue of performance rights to directors (i)	120,000,000	60,968
Issue of performance rights to consultants (ii)	170,000,000	86,371
Sub-total	290,000,000	147,339
Share based payments expense in the profit or loss		147,339

(i) The company has issued 120,000,000 performance rights on 28 December 2022 to directors in four different classes each with its own specific vesting conditions. The performance rights vest subject on the date that the vesting condition relating to the performance right has been satisfied.

(ii) The company has issued 170,000,000 performance rights on 28 December 2022 to consultants in four different classes each with its own specific vesting conditions. The performance rights vest on the date that the vesting condition relating to the performance right has been satisfied.

The performance rights to directors were granted at the Company's annual general meeting on 30 November 2022.

Notes to the consolidated financial statements for the year ended 30 June 2023

18. Share-based payments (cont'd)

Vesting conditions

Each Performance Right is a right of the holder to acquire one fully paid ordinary share in the capital of the Company subject to the below terms and conditions.

Class	Number of rights issued	Fair Value	Vesting Conditions
Class A	72,500,000	\$362,500 \$0.005 per right	The Company receiving a defined JORC 2012 compliant resource in the Inferred category (or higher) of not less than 500Mt of REE at a minimum grade of 500 ppm at any of the Company's projects, verified by an independent competent person.
Class B	72,500,000	\$362,500 \$0.005 per right	The Company receiving a defined JORC 2012 compliant resource in the Inferred category (or higher) of not less than 750Mt of REE at a minimum grade of 500 ppm at any of the Company's projects, verified by an independent competent person.
Class C	72,500,000	\$362,500 \$0.005 per right	The Company receiving a defined JORC 2012 compliant resource in the Inferred category (or higher) of not less than 1,000Mt of REE at a minimum grade of 500 ppm at any of the Company's projects, verified by an independent competent person.
Class D	72,500,000	\$362,500 \$0.005 per right	The Company receiving a defined JORC 2012 compliant resource in the Inferred category (or higher) of not less than 2,000Mt of REE at a minimum grade of 500 ppm at any of the Company's projects, verified by an independent competent person.
Total	290,000,000		

Management evaluates estimates and judgements 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.

For the reporting period, \$147,339 have been recognised as a share-based payment for these performance rights, being the fair value expensed over management's best estimate of the vesting period (5 years from issue date).

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Notes to the consolidated financial statements for the year ended 30 June 2023

18. Share-based payments (cont'd)

Share-based payments valuation

	Class A Rights	Class B Rights	Class C Rights	Class D Rights
Grant date	30 November 2022	30 November 2022	30 November 2022	30 November 2022
Spot price	\$0.005	\$0.005	\$0.005	\$0.005
Exercise price	Nil	Nil	Nil	Nil
Life of the Options / Rights (Years)	5.00	5.00	5.00	5.00
Volatility %	100%	100%	100%	100%
Risk free rate	3.14%	3.14%	3.14%	3.14%
Dividend yield	Nil	Nil	Nil	Nil
Number of Options / Rights	72,500,000	72,500,000	72,500,000	72,500,000
Valuation per Option / Right	\$0.005	\$0.005	\$0.005	\$0.005
Total Valuation	\$362,500	\$362,500	\$362,500	\$362,500

19. Financial instruments

19.1 Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital management requires the maintenance of a strong cash balance to support ongoing exploration.

19.2 Categories of financial instruments

Given the nature of the business, the Group monitors capital on the basis of current business operations and cash flow requirements. There were no changes in the Company's approach to capital management during the year.

	2023	2022
	\$	\$
Financial assets		
Cash and cash equivalents	3,470,272	2,263,558
Trade and other receivables (non-interest bearing)	144,738	185,510
Other financial assets (FVTPL)	385,967	463,717
	4,000,977	2,912,785
Financial liabilities		
Trade and other payables (non-interest bearing)	420,441	130,241
Lease liability	57,406	80,900
Unissued shares	-	730
	477,847	211,871
Net financial assets	3,523,130	2,700,914

Notes to the consolidated financial statements for the year ended 30 June 2023

19. Financial instruments (cont'd)

19.3 *Financial risk management objectives*

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of those risks is presented throughout these financial statements.

There has been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the Group where such impacts may be material. The Board receives monthly financial reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

19.4 *Market risk*

Market risk for the Group arises from the use of interest bearing financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (see 19.5 below). Other market risks impacting the Group are exposures to equity price movements of equity securities listed on the ASX and carried at FVTPL (see 19.6 below).

19.5 *Interest rate risk management*

Interest rate risk arises on cash and cash equivalents and receivables from related parties. The Group does not enter into any derivative instruments to mitigate this risk. As this is not considered a significant risk for the Group, no policies are in place to formally mitigate this risk.

The Group is not materially exposed to interest rate risk at balance date.

19.6 *Equity price risk*

Equity price risk arises on financial assets recognised at FVTPL due to fluctuation in share prices of the investments which are listed on the Australian Stock Exchange.

The Group is not materially exposed to equity price risk at balance date.

Notes to the consolidated financial statements for the year ended 30 June 2023

19. Financial instruments (cont'd)

19.7 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group credit risk at balance date is immaterial.

19.8 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity by maintaining adequate banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

	Contractual cash flows					
	Interest Rate	Carrying Amount	Less than 1 month	1-3 months	3-12 months	1 year to 5 years
	%	\$	\$	\$	\$	\$
2023						
Lease liability	3%	57,406	2,946	8,837	23,566	23,566
Trade and other payables	-	420,441	303,437	76,443	40,561	-
2022						
Lease liability	3%	80,890	2,634	7,901	21,070	56,675
Trade and other payables	-	130,241	124,041	4,988	1,212	-

Notes to the consolidated financial statements for the year ended 30 June 2023

19. Financial instruments (cont'd)

19.9 Fair value measurement

Measured at fair value on recurring basis

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observe ability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following tables shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis. There have been no transfers between the levels of the fair value hierarchy during the year ended 30 June 2023.

	30 June 2023 Fair value \$	30 June 2022 Fair value \$	Fair value hierarchy	Valuation technique
Listed investment - FVTPL	385,427	463,717	Level 1	Market price
Unlisted investment - FVTPL	540	-	Level 2	Black Scholes Model

Reconciliation of Level 1 fair value measurements

	30 June 2023 \$	30 June 2022 \$
Opening balance	463,717	1,554,051
Sale of shares	-	(596,999)
Fair value gain/(loss) at balance date ¹	(78,290)	(493,335)
Closing balance	385,427	463,717

Reconciliation of Level 2 fair value measurements

	30 June 2023 \$	30 June 2022 \$
Opening balance	-	850,012
Acquisition of shares	540	-
Sale of options	-	(850,012)
Fair value gain at balance date ¹	-	-
Closing balance	540	-

Notes to the consolidated financial statements for the year ended 30 June 2023

19. Financial instruments (cont'd)

19.9 Fair value measurement (cont'd)

On 14 March 2022, the Company sold 100,000,000 fully paid ordinary Caeneus Minerals Ltd shares and attaching 100,000,000 unlisted Caeneus Minerals Ltd options.

¹Total fair value profit/(loss)

	30 June 2023	30 June 2022
	\$	\$
Level 1 asset	(78,290)	(493,335)
Level 2 asset	-	(850,012)
Balance per statement of profit or loss	(78,290)	(1,343,347)

The Group has a number of financial assets and liability which are not measured at fair value on a recurring basis. The carrying amount of these financial investments approximates their fair value.

20. Key management personnel

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

	2023	2022
	\$	\$
Short-term employee benefits	143,550	159,000
Add Share-based payments	60,968	-
	204,518	159,000

Short-term employee benefits

These amounts include fees paid to directors and also fees paid to entities controlled by the directors. The compensation of each member of the key management personnel of the Group is set out in the remuneration report on page 11.

21. Related party transactions

21.1 Entities under the control of the Group

The Group consists of the parent entity, Mount Ridley Mines Limited and its wholly-owned subsidiary Bepary Pty Ltd. Refer to Note 29.

Balances and transactions between the Company and its subsidiary, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

21.2 Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

Notes to the consolidated financial statements for the year ended 30 June 2023

21. Related party transactions (cont'd)

21.3 Other related party transactions

Mr Simon Mitchell was paid for consulting fees and was reimbursed for travel expenditure during the year.

Mr Guy Le Page is a director of Orequest Pty Ltd. & RM Corporate Finance Pty Ltd. An amount of \$4,400 was included in trade and other payables.

	2023 \$
Simon Mitchell	5,987
RM Corporate Finance Pty Ltd	10,000

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

22. Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2023 \$	2022 \$
Cash and bank balances	3,470,272	2,263,558

22.1 Reconciliation of loss for the year to net cash flows from operating activities

	2023 \$	2022 \$
Cash flow from operating activities		
Loss for the year	(4,647,108)	(4,312,267)
Adjustments for:		
Depreciation	86,320	31,082
Impairment of loan	32,996	36,666
Share based payment	147,339	-
Fair value loss on FVTPL equity investments	78,290	1,343,347
Interest expense	2,088	-
Dividend classified as investing	(24,628)	(38,763)
Security deposit classified as investing	6,000	-
Foreign currency loss	1,753	-
Movements in working capital		
(Increase)/Decrease in trade and other receivables	40,773	(54,940)
(Decrease)/Increase in trade and other payables	290,095	(249,612)
Net cash outflow from operating activities	(3,986,082)	(3,244,487)

Notes to the consolidated financial statements for the year ended 30 June 2023

22. Cash and cash equivalents (con't d)

22.2 Changes in liabilities arising from financing activities

	Lease liability 2023 \$	Lease liability 2022 \$
Opening balance	80,900	-
Net cash used in financing activities	(32,853)	(10,535)
Adjustment to lease	7,271	90,792
Interest expense	2,088	643
Closing balance	57,406	80,900

23. Contingent liabilities

There are no contingent liabilities.

24. Commitments for expenditure

24.1 Exploration expenditure on granted tenements

	2023 \$	2022 \$
Not longer than 1 year	1,660,418	430,761
Longer than 1 year and not longer than 5 years	14,312,229	12,866,185
	15,972,647	13,296,946

In order to retain the rights of tenure to its granted tenements, the Company is required to meet the minimum statutory expenditure requirements but may reduce these at any time by reducing the size of the tenements. The figures quoted above assume that no new tenements are granted and that only compulsory statutory area reductions are made.

If the Company decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the consolidated statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out exploration rights to third parties will reduce or extinguish these obligations.

25. Remuneration of auditors

Auditor of the Group

	2023 \$	2022 \$
Audit and review of financial reports	41,008	38,950
Tax compliance	-	2,350
	41,008	41,300

The auditor of the Group is HLB Mann Judd.

Notes to the consolidated financial statements for the year ended 30 June 2023

26. Events after the reporting period

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs in the future financial years.

27. Parent entity information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements.

Financial position

	2023 \$	2022 \$
Assets		
Current assets	4,000,977	2,912,785
Non-current assets	2,411,609	2,254,614
Total assets	6,412,586	5,167,399
Liabilities		
Current liabilities	454,540	160,554
Non-current liabilities	23,307	51,317
Total liabilities	477,847	211,871
Net assets	5,934,739	4,955,528
Equity		
Issued capital	38,196,565	32,717,585
Reserves	1,977,653	1,830,314
Accumulated losses	(34,239,479)	(29,592,371)
Total equity	5,934,739	4,955,528
<i>Financial performance</i>		
Loss for the year	(4,647,108)	(4,312,267)

28. Commitments and contingencies

There were no other material commitments or contingencies at the reporting date for the parent.

29. Subsidiaries

Mount Ridley Mines Limited holds a 100% interest in Australian incorporated Bepary Pty Ltd which is dormant and has no assets or liabilities.

Mount Ridley Mines Limited is the head entity within the tax consolidated group.

30. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 27 September 2023.

Schedule of tenements held at balance date

Location	Project Name	Tenement #	Ownership	Titleholder
Western Australia	Mt Ridley	EL63/1547	100%	Mount Ridley Mines Limited
Western Australia	Mt Ridley	EL63/1564	100%	Mount Ridley Mines Limited
Western Australia	Mt Ridley	EL63/1617	100%	Mount Ridley Mines Limited
Western Australia	Mt Ridley	EL63/2111	100%	Mount Ridley Mines Limited
Western Australia	Mt Ridley	EL63/2112	100%	Mount Ridley Mines Limited
Western Australia	Mt Ridley	EL63/2113	100%	Mount Ridley Mines Limited
Western Australia	Mt Ridley	EL63/2114	100%	Mount Ridley Mines Limited
Western Australia	Mt Ridley	EL63/2117	100%	Mount Ridley Mines Limited
Western Australia	Mt Ridley	EL63/2125	100%	Mount Ridley Mines Limited
Western Australia	Weld Range West	E20/842	100%	Mount Ridley Mines Limited
Western Australia	Weld Range West	E20/873	100%	Mount Ridley Mines Limited
Western Australia	Weld Range West	E20/946	100%	Mount Ridley Mines Limited

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ASX Additional Information as at 22 September 2023

Ordinary share capital

7,784,882,867 fully paid ordinary shares are held by 4,425 individual shareholders.

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

Options

624,925,539 unlisted \$0.003 options expiring 31 December 2025 are held by 21 option holders.

[Distribution of holdings]

Category (size of holding)	Number of listed options	Number of holders	% holding
1 - 1,000	-	-	0.000
1,001 - 5,000	-	-	0.000
5,001 - 10,000	-	-	0.000
10,001 - 100,000	-	-	0.000
100,001 and over	624,925,539	21	100.000
	624,925,539	21	100.00

436,103,136 unlisted \$0.005 options expiring 31 December 2025 are held by 18 option holders.

[Distribution of holdings]

Category (size of holding)	Number of listed options	Number of holders	% holding
1 - 1,000	-	-	0.000
1,001 - 5,000	-	-	0.000
5,001 - 10,000	-	-	0.000
10,001 - 100,000	-	-	0.000
100,001 and over	436,103,136	18	100.000
	436,103,136	18	100.00

Under listing rule under ASX listing rule 4.10.16, no shareholder hold in excess of 20% of the options on issue.

Options do not carry a right to vote.

Unmarketable parcels

There are 2,290 shareholdings held in less than the marketable parcels.

Substantial shareholders

	Number of shares	% holding
1. Gab Superannuation Fund Pty Ltd <Gab Superannuation Fund A/C>	721,448,924	9.267

Restricted securities

The Company has no restricted securities on issue.

On-Market buy-back

There is no current on-market buy-back.

Twenty (20) largest shareholders of quoted equity securities

Name	Number of Shares Held	% of Issued Capital
GAB Superannuation Fund Pty Ltd	721,448,924	9.267
Zero Nominees Pty Ltd	215,000,000	2.762
Tirumi Pty Ltd	177,462,098	2.280
Distinct Racing & Breeding Pty Ltd	165,503,121	2.126
HSBC Custody Nominees	130,000,000	1.670
Zeendam Enterprises Pty Ltd	124,041,771	1.593
Eldon Investments Pty Ltd	120,000,000	1.541
Mr David John Crook & Mrs Jennifer Anne Crook	115,111,100	1.479
Parrac Pty Ltd	114,773,857	1.474
Tirumi Pty Ltd	107,987,307	1.387
Miss Emma Lesley Blake	100,000,000	1.285
Tadea Pty Ltd	100,000,000	1.285
Distinct Racing & Breeding Pty Ltd	94,000,000	1.207
Mount Street Investments Pty Ltd	91,875,001	1.180
Harry Road Investments Pty Ltd	79,046,929	1.015
Mr Norman Ka-Meng Lip & Ms Maya Pranoto	77,500,000	0.996
Tirumi Pty Ltd	75,000,000	0.963
Mrs Qian Zhang	60,000,000	0.771
Bunning Nominees Pty Ltd	53,000,000	0.681
RM Corporate Finance Pty Ltd	50,000,000	0.642
	2,771,750,108	35.604

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