

Ronin Resources Ltd

ABN 30 625 330 878

Annual Report - 30 June 2023

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|--------------------------------|---|
| Directors | Joseph van den Elsen – Executive Chairman Matthew Keen – Non-executive Director Wilson Escobar Castaneda - Non-executive Director (Resigned 7 July 2023) Marnus Bothma - Non-executive Director (Appointed 7 July 2023) |
| Company secretary | Justin Mouchacca |
| Registered office | Level 21, 459 Collins Street Melbourne VIC 3000 Ph: (03) 8630 3321 |
| Principal place of business | Level 21, 459 Collins Street Melbourne VIC 3000 |
| Share register | Automic Registry Services Level 5 126 Philip Street Sydney NSW 2010 Ph: (02) 9698 5414 |
| Auditor | William Buck Level 20, 181 William Street Melbourne, Victoria 3000 |
| Stock exchange listing | Ronin Resources Ltd shares are listed on the Australian Securities Exchange (ASX code: RON) |
| Website | https://roninresources.com.au/ |
| Corporate Governance Statement | The Company's 2023 Corporate Governance Statement has been released to ASX on this day and is available on the Company's website at: https://roninresources.com.au/investor/ |

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Ronin Resources Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors

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

Joseph van den Elsen (Executive Chairman)
Matthew Keen (Non-executive Director)
Wilson Escobar Castaneda (Non-executive Director) - resigned 7 July 2023
Marnus Bothma (Non-executive Director) - appointed 7 July 2023

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of:

- exploration and evaluation activities on the Company's Vetás and Santa Rosa Projects;

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

Financial review

The loss for the consolidated entity after providing for income tax amounted to \$621,197 (2022: \$503,440).

The net assets to the consolidated entity as at 30 June 2023 was \$3,892,511 (2022: \$4,187,021). The main reason for the decrease in net assets related to the use of cash for exploration which is expensed through the profit and loss and not capitalised on the balance sheet.

Operational review

The consolidated entity's December 2021 Prospectus detailed a Use of Funds on the Vetás Project to be invested across community & social programs, reinterpretation of existing seismic data, surface mapping, diamond drilling, geochemistry, land taxes, concept mining studies and environmental license preparation.

During the period, the consolidated entity mobilised to site alongside its selected drilling contractor to finalise preparations for its maiden diamond drilling campaign designed to validate the presence, continuity and correlation of coal seams and allow the sampling of all seams at depth.

The 2022 Colombian Presidential election slowed this process, on account of the run-off election required (19 June 2022) and the election of Colombia's first leftist President. Consequently, Ronin postponed its maiden drilling campaign as well as further mapping and geochemistry programs.

Ronin retains a presence in the region and will initiate a maiden drilling program, further mapping and geochemistry program on the Vetás project when circumstances allow.

In the intervening period priority has been given to the preparation and submission of a mine plan (PTO) and the accompanying environmental license application (PMA) modelled on a near-term, low capex mining operation.

To this end, the Company expanded the engagement of Serviminas SAS, a Medellín based mining services provider with over 40 years' experience, beyond the maiden drilling program to also include the design, preparation and submission of a near-term, low capex mine plan (PTO).

Concurrently, the Company engaged Monteria based Ecosuelos SAS, a specialist environmental consultant to the mining industry, to complete the accompanying environmental license application (PMA) to support the near-term, low capex mine plan.

Ronin also expanded the footprint of the Vetas project through lodgement of additional mining contract applications with the Colombian National Mining Agency (ANM).

Advancing long lead-time permits will ensure the Vetas Project is positioned for swift development, if and when circumstances warrant.

Subsequent to the period end, the Company advised the market that its mine plan (PTO) and environmental license (PMA) applications had been submitted to the Colombian National Mining Agency (ANM).

Significant changes in the state of affairs

On 29 June 2023, the Company issued 2,000,000 shares \$0.15 (15 cents) as part of the share placement, raising \$300,000. These funds will be directed primarily towards exploration of the Hornby Lake Lithium Project.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

On 7 July 2023, Ronin Resources completed the acquisition of the Hornby Lake Lithium Project, a 123 km² package of contiguous lithium exploration claims located in Ontario, Canada and issued 3,200,000 fully paid ordinary shares to the vendors of the project and paid \$50,000.

On 7 July 2023 Wilson Escobar Castaneda resigned from the Board of Directors and experience geologist Marnus Bothma was appointed as a Non-executive Director.

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

Likely developments and expected results of operations

The success of the Company will depend on exploration activities proposed to be carried out on the Company's current project areas of interest which have been acquired or granted over time.

The Company continually reviews new potential project opportunities and if the Directors are successful in acquiring new projects or entering into a joint venture, it is expected that part of the funding held by the Company may be directed to the purchase of that project and to the exploration and development plan for that project. It may be that additional cash will be required to fund any of these events should they eventuate. In that case the Directors will be required to review the funding options available to the Company.

Business risk management

The Company is committed to the effective management of risk to reduce uncertainty in the Company's business outcomes and to protect and enhance shareholder value. There are various risks that could have a material impact on the achievement of the Company's strategic objectives and future prospects.

Key risks and mitigation activities associated with the Company's objectives are set out below:

Exploration risk

The Company's projects are at various stages of exploration, and potential investors should understand that mineral exploration is a high-risk undertaking. There can be no assurance that exploration of these projects, or any other tenements that may be acquired in the future, will result in the discovery of an economic mineral deposit.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, local title processes, changing government regulations and many other factors beyond the control of the Company.

In addition, the tenements forming the projects of the Company may include various restrictions excluding, limiting or imposing conditions upon the ability of the Company to conduct exploration activities. While the Company will formulate its exploration plans to accommodate and work within such access restrictions, there is no guarantee that the Company will be able to satisfy such conditions on commercially viable terms, or at all.

The Company uses a number of exploration techniques in order to reduce the level of exploration risks and continues to explore new and innovative technologies through its day to day operations.

Regulatory risk

The Company's mining and exploration activities are dependent upon the maintenance (including renewal) of the tenements in which the Company has or acquires an interest. Maintenance of the Company's tenements is dependent on, among other things, the Company's ability to meet the licence conditions imposed by relevant authorities. Although the Company has no reason to think that the tenements in which it currently has an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant authority or whether the Company will be able to meet the conditions of renewal on commercially reasonable terms, if at all.

The Company works with local government and mining departments to ensure it meets the required level of reporting requirements and to reduce any potential for breach of regulatory requirements.

Future funding risk

The Company has no operating revenue and is unlikely to generate any operating revenue in the foreseeable future. Exploration and development costs and pursuit of its business plan will use funds from the Company's current cash reserves and the amount raised under the Equity Offer.

The development of one or more of its projects may require the Company to raise capital in excess of the funds proposed to be raised under the Equity Offer.

Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern. The Company's funding requirements are reviewed on a regular basis in order to mitigate future funding risk.

Land Access

Colombian law provides that the government owns all subsoil and non renewable natural resources in Colombia and Colombian mining concessions do not grant the holder any surface rights. The holder of a mining concession can come to an agreement with surface rights holders for the purpose of conducting mining operations, which may include the payment of remuneration or compensation. If such agreement cannot be reached, Colombian law provides for mandatory easements over land to ensure the efficient exploration and exploitation of legal mining titles and further provides authority to impose appropriate easements as necessary both within and external to the area the subject of a Colombian mining concession.

During the application process for a mining concession, the applicant may conduct mineral prospection activities without any limitation, without the need to secure any additional permits or authorisations, for so long as the applicant's prospection does not require the use of natural resources (i.e., use of water, deforestation, etc.). The exploration activities contemplated by the Company over the area the subject of the applications is limited to desktop studies, superficial studies, geophysics and community engagement accordingly no third party consents are required to conduct these exploration activities. Upon grant of the applications, should the Company wish to progress to surface disturbing activities such as drilling, a land access agreement and negotiations in relation to surface rights with the local community and/or land owners would be required.

There is no assurance that these surface rights and/or land access agreements will be obtained or if they are obtained, that they will be obtained on reasonable terms. Failure to obtain surface rights or the relevant land access agreements would adversely affect the ability to mine on the Projects or other projects acquired by the Company in the future.

Notwithstanding the above, where private negotiations with the landowner are unsuccessful for surface rights, expropriation and the compulsory imposition of easements or right-of-way's are available under Colombian law.

The Company continues to engage with land owners to mitigate this risk and is currently in the process of negotiating access for its planned exploration activities.

Environmental regulation

The consolidated entity holds participating interests in a number of exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. To the best of the Directors' knowledge, the Group has adequate systems in place to ensure compliance with the requirements of all environmental legislation described above and are not aware of any breach of those requirements during the financial year and up to the date of the Directors' report.

Information on directors

| | |
|---|---|
| Name: | Joseph van den Elsen |
| Title: | Executive Chairman |
| Qualifications: | BA, LLB, Grad Dip Environment, Energy & Resources Law and Grad Dip Mineral Exploration Geoscience |
| Experience and expertise: | Mr Joseph van den Elsen is a dual Australian/Colombian citizen who founded Ronin Resources in 2017 and currently serves as the President & CEO of Pampa Metals (CSE:PM). Prior to founding Ronin Resources, he held executive positions with ASX Listed MHM Metals and Hampshire Mining. Previously Joseph was an Associate Director with UBS and held a comparable position with Goldman Sachs JBWere. Joseph graduated from LaTrobe University with a Bachelor of Arts and a Bachelor of Laws and later graduated from the University of Melbourne with a Graduate Diploma in Environment, Energy and Resources Law and from Curtin University with a Graduate Diploma in Mineral Exploration Geoscience. Joseph is currently studying towards a Master of Science (Mineral Economics) through Curtin University. |
| Other current directorships: | Joseph van den Elsen is an experienced company director having been a Non-Executive Director of Ascot Resources Ltd (ASX:AZQ), OAR Resources Ltd (ASX:OAR), Arcadia Minerals Limited (ASX: AM7), the Non-Executive Chairman and subsequently Managing Director of MHM Metals Ltd (ASX:MHM) and also previously serving as the Managing Director of Ookami Limited (ASX:OOK). Pampa Metals (CNSX:PM) |
| Former directorships (last 3 years): | OAR Resources (ASX:OAR) - resigned 1 February 2022 Arcadia Minerals Limited (ASX: AM7) - resigned 24 September 2021 Ookami Limited (ASX:OOK) - resigned 5 September 2023 |
| Interests in shares: | 1,473,244 Fully paid ordinary shares |
| Interests in options: | 481,250 unlisted options |
| Interests in rights: | 200,000 performance rights |

Name: **Matthew Keen**
Title: Non-executive Director
Qualifications: B. Eng. (Hons)
Experience and expertise: Matthew has over 20 years of broad-based commercial experience across the engineering, finance and corporate sectors and is currently employed as the Chief Investment Officer of Fitzpatrick Group, sharing responsibility for the day to day running of its investment portfolio.

Previously Matthew held roles including General Manager of Corporate Development at Whitehaven Coal, Managing Director of MHM Metals and Queen Street Capital, Wealth Advisor at UBS and General Manager of Switchgear and Instrumentation Hong Kong. During his career Matthew has been heavily involved in M&A activities both inhouse and as an external advisor as well as facilitating and setting corporate strategy for listed companies Whitehaven Coal and MHM Metals. Matthew is currently a Non-Executive Director of Alloggio Limited (ASX: ALO).

Other current directorships: Alloggio Group Limited (ASX: ALO) - appointed 2 August 2021
Former directorships (last 3 years): None
Interests in shares: 268,588 Fully paid ordinary shares
Interests in options: 200,000 unlisted options
Interests in rights: Nil

Name: **Wilson Escobar Castaneda**
Title: Non-executive Director - resigned 7 July 2023
Qualifications: B. Geo., Post Graduate Project Management
Experience and expertise: Mr Wilson Escobar is a Colombian National geologist with over 20 years' experience in mineral exploration and mine optimisation. Mr Escobar started his career working for Cerrejon (the BHP, Anglo American and Glencore Joint Venture) in Colombia and has also worked for Vale, Anglo American and South 32 in Colombia, Brazil and South Africa. Wilson is accredited under the JORC Code for the purposes of certifying Coal Exploration Targets and Ferro-Nickel Mineral Resource Estimates.

Other current directorships: None
Former directorships (last 3 years): None
Interests in shares: 370,385 Fully paid ordinary shares
Interests in options: 200,000 unlisted options
Interests in rights: Nil

Name: **Marnus Bothma**
Title: Non-executive Director - appointed 7 July 2023
Qualifications: B. Geo.
Experience and expertise: Mr Bothma is a qualified geologist and company executive who is experienced in early exploration of mining assets through to production, having conducted numerous technical programs in Australia, Canada and Korea. Mr Bothma was the founding director and CEO of Peak Iron Mines, a privately owned iron ore mining company with operations in South Australia exporting through Whyalla. Mr Bothma also founded and (until mid 2022) was the Managing Director of Northern Iron Pty Ltd, which acquired and operates the Warrego tailings rehabilitation project in the Northern Territory. Mr Bothma has also served as non-executive director on the board of ASX listed company Chase Mining Ltd (ASX:CLM)

Other current directorships: None
Former directorships (last 3 years): Chase Mining Ltd (ASX:CLM)
Interests in shares: 166,668 Fully paid ordinary shares
Interests in options: Nil
Interests in rights: Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Justin Mouchacca, B. Bus (Acc), CA

Mr Mouchacca is a qualified Chartered Accountant with over 16 years' experience in public company responsibilities including statutory, corporate governance and financial reporting requirements. He graduated from RMIT University in 2008 obtaining with Bachelor of Business majoring in Accounting. Mr Mouchacca completed the Chartered Accountants Program in 2011 and has been appointed Company Secretary and Financial officer for a number entities listed on the Australian Stock Exchange. He specialises in the preparation of listing companies on stock exchanges, Corporations Act legislation, corporate governance policies, statutory report writing requirements, AGM and EGM requirements and assistance in the preparation of Prospectuses, information memorandums and other disclosure documents.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director were:

| | Full Board | |
|---------------------------|------------|------|
| | Attended | Held |
| Joseph van den Elsen | 4 | 4 |
| Matthew Keen | 4 | 4 |
| Wilson Escobar Castaneda* | 4 | 4 |

Held: represents the number of meetings held during the time the director held office.

* Resigned 7 July 2023

Due to the size and nature of the Company, the Board fulfils the role of both the Audit & Risk Committee and Nomination & Remunerations Committee.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the company.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having financial performance as a core component of plan design; and
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value.
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board as a whole. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at a General Meeting held on March 2021, where the shareholders approved a maximum annual aggregate remuneration of \$250,000.

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has two components:

- base pay and non-monetary benefits
- share-based payments

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

The long-term incentives ('LTI') include share-based payments. During the 2022 financial year, performance rights were issued to directors which formed part of their remuneration

The Company did not use any external remuneration consultants during the financial year.

Consolidated entity performance and link to remuneration

The remuneration of directors and executives are not linked to the performance, share price or earnings of the consolidated entity.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Ronin Resources Ltd:

- Joseph van den Elsen (Executive Chairman)
- Matthew Keen (Non-executive Director)
- Wilson Escobar Castaneda (Non-executive Director)

| | Short-term benefits | | | Post-employment benefits | Long-term benefits | Share-based payments | Total |
|---------------------------------|----------------------|------------|--------------|--------------------------|--------------------|----------------------|----------------|
| | Cash salary and fees | Cash bonus | Non-monetary | Super-annuation | Long service leave | Equity-settled | |
| 2023 | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| <i>Non-Executive Directors:</i> | | | | | | | |
| Matthew Keen | 36,000 | - | - | - | - | - | 36,000 |
| Wilson Escobar Castaneda* | 36,000 | - | - | - | - | - | 36,000 |
| <i>Executive Directors:</i> | | | | | | | |
| Joseph van den Elsen | 120,000 | - | - | - | - | - | 120,000 |
| | <u>192,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>192,000</u> |

* resigned 7 July 2023

| | Short-term benefits | | | Post-employment benefits | Long-term benefits | Share-based payments | Total |
|---------------------------------|----------------------|------------|--------------|--------------------------|--------------------|----------------------|----------------|
| | Cash salary and fees | Cash bonus | Non-monetary | Super-annuation | Long service leave | Equity-settled | |
| 2022 | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| <i>Non-Executive Directors:</i> | | | | | | | |
| Matthew Keen | 21,000 | - | - | - | - | - | 21,000 |
| Wilson Escobar Castaneda | 21,000 | - | - | - | - | - | 21,000 |
| <i>Executive Directors:</i> | | | | | | | |
| Joseph van den Elsen | 70,000 | - | - | - | - | 20,228 | 90,228 |
| | <u>112,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>20,228</u> | <u>132,228</u> |

The proportion of remuneration linked to performance and the fixed proportion are as follows:

| Name | Fixed remuneration | | At risk - STI | | At risk - LTI | |
|---------------------------------|--------------------|------|---------------|------|---------------|------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| <i>Non-Executive Directors:</i> | | | | | | |
| Matthew Keen | 100% | 100% | - | - | - | - |
| Wilson Escobar Castaneda | 100% | 100% | - | - | - | - |
| <i>Executive Directors:</i> | | | | | | |
| Joseph van den Elsen | 100% | 78% | - | - | - | 22% |

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

| | |
|----------------------|--|
| Name: | Joseph van den Elsen |
| Title: | Executive Chairman |
| Agreement commenced: | 14 December 2021 |
| Term of agreement: | This contract will continue from commencement date until terminated. |
| Details: | Mr van den Elsen will receive \$120,000 per annum. The contract may be terminated at any time with 3 months' written notice being provided by either the Company or Mr van den Elsen. |

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023.

Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2023.

| Grant date | Vesting date and exercisable date | Expiry date | Exercise price | Fair value per option at grant date |
|------------------|-----------------------------------|------------------|----------------|-------------------------------------|
| 17 February 2021 | 17 February 2021 | 17 February 2024 | \$0.30 | \$0.07837 |

Performance rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

| Grant date | Number of rights granted | Vesting status | Vesting date and exercisable date | Expiry date | Share price hurdle for vesting | Fair value per right at grant date |
|------------|--------------------------|--------------------------------|-----------------------------------|-------------|--------------------------------|------------------------------------|
| 08/07/2021 | 66,666 | Not yet vested and exercisable | Subject to vesting conditions | 08/07/2024 | \$0.265 | \$0.10660 |
| 08/07/2021 | 66,667 | Not yet vested and exercisable | Subject to vesting conditions | 08/07/2024 | \$0.33 | \$0.10110 |
| 08/07/2021 | 66,667 | Not yet vested and exercisable | Subject to vesting conditions | 08/07/2024 | \$0.40 | \$0.09580 |

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During the 2022 financial year the Company issued 200,000 performance rights (post consolidation amount) to the Company's Executive Chairman with various performance conditions. The expense recognised for the financial year relating to performance rights granted was \$20,228. The performance rights will expire 3 years following admission of the company's securities to the Australian Stock Exchange. The performance rights were split into 3 tranches and will vest as follows:

- 66,666 Class A Performance Rights will vest on the achievement of both of the following milestones within the relevant Milestone Deadlines:
 - (a) the Company's volume weighted average share price (**VWAP**) for a consecutive period of 20 trading days being equal to or greater than \$0.265 (26.5 cents) (**VWAP Milestone 1**); and
 - (b) the Executive completing 12 months continuous service to the Company from the date of admission of the Company's securities to the Australian Stock Exchange (**ASX**) (**Admission Date**) (**Service Milestone 1**).
- 66,666 Class B Performance Rights will vest on the achievement of both of the following milestones within the relevant Milestone Deadlines:
 - (a) the Company's volume weighted average share price (VWAP) for a consecutive period of 20 trading days being equal to or greater than \$0.33 (33 cents) (VWAP Milestone 2); and
 - (b) the Executive completing 24 months continuous service to the Company from the date of admission of the Company's securities to the Australian Stock Exchange (**ASX**) (**Admission Date**) (**Service Milestone 2**).
- 66,667 Class C Performance Rights will vest on the achievement of both of the following milestones within the relevant Milestone Deadlines:
 - (a) the Company's volume weighted average share price (**VWAP**) for a consecutive period of 20 trading days being equal to or greater than \$0.40 (40 cents) (**VWAP Milestone 3**); and
 - (b) the Executive completing 36 months continuous service to the Company from the date of admission of the Company's securities to the Australian Stock Exchange (**ASX**) (**Admission Date**) (**Service Milestone 3**).

Performance rights granted carry no dividend or voting rights.

Additional information

The earnings of the consolidated entity for the two years to 30 June 2023 are summarised below:

| | 2023 | 2022 |
|-------------------------------------|-----------|-----------|
| | \$ | \$ |
| Revenue | 35,951 | 1,815 |
| Net profit/(loss) before income tax | (621,197) | (503,440) |
| Remuneration of Directors | 192,000 | 132,228 |

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

| | 2023 | 2022 |
|--|--------|--------|
| Share price at start of financial year (\$)* | 0.13 | 0.20 |
| Share price at end of financial year (\$) | 0.16 | 0.13 |
| Basic earnings per share (cents per share) | (1.96) | (2.50) |

* The Company was listed during the 2022 financial year and as such there is no historical share price information.

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Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

| | Balance at the start of the year | Received as part of remuneration | Additions On-market purchases | Disposals/ other | Balance at the end of the year |
|---------------------------|--|--|-------------------------------------|---------------------|--------------------------------------|
| <i>Ordinary shares</i> | | | | | |
| Joseph van den Elsen | 1,473,244 | - | - | - | 1,473,244 |
| Matthew Keen | 268,588 | - | - | - | 268,588 |
| Wilson Escobar Castaneda* | 370,385 | - | - | - | 370,385 |
| | <u>2,112,217</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,112,217</u> |

* Resigned 7 July 2023

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

| | Balance at the start of the year | Granted | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|-------------------------------------|--|----------|-----------|---------------------------------|--------------------------------------|
| <i>Options over ordinary shares</i> | | | | | |
| Joseph van den Elsen | 481,250 | - | - | - | 481,250 |
| Matthew Keen | 200,000 | - | - | - | 200,000 |
| Wilson Escobar Castaneda* | 200,000 | - | - | - | 200,000 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>881,250</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>881,250</u> |

* Resigned 7 July 2023

Performance rights holding

The number of performance rights over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

| | Balance at the start of the year | Granted | Vested | Expired/ forfeited/ other | Balance at the end of the year |
|--|--|----------|----------|---------------------------------|--------------------------------------|
| <i>Performance rights over ordinary shares</i> | | | | | |
| Joseph van den Elsen | 200,000 | - | - | - | 200,000 |
| | <u>200,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>200,000</u> |

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Ronin Resources Ltd under option at the date of this report are as follows:

| Grant date | Expiry date | Exercise price | Number under option |
|------------------|------------------|----------------|---------------------|
| 17 February 2021 | 17 February 2024 | \$0.300 | 3,925,000 |

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares under performance rights

Unissued ordinary shares of Ronin Resources Ltd under performance rights at the date of this report are as follows:

| Grant date | Expiry date | Exercise price | Number under rights |
|------------|-------------|----------------|---------------------|
| 08/07/2021 | 08/07/2024 | \$0.265 | 66,666 |
| 08/07/2021 | 08/07/2024 | \$0.330 | 66,667 |
| 08/07/2021 | 08/07/2024 | \$0.400 | 66,667 |
| | | | 200,000 |

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the company or of any other body corporate.

During the financial year the Company issued 200,000 performance rights (post consolidation amount) to the Company's Executive Chairman with various performance conditions. The performance rights will expire 3 years following admission of the company's securities to the Australian Stock Exchange. Refer to Note 23 for further information on vesting conditions.

Shares issued on the exercise of options

There were no ordinary shares of Ronin Resources Ltd issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

Shares issued on the exercise of performance rights

There were no ordinary shares of Ronin Resources Ltd issued on the exercise of performance rights during the year ended 30 June 2023 and up to the date of this report.

Indemnity and insurance of officers

The company has agreed to indemnify all the directors of the company for any liabilities to another person (other than the company or related body corporate) that may arise from their position as directors of the company, except where the liability arises out of conduct involving a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability 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.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former partners of William Buck

There are no officers of the company who are former partners of William Buck.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

William Buck continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors



Joseph van den Elsen
Executive Chairman

28 September 2023
Melbourne

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF RONIN RESOURCES LTD

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been:

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



William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



J. C. Luckins
Director

Melbourne, 28 September 2023

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Ronin Resources Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023



| | Note | Consolidated 2023 \$ | Consolidated 2022 \$ |
|---|------|----------------------------|----------------------------|
| Revenue | | | |
| Interest Income | | 35,951 | 1,815 |
| Expenses | | | |
| Exploration and evaluation expenses | | (264,696) | (92,375) |
| Corporate and administration expenses | | (392,452) | (291,379) |
| IPO transaction costs | | - | (101,273) |
| Share based payment expense | | - | (20,228) |
| Loss before income tax expense | | (621,197) | (503,440) |
| Income tax expense | | - | - |
| Loss after income tax expense for the year attributable to the owners of Ronin Resources Ltd | | (621,197) | (503,440) |
| Other comprehensive income | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | |
| Foreign currency translations | | 26,687 | (53,188) |
| Other comprehensive income for the year, net of tax | | 26,687 | (53,188) |
| Total comprehensive income for the year attributable to the owners of Ronin Resources Ltd | | <u>(594,510)</u> | <u>(556,628)</u> |
| | | Cents | Cents |
| Basic earnings per share | 17 | (1.96) | (2.50) |
| Diluted earnings per share | 17 | (1.96) | (2.50) |

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

Ronin Resources Ltd
Statement of financial position
As at 30 June 2023



| | Note | Consolidated 2023 \$ | 2022 \$ |
|-----------------------------------|------|----------------------------|------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 3,935,449 | 4,319,068 |
| Trade and other receivables | | 10,014 | 6,659 |
| Prepayments | | 28,622 | 28,042 |
| Total current assets | | <u>3,974,085</u> | <u>4,353,769</u> |
| Total assets | | <u>3,974,085</u> | <u>4,353,769</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | | 81,574 | 21,904 |
| Deferred acquisition cost payable | 5 | - | 144,844 |
| Total current liabilities | | <u>81,574</u> | <u>166,748</u> |
| Total liabilities | | <u>81,574</u> | <u>166,748</u> |
| Net assets | | <u>3,892,511</u> | <u>4,187,021</u> |
| Equity | | | |
| Issued capital | 6 | 6,229,416 | 5,929,416 |
| Reserves | | 105,567 | 78,880 |
| Accumulated losses | | (2,442,472) | (1,821,275) |
| Total equity | | <u>3,892,511</u> | <u>4,187,021</u> |

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

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Ronin Resources Ltd
Statement of changes in equity
For the year ended 30 June 2023



| | Issued capital \$ | Foreign currency translation reserve \$ | Share based payment reserve \$ | Accumulated losses \$ | Total equity \$ |
|--|----------------------|--|-----------------------------------|--------------------------|--------------------|
| Consolidated | | | | | |
| Balance at 1 July 2021 | 1,355,851 | 49,144 | 62,696 | (1,317,835) | 149,856 |
| Loss after income tax expense for the year | - | - | - | (503,440) | (503,440) |
| Other comprehensive income for the year, net of tax | - | (53,188) | - | - | (53,188) |
| Total comprehensive income for the year | - | (53,188) | - | (503,440) | (556,628) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | | |
| Contributions of equity (note 6) | 5,200,000 | - | - | - | 5,200,000 |
| Vesting of share-based payments (note 18) | - | - | 20,228 | - | 20,228 |
| Capital raise costs | (626,435) | - | - | - | (626,435) |
| Balance at 30 June 2022 | <u>5,929,416</u> | <u>(4,044)</u> | <u>82,924</u> | <u>(1,821,275)</u> | <u>4,187,021</u> |

| | Issued capital \$ | Foreign currency translation reserve \$ | Share based payment reserve \$ | Accumulated losses \$ | Total equity \$ |
|--|----------------------|--|-----------------------------------|--------------------------|--------------------|
| Consolidated | | | | | |
| Balance at 1 July 2022 | 5,929,416 | (4,044) | 82,924 | (1,821,275) | 4,187,021 |
| Loss after income tax expense for the year | - | - | - | (621,197) | (621,197) |
| Other comprehensive income for the year, net of tax | - | 26,687 | - | - | 26,687 |
| Total comprehensive income for the year | - | 26,687 | - | (621,197) | (594,510) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | | |
| Contributions of equity (note 6) | 300,000 | - | - | - | 300,000 |
| Balance at 30 June 2023 | <u>6,229,416</u> | <u>22,643</u> | <u>82,924</u> | <u>(2,442,472)</u> | <u>3,892,511</u> |

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

Ronin Resources Ltd
Statement of cash flows
For the year ended 30 June 2023



| | Note | Consolidated 2023 \$ | 2022 \$ |
|--|------|----------------------------|------------|
| Cash flows from operating activities | | | |
| Interest received | | 35,951 | 1,815 |
| Payments to suppliers and employees (inclusive of GST) | | (411,785) | (406,418) |
| Payments for exploration and evaluation expenses | | (334,471) | (92,375) |
| Net cash used in operating activities | 16 | (710,305) | (496,978) |
| Net cash from investing activities | | - | - |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | 6 | 300,000 | 5,000,000 |
| Share issue transaction costs | | - | (523,434) |
| Net cash from financing activities | | 300,000 | 4,476,566 |
| Net increase/(decrease) in cash and cash equivalents | | (410,305) | 3,979,588 |
| Cash and cash equivalents at the beginning of the financial year | | 4,319,068 | 337,668 |
| Effects of exchange rate changes on cash and cash equivalents | | 26,686 | 1,812 |
| Cash and cash equivalents at the end of the financial year | | 3,935,449 | 4,319,068 |

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

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Note 1. General information

The financial statements cover Ronin Resources Ltd, as a consolidated entity consisting of Ronin Resources Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Ronin Resources Ltd's functional and presentation currency.

Ronin Resources Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 21, 459 Collins Street
Melbourne VIC 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 September 2023. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting year.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 13.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Ronin Resources Ltd ('company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Ronin Resources Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Note 2. Significant accounting policies (continued)

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Ronin Resources Ltd's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the year. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

The consolidated entity recognises revenue as follows:

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant year using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Income tax

The income tax expense or benefit for the year is the tax payable on that year's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior years, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

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

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 2. Significant accounting policies (continued)

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

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

Trade and other receivables

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

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

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

Finance costs

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

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 2. Significant accounting policies (continued)

Issued capital

Ordinary shares are classified as equity.

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

Exploration expenditure

Exploration and evaluation expenditure incurred are expensed in full in the statement of profit or loss as they are incurred. Expenditure is capitalised as development expenditure when technical feasibility and commercial viability of extracting a mineral resource is established.

During the exploration stages the consolidated entity does not provide for site restoration costs due to the uncertainties around the timing of such commitments. However, cost of site restoration is provided for once a mine plan / production phase has commenced and a known mine plan is evident. Site restoration costs usually include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology. Costs are discounted back to present value, using an applicable cost of capital relevant to the consolidated entity and then amortised over the life of the mine. Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs are determined on the basis that the restoration will be completed within one period of abandoning the site.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Ronin Resources Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting year ended 30 June 2022. The directors consider that none of these Standards or Interpretations will materially impact these or future financial statements of the consolidated entity.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

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

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the year in which such determination is made.

Non-recognition of carry forward tax losses

The balance of future income tax benefit arising from the current financial year tax losses and timing differences have not been recognised as an asset because it is not clear when the losses will be recovered. The cumulative future income tax benefit estimated has not been recognised as an asset, will only be obtained if:

- (i) the company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised.
- (ii) the company continues to comply with the conditions for deductibility imposed by law; and
- (iii) no changes in tax legislation adversely affecting the company realising the benefit.

Colombian VAT refunds

A cost of doing business in Colombia is the requirement to pay 19% VAT on the majority of goods or services provided by third parties and a special 5% VAT rate on certain items. The VAT in Colombia is known as impuesto al valor agregado (IVA) and it typically difficult to be able to claim back from the government authorities. The consolidated entity has not accounted for any VAT receivable for the financial year.

Exploration and evaluation costs

Exploration and evaluation expenditure incurred are expensed in full in the statement of profit or loss as they are incurred. Expenditure is capitalised as development expenditure when technical feasibility and commercial viability of extracting a mineral resource is established.

During the exploration stages the consolidated entity does not provide for site restoration costs due to the uncertainties around the timing of such commitments. However, cost of site restoration are provided for once a mine plan / production phase has commenced and a known mine plan is evident. Site restoration costs usually include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology. Costs are discounted back to present value, using an applicable cost of capital relevant to the consolidate entity and then amortised over the life of the mine. Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs are determined on the basis that the restoration will be completed within one period of abandoning the site.

Note 4. Operating segments

Identification of reportable operating segments

The consolidated entity has identified its operating segments based on the investment decisions of the board and used by the chief operating decision makers in assessing performance and in determining the allocation of resources. The consolidated entity operates in one segment being the evaluation and exploration of resources in the Colombia.

Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 5. Current liabilities - Deferred acquisition cost payable

| | Consolidated | |
|-----------------------------------|--------------|---------|
| | 2023 | 2022 |
| | \$ | \$ |
| Deferred acquisition cost payable | - | 144,844 |

Refer to note 8 for further information on financial instruments.

On 29 April 2019, Cooperativo Minero de Norte de Santander SAS (Cooperative Minero) entered into an agreement with Jairo Cuellar and Diego Mojica for the acquisition of the FI3-152 Mining Contract for total consideration of USD\$200,000, payable as follows:

- Payment of USD\$15,000 which was settled on the 17 May 2019;
- Assumption by Cooperativo Minero of a payment obligation to the Colombian National Mining Agency (ANM) of approximately 250m COP. This obligation related to unpaid land tax obligations associated with the FI3-152 title and under the terms of the contract was assigned a deemed value of USD\$85,000.
 - On 11 July 2019, Cooperativo Minero entered into a payment plan with the ANM for settlement of this liability.
 - The final payment and extinguishment of the ANM liability was settled on 15 April 2021.
- Payment of USD\$100,000 upon registration of the FI3-152 title in the name of Cooperativo Minero.
 - The transfer of the FI3-152 title was processed with the ANM in June 2019 and is subject to formal registration. This payment was outstanding as at 30 June 2022. Subsequent to the end of the financial year, the Company received formal acknowledgement of the registration and the amount was paid.

To secure Cooperativo Minero's rights in the intervening period, it secured a Power of Attorney (POA) giving it rights to act as the beneficial owner of the FI3-152 title in addition to lodging a *Prenda Minera*, a mortgage style caveat against the title until formal registration of title has been processed by the ANM.

The repayment of the full amount was made during the June 2023 financial year and the amount outstanding is now zero.

Note 6. Equity - issued capital

| | Consolidated | | | |
|------------------------------|--------------|------------|-----------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| | Shares | Shares | \$ | \$ |
| Ordinary shares - fully paid | 33,625,010 | 31,625,010 | 6,229,416 | 5,929,416 |

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Note 6. Equity - issued capital (continued)

Movements in ordinary share capital

| Details | Date | Shares | Issue price | \$ |
|---------------------------------------|-----------------|-------------------|-------------|------------------|
| Balance | 1 July 2021 | 5,625,010 | | 1,355,851 |
| IPO issue of shares | 8 December 2021 | 25,000,000 | \$0.20 | 5,000,000 |
| Issue of shares to Corporate advisor | 8 December 2021 | 1,000,000 | \$0.20 | 200,000 |
| Capital raising costs | | - | - | (626,435) |
| Balance | 30 June 2022 | 31,625,010 | | 5,929,416 |
| Placement at 15 cents to raise \$300k | 29 June 2023 | 2,000,000 | \$0.15 | 300,000 |
| Balance | 30 June 2023 | <u>33,625,010</u> | | <u>6,229,416</u> |

During the financial year, the Company issued 2,000,000 fully paid ordinary shares as part of a capital raise.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

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

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Note 7. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 8. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange analysis in respect of investment portfolios to determine market risk.

Note 8. Financial instruments (continued)

Market risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Generally, the consolidated entity's main exposure to exchange rate risk relates primarily to trade payables and cash denominated in Colombia PESO, arising in relation to its activities in Colombia. The consolidated entity is also exposed to US foreign currency risk in relation to outstanding deferred payments for the acquisition of the project areas.

The consolidated entity did not seek to hedge its exposure but where a payable is significant, Colombia PESO may be purchased on incurring the liability or commitment.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

As at the reporting date all financial liabilities had payment terms maturing less than 60 days (2022: 60 days), except for the consolidated entity's deferred consideration payable (as disclosed in note 9), which will be payable upon registration of the mining title in the consolidated entity's name.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 9. Key management personnel disclosures

Directors

The following persons were directors of Ronin Resources Ltd during the financial year:

Joseph van den Elsen (Executive Chairman)
Matthew Keen (Non-executive Director)
Wilson Escobar Castaneda (Non-executive Director) (Resigned 7 July 2023)

Compensation

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

| | Consolidated | |
|------------------------------|---------------------|-------------|
| | 2023 | 2022 |
| | \$ | \$ |
| Short-term employee benefits | 192,000 | 112,000 |
| Share-based payments | - | 20,228 |
| | 192,000 | 132,228 |

Note 10. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck, the auditor of the company:

| | Consolidated | |
|---|---------------------|---------------|
| | 2023 | 2022 |
| | \$ | \$ |
| <i>Audit services - William Buck</i> | | |
| Audit or review of the financial statements | 25,400 | 21,600 |
| <i>Other services - William Buck</i> | | |
| Investigating Accountant's Report (IAR) | - | 12,500 |
| | <u>25,400</u> | <u>34,100</u> |

Note 11. Contingent liabilities

In accordance with the terms of the acquisition of the Vetás Project by the Company, the consolidated entity will pay the vendors of the FI3-152 title a royalty of 1% of the mine gate sale price of thermal coal in Norte de Santander, as determined by the Colombian National Mining Agency (ANM). The payment of royalties will be made on a quarterly, per ton basis and with reference to the production reports presented to the local authorities.

Payment of any royalties will be contingent upon the consolidated entity realising production from the area subject to the FI3-52 title.

Note 12. Related party transactions

Parent entity

Ronin Resources Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 14.

Key management personnel

Disclosures relating to key management personnel are set out in note 9 and the remuneration report included in the directors' report.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

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Note 13. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

| | Parent | |
|----------------------------|-----------|-----------|
| | 2023 | 2022 |
| | \$ | \$ |
| Loss after income tax | (589,651) | (480,125) |
| Total comprehensive income | (589,651) | (480,125) |

Statement of financial position

| | Parent | |
|------------------------------|------------------|------------------|
| | 2023 | 2022 |
| | \$ | \$ |
| Total current assets | 3,906,291 | 4,304,062 |
| Total assets | 3,645,781 | 4,748,896 |
| Total current liabilities | (107,144) | 21,904 |
| Total liabilities | (107,144) | 21,904 |
| Equity | | |
| Issued capital | 5,917,776 | 5,929,416 |
| Foreign currency reserve | 14,225 | - |
| Share-based payments reserve | 82,924 | 82,924 |
| Accumulated losses | (2,262,000) | (1,285,348) |
| Total equity | <u>3,752,925</u> | <u>4,726,992</u> |

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

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Note 14. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

| Name | Principal place of business / Country of incorporation | Ownership interest | |
|--|---|--------------------|-----------|
| | | 2023 % | 2022 % |
| Cooperativo Minero de Norte de Santander SAS | Colombia | 100% | 100% |
| Potasio de Colombia SAS | Colombia | 100% | 100% |

Note 15. Events after the reporting period

On 7 July 2023, Ronin Resources completed the acquisition of the Hornsby Lake Lithium Project, a 123 km² package of contiguous lithium exploration claims located in Ontario, Canada and issued 3,200,000 fully paid ordinary shares to the vendors of the project and paid \$50,000.

On 7 July 2023 Wilson Escobar Castaneda resigned from the Board of Directors and experience geologist Marnus Bothma was appointed as a Non-executive Director.

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

Note 16. Reconciliation of loss after income tax to net cash used in operating activities

| | Consolidated | |
|---|------------------|------------------|
| | 2023 \$ | 2022 \$ |
| Loss after income tax expense for the year | (621,197) | (503,440) |
| Adjustments for: | | |
| Share-based payments | - | 20,228 |
| Foreign exchange differences | (12,435) | (55,000) |
| Change in operating assets and liabilities: | | |
| Increase in trade and other receivables | (3,355) | (7,474) |
| Increase in prepayments | (580) | - |
| Increase/(decrease) in trade and other payables | (72,738) | 48,708 |
| Net cash used in operating activities | <u>(710,305)</u> | <u>(496,978)</u> |

Note 17. Earnings per share

| | Consolidated | |
|---|-------------------|-------------------|
| | 2023 \$ | 2022 \$ |
| Loss after income tax attributable to the owners of Ronin Resources Ltd | <u>(621,197)</u> | <u>(503,440)</u> |
| | Number | Number |
| Weighted average number of ordinary shares used in calculating basic earnings per share | <u>31,630,489</u> | <u>20,156,517</u> |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>31,630,489</u> | <u>20,156,517</u> |

Note 17. Earnings per share (continued)

| | Cents | Cents |
|----------------------------|--------|--------|
| Basic earnings per share | (1.96) | (2.50) |
| Diluted earnings per share | (1.96) | (2.50) |

No options or performance rights have been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 "Earnings per Share". The rights to options are non-dilutive as the company is loss generating.

Note 18. Share-based payments

Options

Set out below are summaries of options granted during the year and on issue at the end of the financial year from equity-settled share-based payment transactions:

2023

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted | Exercised | Expired/forfeited/other | Balance at the end of the year |
|------------|-------------|----------------|----------------------------------|----------|-----------|-------------------------|--------------------------------|
| 17/02/2021 | 17/02/2024 | \$0.30 | 800,000 | - | - | - | 800,000 |
| | | | <u>800,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>800,000</u> |

2022

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted | Exercised | Expired/forfeited/other | Balance at the end of the year |
|------------|-------------|----------------|----------------------------------|----------|-----------|-------------------------|--------------------------------|
| 17/02/2021 | 17/02/2024 | \$0.30 | 800,000 | - | - | - | 800,000 |
| | | | <u>800,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>800,000</u> |

Set out below are the options exercisable at the end of the financial year:

| Grant date | Expiry date | 2023 Number | 2022 Number |
|------------|-------------|----------------|----------------|
| 17/02/2021 | 17/02/2024 | 800,000 | 800,000 |
| | | <u>800,000</u> | <u>800,000</u> |

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.67 years (2022: 1.67 years).

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Note 18. Share-based payments (continued)

- *Performance Rights*

During the previous financial year the Company issued 200,000 performance rights (post consolidation amount) to the Company's Executive Chairman with various performance conditions. The expense recognised for the previous financial year relating to performance rights granted was \$20,228. The performance rights will expire 3 years following admission of the company's securities to the Australian Stock Exchange. The performance rights were split into 3 tranches and will vest as follows:

66,666 Class A Performance Rights will vest on the achievement of both of the following milestones within the relevant Milestone Deadlines:

- (c) the Company's volume weighted average share price (**VWAP**) for a consecutive period of 20 trading days being equal to or greater than \$0.265 (26.5 cents) (**VWAP Milestone 1**); and
- (d) the Executive completing 12 months continuous service to the Company from the date of admission of the Company's securities to the Australian Stock Exchange (**ASX**) (**Admission Date**) (**Service Milestone 1**).

- 66,666 Class B Performance Rights will vest on the achievement of both of the following milestones within the relevant Milestone Deadlines:

- (c) the Company's volume weighted average share price (VWAP) for a consecutive period of 20 trading days being equal to or greater than \$0.33 (33 cents) (VWAP Milestone 2); and
- (d) the Executive completing 24 months continuous service to the Company from the date of admission of the Company's securities to the Australian Stock Exchange (**ASX**) (**Admission Date**) (**Service Milestone 2**).

- 66,667 Class C Performance Rights will vest on the achievement of both of the following milestones within the relevant Milestone Deadlines:

- (c) the Company's volume weighted average share price (**VWAP**) for a consecutive period of 20 trading days being equal to or greater than \$0.40 (40 cents) (**VWAP Milestone 3**); and
- (d) the Executive completing 36 months continuous service to the Company from the date of admission of the Company's securities to the Australian Stock Exchange (**ASX**) (**Admission Date**) (**Service Milestone 3**).

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

| Grant date | Expiry date | Share price at grant date | Exercise price | Expected volatility | Dividend yield | Risk-free interest rate | Fair value at grant date |
|------------|-------------|---------------------------|----------------|---------------------|----------------|-------------------------|--------------------------|
| 08/07/2021 | 08/07/2024 | \$0.160 | \$0.265 | 100.00% | - | 0.21% | \$0.10660 |
| 08/07/2021 | 08/07/2024 | \$0.160 | \$0.330 | 100.00% | - | 0.21% | \$0.10110 |
| 08/07/2021 | 08/07/2024 | \$0.160 | \$0.400 | 100.00% | - | 0.21% | \$0.09580 |

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Note 18. Share-based payments (continued)

Accounting policy for share-based payments

Equity-settled share-based compensation benefits are provided to employees, consultants and suppliers.

Equity-settled transactions are awards of shares, performance rights or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is determined using the Black Scholes option pricing or Trinomial models that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are usually recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of equity-settled transactions can also be recognised as capital raising costs recorded against equity, with the same recognition approach as above.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

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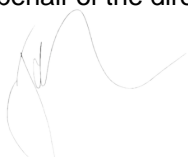
In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Joseph van den Elsen
Executive Chairman

28 September 2023
Melbourne

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Ronin Resources Ltd Independent auditor's report to members

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Ronin Resources Ltd (the Company), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of 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 other explanatory information, and the directors' declaration.

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

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. We have determined that there are no key audit matters to communicate in our report.

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Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

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

In our opinion, the Remuneration Report of Ronin Resources Ltd, 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.



William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



J. C. Luckins
Director
Melbourne, 28 September 2023

The shareholder information set out below was applicable as at 20 September 2023.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

| | Ordinary shares | | Options over ordinary shares | |
|---------------------------------------|-------------------|--------------------------|------------------------------|--------------------------|
| | Number of holders | % of total shares issued | Number of holders | % of total shares issued |
| 1 to 1,000 | 12 | 0.01 | - | - |
| 1,001 to 5,000 | 9 | 0.09 | - | - |
| 5,001 to 10,000 | 72 | 1.91 | - | - |
| 10,001 to 100,000 | 204 | 22.59 | 6 | 7.96 |
| 100,001 and over | 81 | 75.40 | 23 | 92.04 |
| | 378 | 100.00 | 29 | 100.00 |
| Holding less than a marketable parcel | 17 | - | - | - |

Equity security holders

Twenty largest quoted equity security holders

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

| | Ordinary shares | |
|--|-------------------|--------------------------|
| | Number held | % of total shares issued |
| Kitara Investments Pty Ltd (Kumova #1 Family A/C) | 1,550,000 | 4.61 |
| Romfal Sifat Pty Ltd (The Fizmail Family A/C) | 1,485,000 | 4.42 |
| Joseph van den Elsen | 1,473,244 | 4.38 |
| Alltime Nominees Pty Ltd (Honeyham Family A/C) | 1,400,000 | 4.16 |
| DC & PC Holdings Pty Ltd (DC & PC Neesham Super A/C) | 1,166,000 | 3.47 |
| J Stimpson Pty Ltd (Hoek A/C) | 1,113,333 | 3.31 |
| Benefico Pty Ltd | 1,000,000 | 2.97 |
| Angkor Imperial Resources Pty Ltd (Turkish Breach S/F A/C) | 952,500 | 2.83 |
| Godin Corp Pty Ltd (Seven A/C) | 779,167 | 2.32 |
| Mr Haochen Hu | 750,000 | 2.23 |
| Orc Pty Ltd | 635,555 | 1.89 |
| Mr Scott Nish | 625,000 | 1.86 |
| GP Securities Pty Ltd | 625,000 | 1.86 |
| Edenbridge Investment Pty Ltd (Neglasari Super A/C) | 625,000 | 1.86 |
| Mr Willi Rudin | 600,000 | 1.78 |
| Arkalya Pty Ltd (The Super Butrfly A/C) | 500,000 | 1.49 |
| AJM Investco Pty Ltd (Manni Family Superfund A/C) | 500,000 | 1.49 |
| Harshell Investments Pty Ltd (Kaplan Family A/C) | 500,000 | 1.49 |
| Mrs Olga Kozyreva | 433,333 | 1.29 |
| AH Super Pty Ltd (The AH Super Fund No. 3 A/C) | 415,000 | 1.23 |
| | 17,128,132 | 50.94 |

Unquoted equity securities

| | Number on issue | Number of holders |
|-------------------------------------|-----------------|-------------------|
| Options over ordinary shares issued | 3,925,000 | 23 |

Substantial holders

Substantial holders in the company are set out below:

| | Ordinary shares Number held | % of total shares issued |
|-------------------|--------------------------------|--------------------------------|
| Timothy P Neesham | 3,045,000 | 9.06 |
| Faldi Ismail | 2,825,000 | 8.40 |

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

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

Restricted securities

| Class | Expiry date | Number of securities |
|---|------------------|-------------------------|
| Options exercisable at \$0.30 (30 cents) per option on or before 17 February 2024 | 16 December 2023 | 1,925,000 |
| Performance rights | 16 December 2023 | 200,000 |
| | | <u>2,125,000</u> |

Consistency with business objectives – ASX Listing Rule 4.10.19

In accordance with ASX Listing Rule 4.10.9, the consolidated entity states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. The business objectives are maximising performance, generating appropriate levels of shareholder value and financial return, and sustaining the growth and success of the Company. Consistent with the use of funds which were disclosed in the Company's Prospectus dated 29 October 2021, the consolidated entity believes it has used its cash in a consistent manner for the following purposes:

- exploration costs at the Vetas project;
- exploration costs at the Santa Rosa Project;
- expenses of the offer
- administration costs; and
- working capital.

The Company continues to progress work on the Vetas Project but notes that on a pro-rata basis, its expenditure has been less than budgeted in the 24-month use of funds table detailed in section 5.8 of its Prospectus dated 29 October 2021 due to the following factors:

- Expenditure being weighted towards the 2nd year of activities;
- Delays (as detailed in the 26 July *Exploration Update – Vetas Project*) initiating on ground activities; and
- Changes to the sequence of planned activities, relative to section 5.8 of the 29 October 2021 Prospectus and as detailed in the 26 July *Exploration Update – Vetas Project*.

Interests in Mining Tenements

Below is a summary of the mining tenements held by the Company at the end of the quarter:

| Mining Tenement | | Location | Beneficial Percentage held | Interest acquired/farm-in or disposed/farm-out during the quarter |
|-----------------------------------|-----------------------------|----------|----------------------------|---|
| FI3-152 Mining Title | Vetas Project | Colombia | 100% | - |
| Mining License Application 507079 | Vetas Project | Colombia | 100% | - |
| Mining License Application 507086 | Vetas Project | Colombia | 100% | - |
| Mining License Application 507085 | Vetas Project | Colombia | 100% | - |
| Mining License Application 507084 | Vetas Project | Colombia | 100% | - |
| Mining Licence Application 501358 | Santa Rosa 1 | Colombia | 100% | - |
| Mining Licence Application 501360 | Santa Rosa 2 | Colombia | 100% | |
| Mining Licence Application 501372 | Santa Rosa 3 | Colombia | 100% | |
| 794425 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794426 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794427 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794428 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794429 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794430 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794431 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794432 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794433 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794361 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794362 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794363 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794364 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794365 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794366 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794367 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794368 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794369 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794370 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794371 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794372 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794373 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794374 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794375 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794376 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794434 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794475 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794476 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794477 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794478 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794479 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794480 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794481 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794482 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794483 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794484 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794485 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794486 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794487 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794488 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794489 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794490 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794491 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794492 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794493 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794494 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794495 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794496 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |

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|--------|-----------------------------|---------|-------|-------|
| 794664 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794665 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794666 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794667 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794668 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794669 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794670 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794671 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794672 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794609 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794610 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794611 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794612 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794613 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794614 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794615 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794616 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794617 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794618 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794619 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794620 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794621 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794622 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794673 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794674 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794675 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794676 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794677 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794678 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794679 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794680 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794681 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794682 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794683 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794684 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794685 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794686 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794687 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794688 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794689 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794690 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794691 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794692 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794693 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794694 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794695 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794696 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794697 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794698 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794699 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794700 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794701 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794702 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |
| 794703 | Hornby Lake Lithium Project | Ontario | 100%* | 100%* |

* Acquisition of Hornby Lake Lithium Project was completed on 5 July 2023.

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