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# 2023

## ANNUAL REPORT

FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023

## CORPORATE DIRECTORY

### DIRECTORS

**Graham Ascough** (Non-Executive Chairman)

**Brendan Cummins** (Executive Director)

**Adrian Hill** (Non-Executive Director)

**Simon Taylor** (Non-Executive Director)

### COMPANY SECRETARY

**Jay Stephenson**

### HEAD OFFICE & REGISTERED OFFICE

*Registered Office and Principal Place of Business*  
283 Rokeby Road, Subiaco WA 6008

**T:** +61 8 9426 0666

### SHARE REGISTRY

**Computershare Investor Services**

Level 11, 172 St Georges Terrace, Perth WA 6000

### SECURITIES EXCHANGE

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ASX Code: **BCA**

### AUDITOR

**Hall Chadwick Audit (WA) Pty Ltd**

283 Rokeby Road, Subiaco WA 6008



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## CHAIRMAN'S LETTER

### Dear Fellow Shareholders,

On behalf of the Board of Directors, it is my pleasure to present the 2023 Annual Report for Black Canyon Limited ('Company'), the third Annual Report since listing on ASX. Black Canyon has consolidated an extensive land holding totalling 2,400km<sup>2</sup> in the underexplored Balfour Manganese Field and across the Oakover Basin, in Western Australia, providing a significant footprint in a proven and producing manganese belt.

An exploration and development focus has continued on the Carawine JV Project where Black Canyon has earned a 75% interest in the JV Projects that includes Flanagan Bore. A Scoping Study level economic evaluation was completed on the Flanagan Bore project demonstrating a 20 year mine life, strong cash flow and solid returns, with a low capital start up requirement to produce manganese concentrate mined from the LR1 and FB3 deposits.

Black Canyon subsequently delivered a significant 64% increase in the Mineral Resource Estimate at Flanagan Bore which now totals 171Mt @ 10.3% Mn containing 18Mt of manganese in the Measured and Indicated classifications. Further detailed metallurgical testwork was successful at Flanagan Bore, delivering consistent manganese concentrate grades between 30% and 33% Mn. A Mining Lease application (MLA46/546) has been submitted over the Flanagan Bore manganese deposits and is pending and baseline environmental studies have commenced.

The Company has expanded the 100% owned Balfour Manganese Field Projects with the acquisition of granted licence E46/1383 (excluding copper rights), which added a further 351km<sup>2</sup> to the Company's prospective manganese portfolio. Subsequent to the end of the reporting period the Company completed an initial RC drilling program targeting multiple outcropping manganese prospects across the Balfour Manganese Field.

The drill program is designed to evaluate multiple targets for a potential hub and spoke mining and processing model, building on the significant Mineral Resource at Flanagan Bore.

The Company has developed a value-add downstream strategy to produce high purity manganese sulphate monohydrate (HPMSM) suitable for use in the cathodes of lithium-ion batteries widely used in electric vehicles (EV). The HPMSM strategy is strongly supported by the continued evolution of Li-ion batteries and specifically cathode chemistries

*“The Company has developed a value-add downstream strategy to produce high purity manganese sulphate monohydrate.”*

with battery technology developers increasing safety and energy density from more readily available materials, which includes higher manganese content across a growing range of battery platforms.

It is an exciting development as the demand for HPMSM is expected to continue over the coming decade with limited western supply options. Based on the predicted demand the level of interest in manganese is set to increase, particularly manganese sourced from Australia.

I would like to thank management and my fellow Directors for their ongoing efforts. We are committed to progressing the Company by exploring and testing high-quality targets that has led to significant discoveries and potential mine developments on our extensive holdings in the East Pilbara.

Black Canyon is developing a strong business case for the development of a manganese sulphate chemical business.

With increasing demand for electric vehicles, development of higher manganese content battery chemistries and widely known domestic shortages of USA and Europe based HPMSM suppliers, Black Canyon and its Shareholders will be well positioned to take advantage of a looming HPMSM supply shortfall.

I would like to take this opportunity, on behalf of the Board, to thank all our Shareholders for their ongoing support.



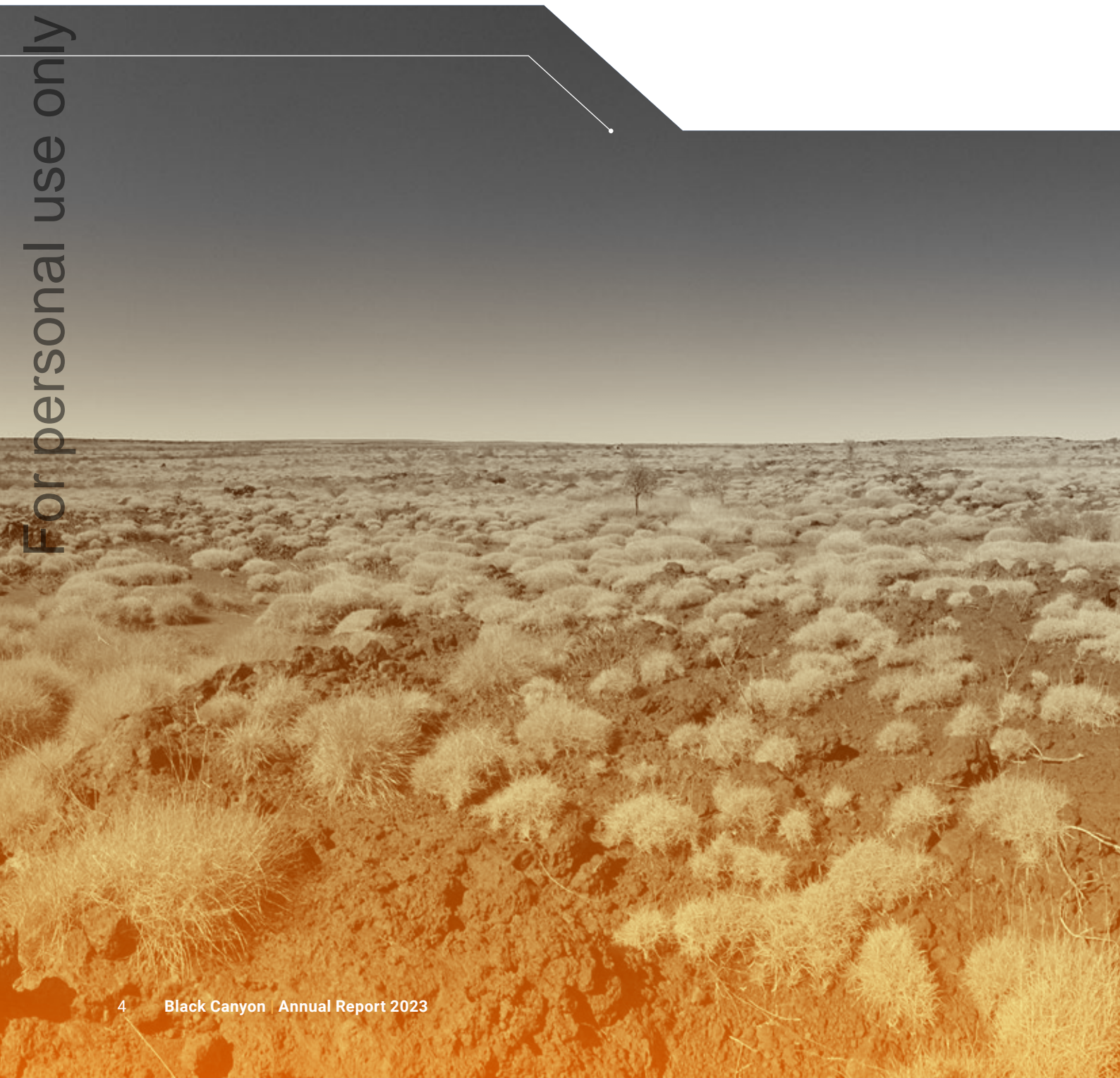
**Graham Ascough**  
Non-Executive Chairman  
Black Canyon Limited

# REVIEW OF OPERATIONS

## OVERVIEW

Since listing on the Australian Securities Exchange (ASX) in May 2021 Black Canyon Limited (**ASX:BCA**) ('Black Canyon', or the 'Company') has been exploring and developing manganese projects either owned 100% or in joint venture located in the mineral Pilbara region of Western Australia.

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## Carawine JV (Black Canyon 75%)

The Carawine JV is an Exploration and Mining joint venture between the Company and Carawine Resources Limited (ASX:CWX). The respective interests of each party to the joint venture are Black Canyon 75% and Carawine 25%, with both parties maintaining their interests and contributing to joint venture expenditure. Black Canyon is acting as the manager of the joint venture.

The Carawine JV includes the Flanagan Bore Manganese Project along with four granted exploration licenses over approximately 460km<sup>2</sup>.

The JV tenements are located south and west of the operating Woodie-Woodie manganese mine and northeast of Element 25's Butcherbird mine, providing a footprint in a proven and producing manganese province.

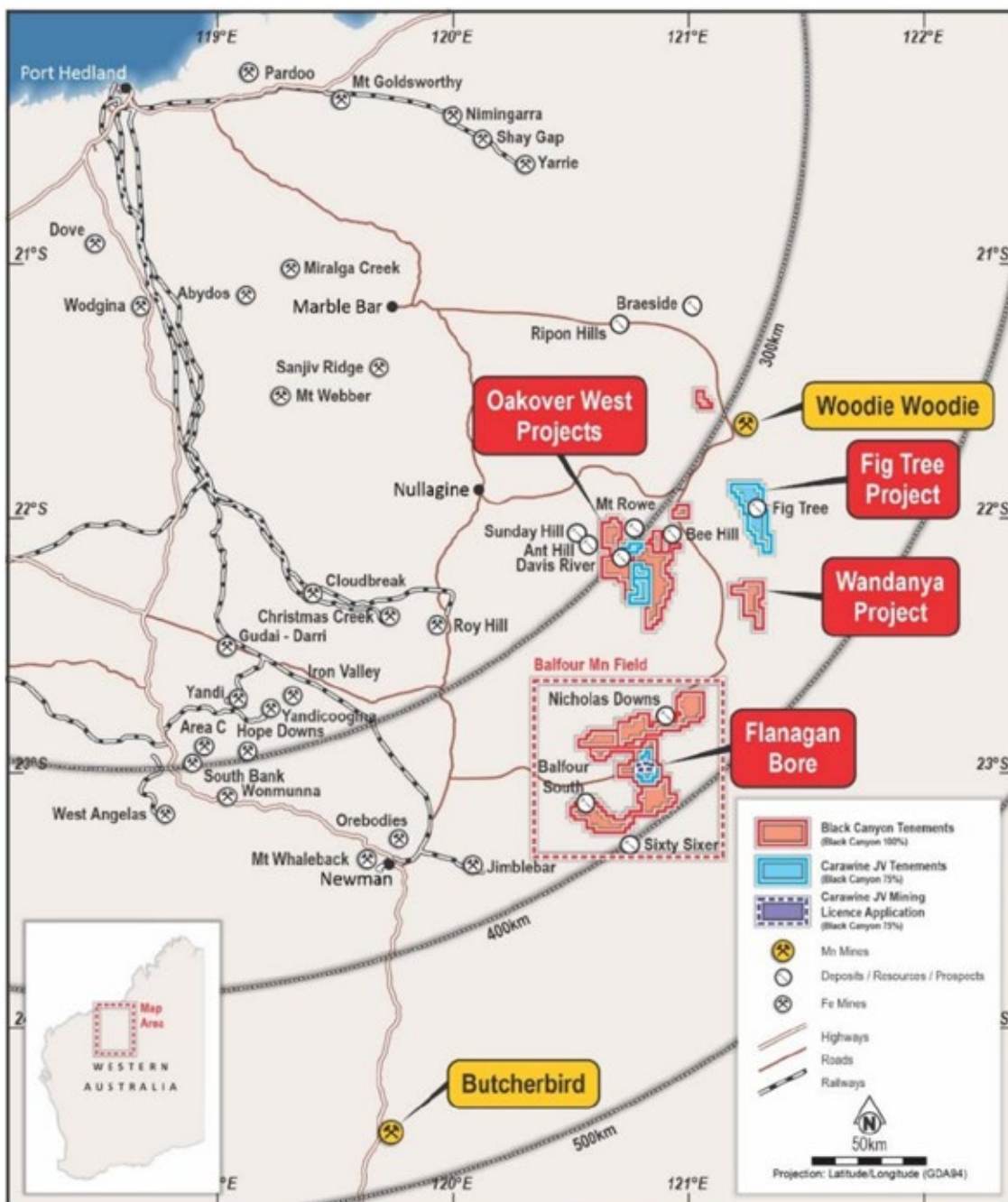


Figure 1 – Location of BCA's Manganese Projects in the Pilbara Region of WA

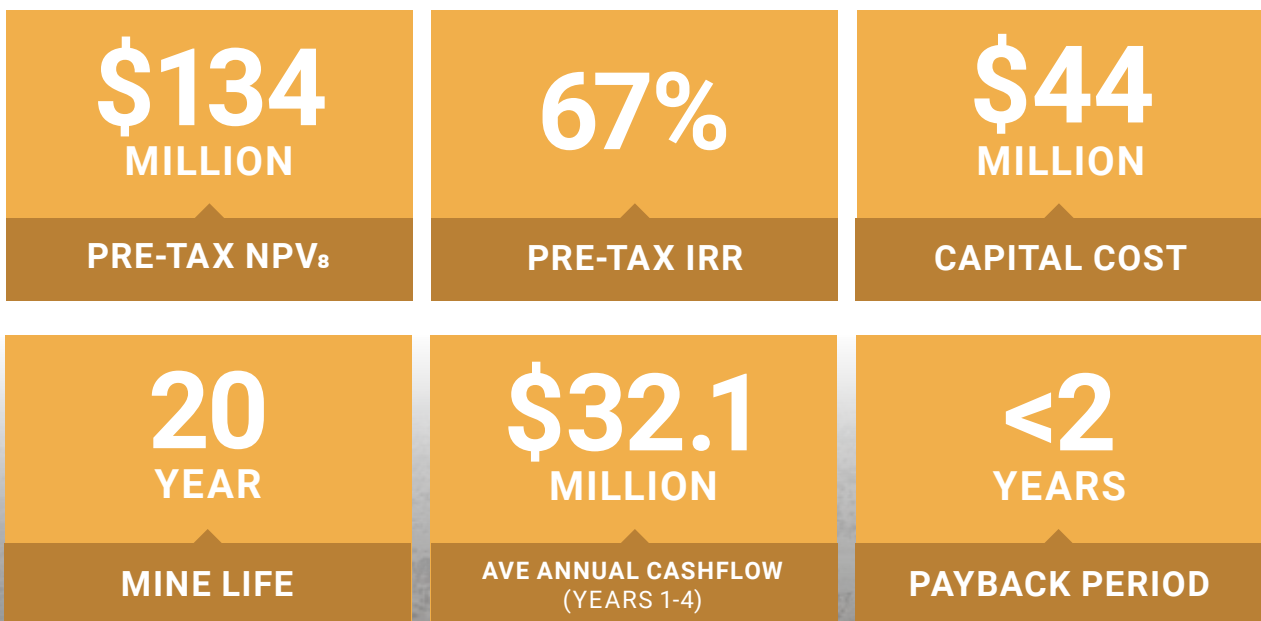
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### Flanagan Bore Scoping Study

During the September 2022 quarter, Black Canyon announced positive Scoping Study results completed by key consultant Battery Limits Pty Ltd and selected independent consultants examining the potential development of the Flanagan Bore Manganese Project (ASX Announcement dated 18 August 2022).

The Scoping Study showed a 20-year mine life, strong cashflow and solid returns, with a low capital startup requirement to produce manganese concentrate based on the May 2022 Indicated Mineral Resource Estimate (MRE) of 104Mt @ 10.5% Mn containing 11Mt of manganese, including a higher-grade subset, comprising 33Mt @ 12.8% Mn (Indicated) across the FB3 and LR1 deposits.

Flanagan Bore Scoping Study Key Project Metrics



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## Infill and Extensional Drilling at Flanagan Bore

In parallel with the finalisation of the Scoping Study, Black Canyon completed 181 holes for 7,534m of RC drilling as part of an infill and extensional drilling program across the existing Mineral Resource at Flanagan Bore. This drilling resulted in thick, high-grade mineralisation being intersected, including:

**46m @ 11.9% Mn from 1m including 13m @ 14.8% Mn from 13m (FBRC199)**

**44m @ 11.1% Mn from surface including 9m @ 15.9% Mn from 8m (FBRC188)**

**34m @ 13.1% Mn from 2m including 9m @ 14.9% Mn from 7m (FBRC170)**

**29m @ 14.8% Mn from surface (FBRC197)**

**20m @ 15.4% Mn from 15m (FBRC200)**

**17m @ 15.1% Mn from 0m (FBRC196)**

**30m @ 12.7% Mn from 0m until EOH (FBRC208)**

*(refer to ASX announcement 7 September 2022)*

On the back of the strong results from the infill and extensional drill program, a significant upgrade of the Mineral Resource at Flanagan Bore was completed in November 2022.

## Flanagan Bore Mineral Resource Update *(refer ASX release 24 November)*

Black Canyon delivered a 64% increase in the Mineral Resource Estimate (MRE) for Flanagan Bore to **171Mt @ 10.3% Mn containing 18Mt of manganese.**

This represents a substantial increase of 67Mt of total tonnage and 7Mt of contained manganese from the previous Mineral Resource and has firmed up the Project's significance on a global scale, which is further enhanced by its location in a Tier 1 mining jurisdiction.

The updated MRE highlights the large deposit scale, well defined grade domains, significant contained manganese and provides a robust foundation on which to establish potential Ore Reserves through detailed development and feasibility studies.

## Mining License application and Environmental Studies

Black Canyon and JV partner Carawine Resources submitted an application for a Mining Lease (MLA46/546) over the Flanagan Bore manganese deposits that include FB3 and LR1 and also extends over discoveries at L1 and TF1.

The application comprises 1,756Ha to ensure sufficient area is under mining tenure to locate the open pits, stockpiles, tails storage facility and build site infrastructure including roads, accommodation village, process plant, laydowns, officer, and solar array.

During hydrological investigation, a total of nine exploration holes were drilled approximately 4-5km from the proposed ore processing facility located to the west of the FB3 deposit. The area was targeted based on a review of the region to discover aquifers of sufficient size and recharge adequate quality suitable for processing requirements.

The Company also commenced the baseline environmental studies focussing initially on flora/vegetation, terrestrial fauna and subterrestrial fauna. Typically the studies take 12 months to gather the baseline data from which a project approval strategy is developed. The reporting and further surveys are likely to be completed by the end of 2023.

## Flanagan Bore Metallurgical Testwork

A total of four composites were selected from 1.4t of PQ diamond core (whole core) from 10 drillholes drilled in December 2021 in preparation for more detailed metallurgical testwork to follow up on the initial sighter level program completed in 2022. The completed program included comminution, scrubbing/screening, benchtop dense media assessments using heavy liquid separation and mineralogy.

Based on the sighter level HLS testwork completed, the Company was able to refine the experimental processing flowsheet and achieved the metallurgical objectives of delivering greater than 30% Mn concentrate products at various liquid densities using proven density-based methodologies. Metallurgical testwork utilising composite samples from the LR1 and FB3 deposits at the Flanagan Bore Project saw successful and consistent delivery of manganese concentrate grades between 30% and 33% Mn (refer ASX announcement 17 April 2023).

**Significant manganese concentrate results from both lump (8-25mm) and fines (1-8mm) testwork include:**

**LR01 lump product - up to 32.2% Mn**

**LR01 fines product - up to 31.4% Mn**

**FB03 lump product - up to 33.2% Mn**

**FB03 fines product - up to 33.4% Mn**

The results show a consistent and positive trend across the composites tested in terms of lump and fines manganese concentrate grades and recoveries from Flanagan Bore. Overall, the positive results have provided confidence to continue optimisation of the flowsheet and scaled-up test work using larger dense media separation (DMS) processing circuitry. Additional testwork is planned to further refine the test work parameters and examine variability across the deposits at Flanagan Bore.

## Carawine JV – other activities

Field mapping and surface geochemistry was completed over the Oakover West tenement package during the 2022 half year period. The mapping and sampling program was successful in identifying a number of manganese anomalies related to both hydrothermal and supergene styles of manganese enrichment.

Further planned work includes the flying of detailed LIDAR to assist with mapping and establishing access to the manganese targets.

Three tenements were removed from the Carawine JV (E45/5145, E46/1245, and E46/1099) and returned to Carawine subject to standard condition's precedent. It was agreed by the JV partners that the tenements have low prospectivity for manganese mineralisation.

Further geophysical work is planned in later 2023 for Fig Tree (E46/1116) that is located 30 km south of the Woodie Woodie manganese mine. The Company is targeting hydrothermal style manganese mineralisation commonly hosted by the prospective Carawine Dolomite and Pinjian Chert that are interpreted to be concealed below thin surface cover within the Fig Tree Tenement.

## Carawine JV - Status

Tenement Joint Venture work programs are subject to the Joint Venture Management Committee unanimously approving the JV tenements proposed initial 12-month work program and budget. The work program and budget has not been agreed but discussions are continuing with both parties working to resolve the issue.

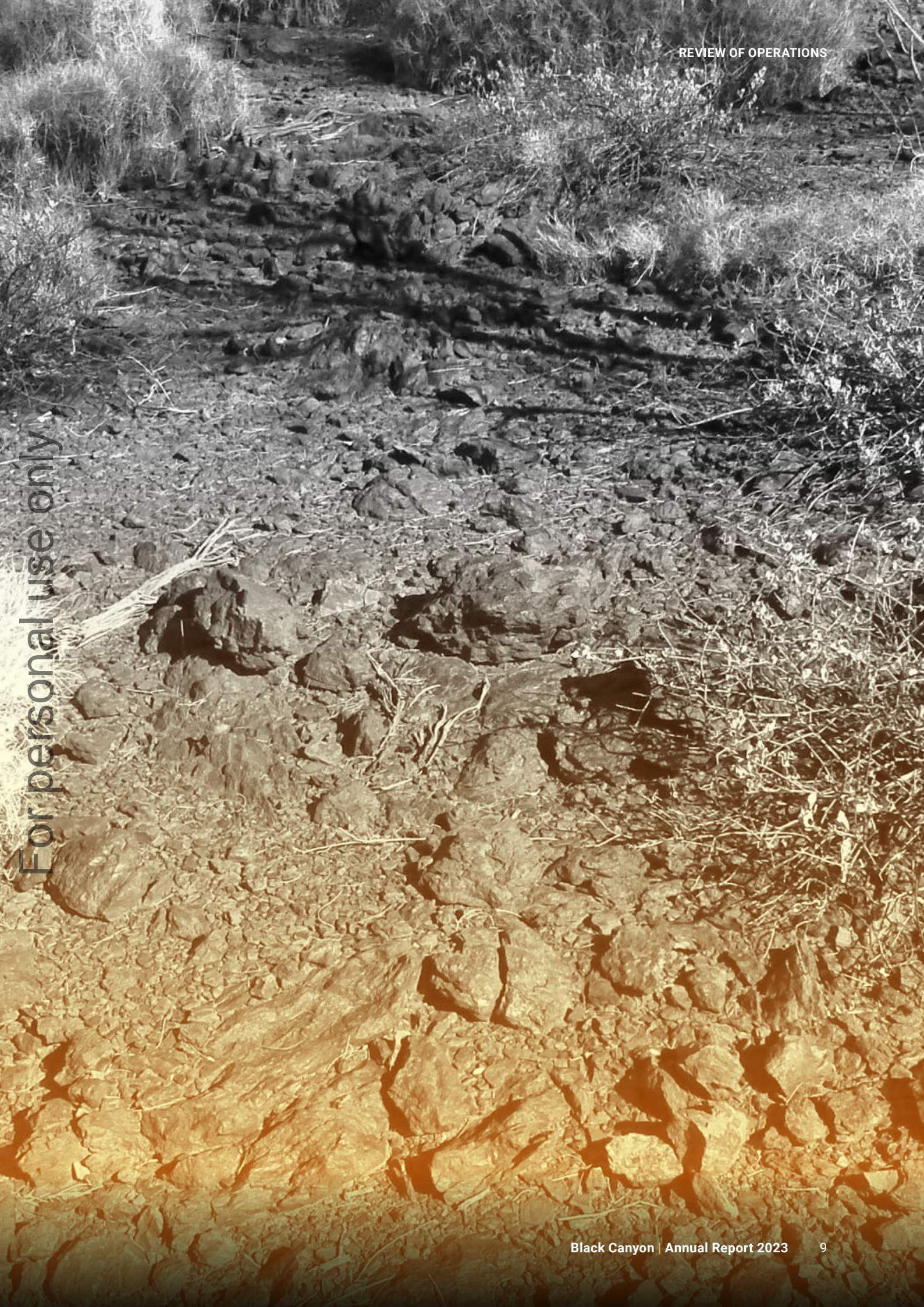
The JV is currently operating under a minimum tenement expenditure basis to ensure the tenements are maintained in good standing and as agreed by both Companies to continue selected environmental surveys at Flanagan Bore.

## Hydrometallurgical Testwork

The Company developed a value-add strategy to produce high purity manganese sulphate monohydrate (HPMSM) suitable for use in the cathodes of lithium-ion batteries widely used in electric vehicles (EV).

Black Canyon announced the results from an initial leaching testwork program that delivered highly promising Mn leach extractions up to 91%. Following on from the successful leaching testwork, initial manganese sulphate crystallisation testwork delivered a 32.3% manganese sulphate product, which is equivalent to greater than 99% Mn purity.

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## Balfour Manganese Field (Black Canyon 100%)

During 2022 and 2023 the Company consolidated a significant land holding within the Balfour Manganese Field that started with the acquisition of Panther Exploration Pty Ltd completed in March 2022, that hosted a number of highly prospective manganese targets. In March 2023 the Company acquired (100%) granted licence E46/1383 (excluding copper rights) which added a further 351km<sup>2</sup> to the Company's prospective manganese portfolio in the eastern Pilbara.

The tenement further consolidated Black Canyon's holdings over prospective manganese enriched shale horizons extending over 75km strike from manganese mineral resources at Balfour South, Sixty Sixer, Flanagan Bore and the past producing Manganese mine of Nicholas Downs.

A number of high-quality targets were generated as part of the Expanded Manganese Strategy to build upon the mineral resources delineated at Flanagan Bore by exploring and drilling several undrilled outcropping manganese enriched shale horizons owned 100% by Black Canyon. Based on the experience of delivering large Mineral Resource tonnages at Flanagan Bore and mapped outcropping manganese enriched shales across the Balfour Manganese Field tenements there is high potential to discover and delineate substantial Mineral Resources confirming the manganese endowment of this globally significant region.

### Target Generation and RC drilling activities (Subsequent to the reporting period)

With the completion of the highly successful drill campaigns at Flanagan Bore in 2021/2022 the Company was able to leverage off experience in the region that provided a clear advantage in understanding mineralisation potential to reduce exploration risk.

This enabled the Company to generate, evaluate and then prioritise the most compelling targets for RC drill testing from 100% owned tenements within the Balfour Manganese Field. The selected drill targets have a dual purpose - to firstly discover new manganese oxide mineral resources that can be processed on site to produce manganese concentrates for the manganese alloying (used in steel) industry.

Secondly to delineate mineral resources to provide feedstock manganese concentrates for offsite downstream HPMSM processing.

The drill targets will enable the Company to advance the HPMSM variability study, which is evaluating the amenability of various manganese oxide mineralisation styles to hydrometallurgical processing to produce battery grade HPMSM. The samples submitted for HPMSM testwork were largely selected from the prioritised RC drill targets across 100% owned Balfour Manganese Field tenements

Significantly the new targets had never been drilled and represent an outstanding opportunity to make further discoveries in the region and grow mineral inventory.

The key targets selected for RC drilling include (refer to Figure 2):

1. KR1 and KR2 located on E46/1383
2. Pickering and Damsite located on E46/1404 and
3. Balfour West and East located on E46/1394

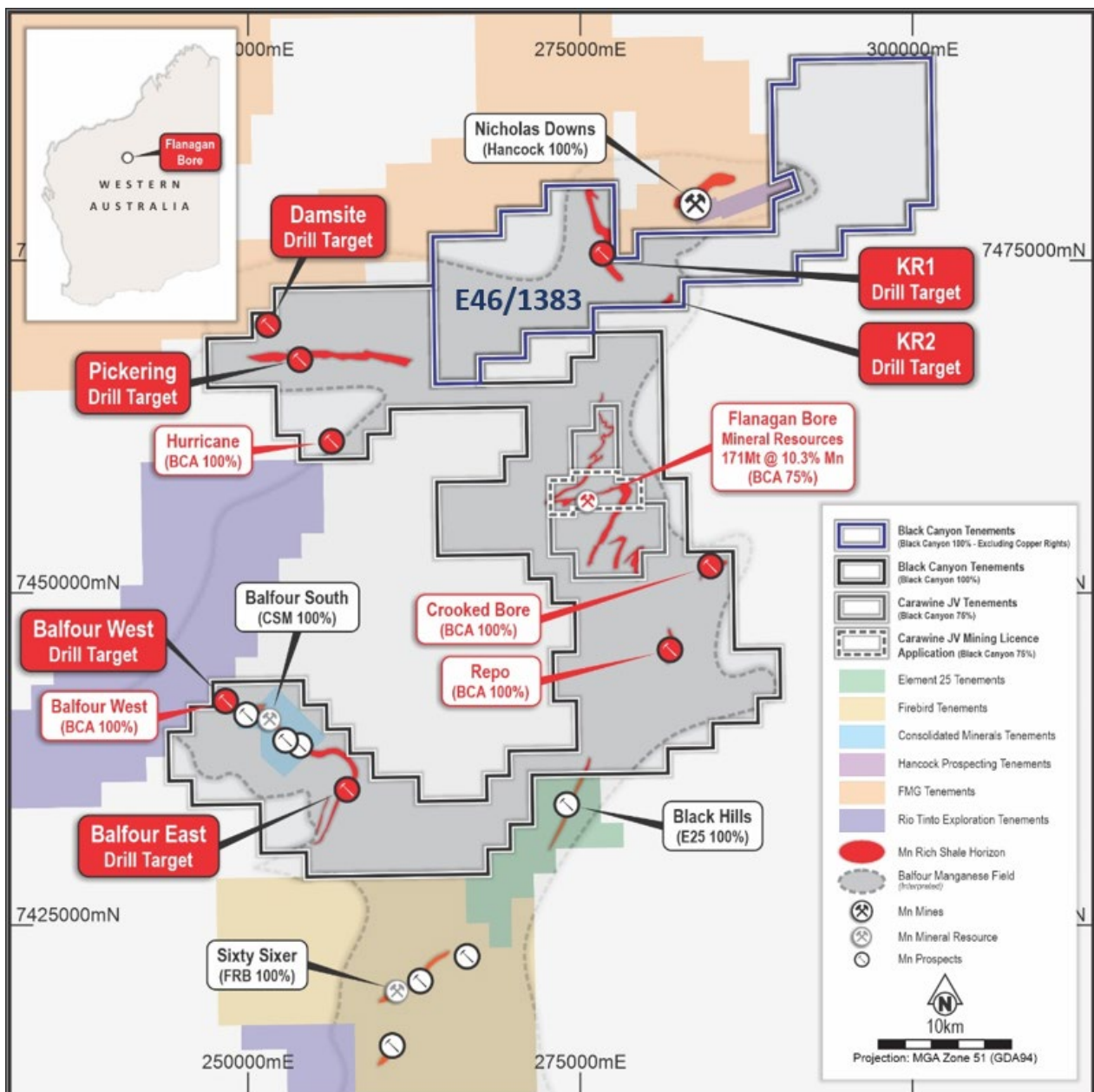


Figure 2. Location of the main drill targets across the Balfour Manganese Field and manganese shale target horizon (red solid outlines).

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### Expanded Downstream HPMSM Strategy

The Company has developed an expanded value-add strategy to produce high purity manganese sulphate monohydrate (HPMSM) suitable for use in the cathodes of lithium-ion batteries widely used in electric vehicles (EV).

The Company is seeking to develop a low CAPEX, low impact mining facility that could be permitted and approved relatively quickly. This would potentially reduce the timeframes for Black Canyon to supply manganese oxide feedstock to an offsite downstream HPMSM facility located close to infrastructure required to access power and reagents.

Black Canyon has commissioned experienced environmental and approval advisors, Preston Consultants, to advise on the likely environmental studies, approvals and timeframes required for a campaign-based mining operation utilising simple beneficiation processes to upgrade the manganese oxide materials in preparation for hydrometallurgical processing into HPMSM.

The Company initially identified multiple manganese oxide targets across its 100% owned tenement portfolio. They include a combination of shale hosted, hydrothermal, and hybrid shale/hydrothermal styles of manganese.

A total of 7 samples were collected by shallowly excavating selected outcrops to expose representative manganese enriched mineralisation. Approximately 20kg to 30kg of manganese oxide material was collected at each site and yielded *in situ* grades between 7% and 28.5% Mn. Simple beneficiation (crush and scrub/wash) significantly upgraded the *in situ* manganese content to grades between 20.1% and 33.8% Mn.

Following review of the chemical analysis from the beneficiated samples a total of four samples were subjected to detailed acid leaching testwork with only 1 sample to be selected for multistage purification and chemical extraction prior to crystallisation of HPMSM. These works are planned for completion in the second half of 2023.



## Wandanya Project (Black Canyon 100%)

Reconnaissance sampling over the Wandanya (E46/1407) tenement delivered high-grade surface rock chip samples up to 54% manganese.

Two samples taken 100m apart (across strike) returned 52.9% and 54.3% Mn from an outcrop that is approximately 300m long and 150m wide at the W2 prospect. Other samples targeting manganese across the tenement ranged between 12.2% and 33.5% Mn.

No previous exploration sampling or historic drilling has been completed over the outcropping mineralisation. Future exploration plans include mapping, further rock chip sampling and gradient array IP (GAIP) to generate potential drill targets.

### Business Risks and External Factors

Black Canyon's business, operating and financial performance are subject to various risks and uncertainties, some of which are beyond the Company's reasonable control. The identification and, where possible, mitigation and management of these risks is central to achieving the objectives and targets of our Strategic Growth Plan.

The matters that have the potential to materially impact the Company's operating and/or financial results are set out below. The matters identified are not intended as an exhaustive list of all the risks and uncertainties associated with the Company's business.

Information that could result in unreasonable prejudice to the Group has been excluded, including that which is confidential or commercially sensitive, except where disclosure is required pursuant to our continuous disclosure obligations.

### Exploration and Operating Risks

The projects of the Group are at various stages of exploration. The future exploration activities of the Group 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, native title process, changing government regulations and many other factors beyond the control of the Group.

### Covid-19 Update

Black Canyon is continuing to review updates in relation to the COVID 19 pandemic and potential impacts to its exploration programs, drill schedules, health and wellbeing of its employees, contractors and other stakeholders. The Company has operational procedures and guidelines in-line with official health advice and government directives which can be modified in response to changing conditions.

Black Canyon is an active explorer and continues to progress its work programs subject to travel restrictions that maybe enforced.

## Tenement Schedule

As at the date of this report, the Group has the tenements detailed in the table below.

Project	Tenement	Beneficial interest
Carawine Project Farm In	E46/1116-I	75%
	E46/1119-I	75%
	E46/1301	75%
	MLA46/546	75%
	E46/1069-I	75%
Davis Creek	EL46/1382	100%
Pickering Creek	EL46/1404	100%
Davis North	EL46/1406	100%
Wandanya	EL46/1407	100%
Warawagine	EL45/5954	100%
Bee Hill West	EL46/1422	100%
Balfour South	EL46/1396	100%
Hurricane	EL46/1394	100%
Billanooka	ELA46/1488	100%
KR	EL46/1383	100%

## Resource Statement

**Table 1: Summary of Mineral Resources for the FB3 and LR1 deposits at Flanagan Bore**

Summary of Mineral Resources <sup>(1,3)</sup>							
Deposit	Mineral Resource	Material	In Situ Mn	Mn	Fe	Si	Al
	Category	(Mt) <sup>(2)</sup>	(Mt)	(%)	(%)	(%)	(%)
FB3	Measured	52	6	10.5	10.4	16.9	4.3
LR1	Measured	47	5	10.3	8.4	16.7	4.6
<b>Total</b>	Measured	100	11	10.4	9.4	16.8	4.4
FB3	Indicated	63	6	10.0	9.6	16.8	4.4
LR1	Indicated	8	1	11.3	9.4	6.9	1.8
<b>Total</b>	<b>Indicated</b>	<b>71</b>	<b>7</b>	<b>10.1</b>	<b>9.6</b>	<b>15.7</b>	<b>4.1</b>
<b>Grand Total</b>		<b>171</b>	<b>18</b>	<b>10.3</b>	<b>9.5</b>	<b>16.4</b>	<b>4.3</b>

**Notes:**

- (1) Mineral resources reported at a cut-off grade of 7% Mn
- (2) Appropriate rounding has been applied
- (3) The effective date for the mineral resource is November 2022

## Competent Person Statement

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation prepared by Mr Brendan Cummins, Executive Director of Black Canyon Limited. Mr Cummins is a member of the Australian Institute of Geoscientists and he has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Cummins consents to the inclusion in this release of the matters based on the information in the form and context in which they appear. Mr Cummins is a shareholder of Black Canyon Limited.



# DIRECTORS' REPORT

Your Directors present their report together with the financial statements of the Group, being the Company and its controlled entities, for the financial year ended 30 June 2023.

## 1. DIRECTORS AND COMPANY SECRETARY

The names, qualifications, experience and special responsibilities of the Directors in office at any time during or since year-end are as follows:

- **Mr. Graham Ascough** *Chairman (Non-Executive Chairman) (Non-independent) (appointed 2 September 2013)*

**BSc in Geological Engineering (Geophysics)**

Graham Ascough is a senior resources executive with more than 30 years of industry experience evaluating mineral projects and resources in Australia and overseas. He has had broad industry involvement ranging from playing a leading role in setting the strategic direction for significant country-wide exploration programs to working directly with mining and exploration companies. He is a member of AusIMM and is a Professional Geoscientist of Ontario, Canada.

He is presently the Non-Executive Chairman of Musgrave Minerals Ltd., Sunstone Metal Ltd., and PNX Metals Ltd.

- **Mr Brendan Cummins** *Executive Director (Non-Independent) (appointed 3 May 2013)*

**BSc (Hons)**

Mr. Cummins has over 25 years' experience as both mine and exploration geologist. Mr Cummins is a Competent Person across a broad range of commodities with the majority of his experience being in mineral exploration, resource discovery and definition, feasibility related studies, project evaluation and acquisition. Mr Cummins has diversified experience in gold, copper, base metals, bulk and speciality minerals throughout Australian and overseas locations. He has been heavily involved in project development activities including associated technical studies, Stakeholder and Heritage Engagement, liaison with environmental regulatory bodies and other statutory approvals engaging with the EPA, DWER and DMIRS. He formerly served as a Non-Executive Director of Cradle Resources Ltd and Askari Metals Ltd

He is a member of AIG (Member Id 2977).

- **Mr Adrian Hill** *Non-executive Director (Non-Independent) (appointed 4 May 2011)*

**BComm, Chartered Accountant, Fellow of the Financial Institute of Australia**

Mr Hill is a senior executive with over 25 years Australian and International experience in strategic and finance roles in the resources, energy infrastructure and investment banking industries. He has an established record in strategy development, operational management, investment analysis, transaction management, corporate structuring and capital raising.

Mr Hill holds a Bachelor of Commerce, is a Chartered Accountant, a Fellow of the Financial Institute of Australia and has a Certificate in Governance Practice from the Governance Institute of Australia

Mr Hill has formerly served as a non-executive director of Southern Crown Resources Limited.

- **Mr Simon Taylor** *Non-executive Director (Non-Independent) (appointed 2 September 2013)*

**B.Sc, MAIG, Gcert AppFin**

Mr Taylor is a geologist with over 25 years' experience in exploration, project assessment and development. He is Managing Director of Oklo Resources Ltd and a Non-Executive Director of Chesser Resources Ltd and Stellar Resources Limited.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

## COMPANY SECRETARY

- **Mr Jay Stephenson.**

**MBA, FCPA, CA, CPA (Canada) CMA (Canada), FCIS, FGIA**

Mr Stephenson has been involved in business development for over 30 years, including approximately 24 years as Director, Chief Executive Officer, and Company Secretary of various listed and unlisted entities in resources, manufacturing, wine, hotels and property. He has been involved in business acquisitions, mergers, initial public offerings, capital raisings, and business restructuring, as well as managing all areas of finance for companies.

## 2. DIRECTORS' MEETINGS

The number of directors' meetings attended by each of the Directors of the Company who hold or held office during the financial year was:

	DIRECTORS' MEETINGS		AUDIT COMMITTEE		NOMINATION COMMITTEE		REMUNERATION COMMITTEE		FINANCE AND OPERATIONS COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
G. Ascough	4	4	<i>At the date of this report, the Remuneration, Audit, Nomination, and Finance and Operations Committees comprise the full Board of Directors. The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of these separate committees. Accordingly, all matters capable of delegation to such committees are considered by the full Board of Directors.</i>							
B. Cummins	4	4								
A. Hill	4	4								
S. Taylor	4	4								

## 3. DIRECTORS' INTERESTS

The relevant interests of Directors in the shares and options of the Company up to the date of this report were as follows:

	Shares No.	Options No.	Performance Rights No.
<b>2023</b>			
G. Ascough	1,284,849	-	-
B. Cummins	1,768,683	-	1,600,000
A. Hill	1,768,181	-	-
S. Taylor	1,334,848	-	-
	<b>6,156,561</b>	<b>-</b>	<b>1,600,000</b>
<b>2022</b>			
G. Ascough	1,284,849	58,334	-
B. Cummins	1,768,683	41,667	1,200,000
A. Hill	1,768,181	41,667	-
S. Taylor	1,334,848	58,333	-
	<b>6,156,561</b>	<b>200,001</b>	<b>1,200,000</b>

*The aggregate number of shares acquired/(disposed or consolidated) directly or indirectly by Directors during the year since the date of the prior year report, up to the date of this report was:*

G. Ascough	-	-58,334	-
B. Cummins	-	-41,667	400,000
Adrian Hill	-	-41,667	-
S. Taylor	-	-41,667	-
	<b>-</b>	<b>-200,001</b>	<b>400,000</b>

## 4. PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the course of the financial year was focusing on mineral exploration activities.

## 5. OPERATING RESULTS

For the 2023 financial year the Group delivered a loss before tax of \$2,021,869 (2022: \$1,212,786 loss).

## 6. REVIEW OF OPERATIONS

Refer to the detailed review of operations - overview of the Annual Report.

## 7. DIVIDENDS

The Directors have not paid an interim dividend nor do they recommend the payment of a final dividend.

## 8. FINANCIAL POSITION

The net assets of the Group have decreased from 30 June 2022 by \$1,782,143 to \$5,603,998 at 30 June 2023 (2022: \$7,386,141).

As at 30 June 2023, the Group's cash and cash equivalents decreased from 30 June 2022 by \$3,622,649 to \$1,126,920 at 30 June 2023 (2022: \$4,749,569) and had working capital of \$856,265 (2022: \$3,963,598 working capital), as noted in Note 10.

The consolidated entity's financial position has enabled the Group to limit its borrowings to internal parties and not to external financial institutions. This maintains a satisfactory working capital ratio.

The directors believe the Group is in a satisfactorily stable financial position to continue its current operations.

## 9. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the year ended 30 June 2023.

## 10. EVENTS SUBSEQUENT TO REPORTING DATE

On 21 July, the Company announced that it had completed an oversubscribed placement of \$1,950,000 to fund exploration and HPMSM studies. The placement was completed over two tranches with Tranche 2 subject to shareholder approval. Tranche 2 was approved by shareholders at the general meeting held on 18 September 2023 and the Tranche 2 shares were issued on 25 September 2023. The total placement was for the issue of approximately 13.9 million new shares at \$0.14 per share. Participants in the placement will receive 1 unlisted option exercisable 2 years from date of issue at an exercise price of \$0.28 per option.

There were no other significant events after the end of the reporting period.

## 11. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely future developments in the operations of the Consolidated Entity are referred to in the review of operations - overview of the Annual Report.

## 12. DIRECTORS' SHAREHOLDINGS, CONTRACTS AND BENEFITS

Since the end of the previous financial year no Director of the Company has received, or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts) by reason of a contract made by the Company with the Director or with a firm of which the Director is a member, or a Company in which the Director has a substantial financial interest, other than as disclosed in the remuneration report below.

## 13. BUSINESS RISKS AND EXTERNAL FACTORS

Black Canyon's business, operating and financial performance are subject to various risks and uncertainties, some of which are beyond the Company's reasonable control. The identification and, where possible, mitigation and management of these risks is central to achieving the objectives and targets of our Strategic Growth Plan.

The matters that have the potential to materially impact the Company's operating and/or financial results are set out below. The matters identified are not intended as an exhaustive list of all the risks and uncertainties associated with the Company's business.

Information that could result in unreasonable prejudice to the Group has been excluded, including that which is confidential or commercially sensitive, except where disclosure is required pursuant to our continuous disclosure obligations.

### Future funding risk

In the future, the Company may require additional funds (whether by way of debt and/or equity), so as to, without limitation:

- carry out additional exploration activities at its projects;
- complete future feasibility studies on its projects;
- undertake the future development of a mining operation subject to the results of the feasibility studies; and
- fund corporate, administrative and working capital needs.

The ability of the Company to meet these future funding requirements, when they arise, will be dependent upon its continued capacity to access capital market funding sources and/or financing facilities. Funding via additional equity issues may be dilutive to existing Shareholders and, if available, debt financing may be subject to Black Canyon agreeing to certain debt covenants and encumbering the Company's assets.

If Black Canyon is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, delay, suspend and/or scale back its exploration programs and business strategies, as the case may be. There is however no guarantee that Black Canyon will be able to secure any additional funding as and when required on terms favourable to Black Canyon at all. The failure of which would thus have a material adverse effect on the Company's activities, its solvency and its reputation.

### Exploration and Operating Risks

The projects of the Group are at various stages of exploration. The future exploration activities of the Group 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, native title process, changing government regulations and many other factors beyond the control of the Group.

### Environmental Regulation

The mining leases granted to the Company pursuant to Mining Acts are granted subject to various conditions, which include standard environmental requirements. The Company adheres to these conditions and the Directors are not aware of any contraventions of these requirements.

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

### Covid 19 Update

Black Canyon is continuing to review updates in relation to the COVID 19 pandemic and potential impacts to its exploration programs, drill schedules, health and wellbeing of its employees, contractors and other stakeholders. The Company has operational procedures and guidelines in-line with official health advice and government directives which can be modified in response to changing conditions.

Black Canyon is an active explorer and continues to progress its work programs subject to travel restrictions that maybe enforced.

## 14. REMUNERATION REPORT (AUDITED)

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

- (a) Principles used to determine the nature and amount of remuneration
- (b) Details of remuneration
- (c) Service agreements
- (d) Equity instruments disclosure relating to Key Management Personnel
- (e) Share-based compensation
- (f) Loans to / from Key Management Personnel
- (g) Transactions with Related Parties of Key Management Personnel

The information provided in this remuneration report has been audited as required by s308(3C) of the *Corporations Act 2001* (Cth).

### (a) Principles used to determine the nature and amount of remuneration

The following report determines the principles used to determine the nature and amount of remuneration. The Board is responsible for determining and reviewing compensation arrangements for the Directors and the Executive team. The role also includes responsibility for share option schemes, superannuation entitlements, retirement and termination entitlements, fringe benefit policies, liability insurance policies and other terms of employment.

The Board will review the arrangements having regard to performance, relevant comparative information and at its discretion may obtain independent expert advice on the appropriateness of remuneration packages. Remuneration packages are set at levels intended to attract and retain Executives capable of managing the Company's activities.

The practices of negotiation and annual review of Executive Directors' performance and remuneration are carried out by the Non-Executive Directors of the Board. The Chairman of the Board who makes recommendations to the full board, undertakes, in an informal way, the review of the Non-Executive Directors remuneration.

The Board will meet at least annually or as required, usually on the anniversary date of each service agreement for the particular Director and or Executive. At these meetings, the particular Director and/or Executive will declare his/her interest and not vote, as well he/she will depart from the meeting, so as not to be present whilst the issue is being discussed.

Given the nature and size of the Company there has been no requirement to engage the services of a remuneration consultant for the year ended 30 June 2023.

**i. Remuneration of Non-executive Directors**

Total remuneration for Non-executive Directors is not to exceed \$250,000 per annum, excluding options which are approved separately at a general meeting. Non-Executive Directors' fees are set with reference to fees paid to other Non-Executive Directors of comparable companies and are presently \$65,000 per annum plus superannuation for the Non-Executive Chair and \$45,000 per annum plus superannuation for the Non-Executive Directors. The Executive Director receives a fee of \$240,000 per annum plus superannuation. Non-Executive Director's remuneration is reviewed annually by the Non-executive Directors of the Board.

**ii. Share trading policy**

The trading of shares issued to participants under any of the Company's employee equity plans is subject to, and conditional upon, compliance with the Company's employee share trading policy, publicly available via the ASX.

**iii. Remuneration Framework**

The executive remuneration framework has two components:

- base pay and benefits, including superannuation and bonuses where applicable; and
- long term incentives. No long-term incentives have been granted as at the date of this report.

The executive remuneration mix is consistent with that of an exploration company in that pay is currently not based on the performance of the Company and both components of the executives target pay are not at risk subject to achieving key performance indicators.

**(b) Details of remuneration**

Details of the nature and amount of each element of the emoluments of each of the key management personnel of the Company for the year ended 30 June 2023 are set out in the following tables.

	Short-term benefits		Post-employment benefits	Equity-settled share-based payments:	Total	Performance Related
	Cash, salary & fees and bonuses	Non-monetary	Super-annuation	Share Rights		
	\$	\$	\$	\$	\$	%
<b>2023</b>						
Mr G. Ascough <sup>1</sup>	71,797	-	-	-	71,797	-
Mr. B. Cummins <sup>2</sup>	289,375	-	37,800	39,726	366,901	10.8
Mr. A. Hill <sup>3</sup>	49,736	-	435	-	50,171	-
Mr. S. Taylor <sup>4</sup>	45,000	-	4,725	-	49,725	-
	455,908	-	42,960	39,726	538,594	7.4

1. Graham Ascough is paid as a consultant a total annual fee of \$71,797 per annum.
2. Brendan Cummins is paid as an employee an annual salary of \$240,000 per annum plus Superannuation for an 80% workload. Days worked in excess of 80% are charged at \$1,250 per day. Refer to part (e) within this report in regards to Rights issue.
3. Adrian Hill is paid as a consultant a total annual fee of \$49,500 per annum. In June 2023, Mr Hill moved from a consultant to an employee.
4. Simon Taylor is paid as an employee an annual salary of \$45,000 per annum plus Superannuation.

	Short-term benefits		Post-employment benefits	Equity-settled share-based payments:	Total	Performance Related
	Cash, salary & fees and bonuses	Non-monetary <sup>5</sup>	Super-annuation	Options		
	\$	\$	\$	\$	\$	%
<b>2022</b>						
Mr. G. Ascough	71,500	-	-	-	71,500	-
Mr. B. Cummins	384,375	-	25,500	-	409,875	-
Mr. A. Hill	49,500	-	-	-	49,500	-
Mr. S. Taylor	45,000	-	4,500	-	49,500	-
	550,375	-	30,000	-	580,375	-

**(c) Service agreements**

Each Director has entered into a service agreement with the Group. Refer to the footnote within Part B for detail.

**(d) Equity instruments disclosure relating to Key Management Personnel**

**i. Shareholdings**

Number of shares held by Parent Entity Directors and other key management personnel of the Group, including their personally related parties, are set out below.

	Balance at start of year No.	Received during the year as compensation No.	Received during the year on conversion of performance rights No.	Other changes during the year No.	Balance at end of year No.
<b>2023</b>					
Mr. G. Ascough	1,284,849	-	-	-	1,284,849
Mr. B. Cummins	1,768,683	-	-	-	1,768,683
Mr. A. Hill	1,768,181	-	-	-	1,768,181
Mr. S. Taylor	1,334,848	-	-	-	1,334,848
	6,156,561	-	-	-	6,156,561

(1)

	Balance at start of year No.	Received during the year as compensation No.	Received during the year on conversion of performance rights No.	Other changes during the year No.	Balance at end of year No.
<b>2022</b>					
Mr G. Ascough	1,133,334	-	-	151,515	1,284,849
Mr. B. Cummins	1,617,168	-	-	151,515	1,768,683
Mr. A.Hill	1,616,666	-	-	151,515	1,768,181
Mr. S. Taylor	1,183,333	-	-	151,515	1,334,848
	5,550,501	-	-	606,060	6,156,561

(1) Other changes during the year represent shares acquired in the June 2022 capital raise.

**ii. Options**

	Balance at start of year No.	Granted as remuneration during the year No.	Exercised during the year No.	Other changes during the year No.	Balance at end of year No.	Vested and exercisable No.	Not vested No.
<b>2023</b>							
Mr G. Ascough	58,334	-	-	-58,334	-	-	-
Mr. B. Cummins	41,667	-	-	-41,667	-	-	-
Mr. A. Hill	41,667	-	-	-41,667	-	-	-
Mr. S. Taylor	58,333	-	-	-58,333	-	-	-
	200,001	-	-	-200,001	-	-	-

(1) Other changes during the year represent options that expired in June 2023.

	Balance at start of year No.	Granted as remuneration during the year No.	Exercised during the year No.	Other changes during the year No.	Balance at end of year No.	Vested and exercisable No.	Not vested No.
<b>2022</b>							
Mr G. Ascough	58,334	-	-	-	58,334	58,334	-
Mr. B. Cummins	41,667	-	-	-	41,667	41,667	-
Mr. A. Hill	41,667	-	-	-	41,667	41,667	-
Mr. S. Taylor	58,333	-	-	-	58,333	58,333	-
	200,001	-	-	-	200,001	200,001	-

**iii. Equity Instruments issued on conversion of performance rights**

There were no equity instruments issued during the period to Directors or other key management personnel as a result of the conversion of performance rights issued.

**(e) Performance Rights**

Mr Brendan Cummins received 1,200,000 Performance Rights at the 2021 Annual General Meeting (AGM) and 400,000 Performance Rights at the 2022 AGM.

The terms and conditions of the Performance Rights are found in the Notices of Meetings for the 2021 and 2022 AGMs.

The vesting profile of the performance Rights of Mr B Cummins are detailed in the table below:

<b>2023</b>	Share Right Numbers	Grant Date.	Vested in year %.	Net Change Other %	Measurement date of share rights
2021 Deferred Rights Tranche 1	400,000	02/12/2021	-	-	(i)
2021 Deferred Rights Tranche 2	400,000	02/12/2021	100	-	30/06/2023
2021 Deferred Rights Tranche 3	400,000	02/12/2021	-	-	(i)
2022 Deferred Rights Tranche 1	400,000	30/11/2022	70	-	30/06/2023

As at reporting date, no performance rights have been converted to shares.

Management assessed these tranches unlikely for the attached vesting conditions to be met and have not measured nor accounted for these in 2023.

**(f) Loans to / from Key Management Personnel**

There were no loans owing to / from Key Management Personnel on 30 June 2023.

**(g) Transactions with Related Parties of Key Management Personnel**

There are no other significant related party transactions not already identified at the 30 June 2023 year end.

There are no other related party transactions other than those payments to Directors as disclosed in the remuneration report.

**14. LOANS TO DIRECTORS AND EXECUTIVES**

No loans have been made to Directors of Black Canyon Limited and the specified executives of the consolidated entity, including their personally-related entities.

**15. SHARES UNDER OPTION**

There were 4,895,800 options for ordinary shares of Black Canyon Limited at the date of this report.

**16. LIABILITY INSURANCE**

The Company has taken out an insurance policy to cover its Directors and Officers to indemnify them against any claims of negligence.

**17. NON-AUDIT SERVICES**

During the year, Hall Chadwick Audit (WA) Pty Ltd, the Group's auditor, only provided assurance services to the Group.

Details of remuneration paid to the auditor can be found within the financial statements at Note 17 Auditor's Remuneration.

In the event that non-audit services are provided by Hall Chadwick Audit (WA) Pty Ltd, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the Corporations Act 2001. These procedures include:

- non-audit services will be subject to the corporate governance procedures adopted by the Group' and will be reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- ensuring non-audit services do not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

The Directors are satisfied that the provision of non-audit services by Hall Chadwick Audit (WA) Pty Ltd (or by another person or firm on Hall Chadwick Audit (WA) Pty Ltd's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth).

**18. PROCEEDINGS ON BEHALF OF THE COMPANY**

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

The Company was not a party to any such proceedings during the year.

**19. AUDITORS INDEPENDENCE DECLARATION**

A copy of the auditors' independence declaration as required under s307C of the *Corporations Act 2001* (Cth) is set out on page 24.



**20. AUDITORS**

The auditor, Hall Chadwick Audit (WA) Pty Ltd continues in accordance with s327 of the *Corporations Act 2001* (Cth).

**21. ROUNDING OF AMOUNTS**

The Company is a type of Company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of directors made pursuant to s298(2) of the *Corporations Act 2001* (Cth).

**GRAHAM ASCOUGH**

Non-Executive Chairman

Dated: 28 September 2023

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# AUDITOR'S INDEPENDENCE DECLARATION

HALL CHADWICK 

To the Board of Directors

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

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

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

Yours Faithfully



**HALL CHADWICK AUDIT (WA) PTY LTD**

Dated this 28<sup>th</sup> day of September 2023  
Perth, Western Australia



**NIKKI SHEN CA**  
Director

 **PrimeGlobal**  
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# CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement is current as at the date of this Annual Report and has been approved by the Board of the Company.

This Corporate Governance Statement discloses the extent to which the Company will, as at the date it is admitted to the official list of the ASX, follow the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations – 4th Edition (Recommendations). The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation.

The Company has adopted a Corporate Governance Plan which provides the written terms of reference for the Company's corporate governance duties.

Due to the current size and nature of the existing Board and the magnitude of the Company's operations, the Board does not consider that the Company will gain any benefit from individual Board committees and that its resources would be better utilised in other areas as the Board is of the strong view that at this stage the experience and skill set of the current Board is sufficient to perform these roles. Under the Company's Board Charter, the duties that would ordinarily be assigned to individual committees are currently carried out by the full Board under the written terms of reference for those committees.

The Company's Corporate Governance Plan is available on the Company's website at [www.blackcanyon.com.au](http://www.blackcanyon.com.au).

PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<b>Principle 1: Lay solid foundations for management and oversight</b>		
<b>Recommendation 1.1</b> (a) A listed entity should have and disclose a board charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management.	YES	The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management.  The Board Charter sets out the specific responsibilities of the Board, requirements as to the Board's composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors' access to Company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.  A copy of the Company's Board Charter, which is part of the Company's Corporate Governance Plan, is available on the Company's website.
<b>Recommendation 1.2</b> A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	YES	a) The Company has guidelines for the appointment and selection of the Board and senior executives in its Corporate Governance Plan. The Company's Nomination Committee Charter (in the Company's Corporate Governance Plan) requires the Nomination Committee (or, in its absence, the Board) to ensure appropriate checks (including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate)) are undertaken before appointing a person, or putting forward to security holders a candidate for election, as a director. In the event of an unsatisfactory check, a director is required to submit their resignation.  b) Under the Nomination Committee Charter, all material information relevant to a decision on whether or not to elect or re-elect a director must be provided to security holders in the Notice of Meeting containing the resolution to elect or re-elect a director.
<b>Recommendation 1.3</b> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	YES	The Company's Nomination Committee Charter requires the Nomination Committee (or, in its absence, the Board) to ensure that each Director and senior executive is personally a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.  The Company has written agreements with each of its directors and senior executives.
<b>Recommendation 1.4</b> The company secretary of a listed entity should be accountable directly to the board, through the Chair, on all matters to do with the proper functioning of the board.	YES	The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. In accordance with this, the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

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PRINCIPLES AND RECOMMENDATIONS	COMPLY (YES/NO)	EXPLANATION
<p><b>Recommendation 1.5</b> A listed entity should:</p> <p>(a) Have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</p> <p>(c) disclose in relation to each reporting period:</p> <p>(i) the measurable objectives set for that period to achieve gender diversity;</p> <p>(ii) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined “senior executive” for these purposes); or</p> <p>(B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in the Workplace Gender Equality Act. If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	YES	<p>a) The Company has adopted a Diversity Policy which provides a framework for the Company to establish, achieve and measure diversity objectives, including in respect of gender diversity. The Diversity Policy is available, as part of the Corporate Governance Plan, on the Company’s website.</p> <p>b) The Diversity Policy allows the Board to set measurable gender diversity objectives and to continually monitor both the objectives and the Company’s progress in achieving them.</p> <p>c) The measurable diversity objectives for each financial year (if any), and the Company’s progress in achieving them, will be detailed in the Company’s Annual Report</p> <p>i. The Board does not anticipate there will be a need to appoint any new Directors or senior executives due to the limited nature of the Company’s existing and proposed activities and the Board’s view that the existing Directors and senior executives have sufficient skill and experience to carry out the Company’s plans;</p> <p>ii. If it becomes necessary to appoint any new Directors or senior executives, the Board will consider the application of the measurable diversity objectives and determined whether, given the small size of the Company and the Board, requiring specified objectives to be met will unduly limit the Company from applying the Diversity Policy as a whole and the Company’s policy of appointing the best person for the job;] and</p> <p>iii. The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined “senior executive” for these purposes) for each financial year will be disclosed in the Company’s Annual Report.</p>
<p><b>Recommendation 1.6</b> A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	YES	<p>a) The Company’s Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Board, its committees and individual Directors on an annual basis. It may do so with the aid of an independent advisor. The process for this is set out in the Company’s Corporate Governance Plan, which is available on the Company’s website.</p> <p>b) The Company’s Corporate Governance Plan requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Company intends to complete performance evaluations in respect of the Board, its committees (if any) and individual Directors for each financial year in accordance with the above process.</p>
<p><b>Recommendation 1.7</b> A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	YES	<p>a) The Company’s Nomination Committee (or, in its absence, the Board) is responsible for evaluating the performance of the Company’s senior executives on an annual basis. The Company’s Remuneration Committee (or, in its absence, the Board) is responsible for evaluating the remuneration of the Company’s senior executives on an annual basis. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act) other than a non-executive Director.</p> <p>The applicable processes for these evaluations can be found in the Company’s Corporate Governance Plan, which is available on the Company’s website.</p> <p>b) The Company’s Corporate Governance Plan requires the Company to disclose whether or not performance evaluations were conducted during the relevant reporting period. The Company intends to complete performance evaluations in respect of the senior executives (if any) for each financial year in accordance with the applicable processes.</p> <p>At this stage, due to the current size and nature of the existing Board and the magnitude of the Company’s operations, the Company has not appointed any senior executives.</p>

**Principle 2: Structure the board to be effective and add value****Recommendation 2.1**

The board of a listed entity should:

- (a) have a nomination committee which:
- (i) has at least three members, a majority of whom are independent directors; and
  - (ii) is chaired by an independent director, and disclose:
    - (iii) the charter of the committee;
    - (iv) the members of the committee; and
    - (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

- PARTIALLY
- a) The Company does not have a Nomination Committee. The Company's Nomination Committee Charter provides for the creation of a Nomination Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are independent Directors, and which must be chaired by an independent Director
- b) The Company does not have a Nomination Committee as the Board considers that the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Nomination Committee under the Nomination Committee Charter, including the following processes to address succession issues and to ensure the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively:
- devoting time at least annually to discuss Board succession issues and updating the Company's Board skills matrix; and
  - all Board members being involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules

**Recommendation 2.2**

A listed entity should have and disclose a Board skills matrix setting out the mix of skills that the Board currently has or is looking to achieve in its membership.

- YES
- Under the Nomination Committee Charter (in the Company's Corporate Governance Plan), the Nomination Committee (or, in its absence, the Board) is required to prepare a Board skills matrix setting out the mix of skills that the Board currently has (or is looking to achieve) and to review this at least annually against the Company's Board skills matrix to ensure the appropriate mix of skills to discharge its obligations effectively and to add value and to ensure the Board has the ability to deal with new and emerging business and governance issues.
- The Company has a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership. A copy will be available in the Company's Annual Report.

Board Skills Matrix	Number of Directors that meet the skill
Executive and Non-Executive experience	4
Industry experience and knowledge	4
Leadership	4
Corporate governance and risk management	4
Strategic thinking	4
Desired behavioural competencies	4
Geographic experience	4
Capital markets experience	4
Accounting	2
Capital management	3
Corporate financing	4
Industry taxation <sup>1</sup>	0
Risk management	4
Legal <sup>2</sup>	0
IT expertise <sup>3</sup>	0

1. Skill gap noticed however an external taxation firm is employed to maintain taxation requirements.
2. Skill gap noticed however an external legal firm is employed to maintain legal requirements.
3. Skill gap noticed however an external IT firm is employed on an adhoc basis to maintain IT requirements.

The Board Charter requires the disclosure of each Board member's qualifications and expertise. Full details as to each Director and senior executive's relevant skills and experience will be available in the Company's Annual Report.

<p><b>Recommendation 2.3</b> A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a Director has an interest, position or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendations (4th Edition), but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion; and the length of service of each Director</p>	<p>YES</p> <p>a) The Board Charter requires the disclosure of the names of Directors considered by the Board to be independent. The Board considers there are no independent Directors.</p> <p>b) There are no independent Directors and so this is not applicable.</p> <p>c) The Company's Annual Report will disclose the length of service of each Director, as at the end of each financial year.</p>
<p><b>Recommendation 2.4</b> A majority of the board of a listed entity should be independent directors.</p>	<p>NO</p> <p>The Company's Board Charter requires that, where practical, the majority of the Board should be independent.</p> <p>The Board currently comprises a total of 4 directors, of whom zero are considered to be independent. As such, independent directors currently do not comprise the majority of the Board.</p> <p>The Board does not currently consider an independent majority of the Board to be appropriate given:</p> <p>(a) the speculative nature of the Company's business, and its limited scale of activities, means the Company only needs, and can only commercially sustain, a small Board of 4 Directors and no senior executives [other than the executive Director];</p> <p>(b) the Company considers at least one Director needs to be executive Director of the Company to be effectively managed;</p> <p>(c) The Company considers it necessary, given its speculative and small-scale activities to attract and retain suitable Directors by offering Directors an interest in the Company, and</p> <p>(d) the Company considers it appropriate to provide remuneration to its directors in the form of securities in order to conserve its limited cash reserves.</p> <p>Despite not having an independent majority of Directors, the Company has one executive Director and one non-Executive Chairperson. The Non-Executive Chairperson has the casting vote at board meetings</p>
<p><b>Recommendation 2.5</b> The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>NO</p> <p>Board Charter provides that, where practical, the Chair of the Board should be an independent Director and should not be the CEO/Managing Director.</p> <p>The Chair of the Company is not an independent Director and is not the CEO/Managing Director.</p> <p>The Board does not have an independent Chair because it was not feasible due to the company's current size and Board structure.</p>
<p><b>Recommendation 2.6</b> A listed entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.</p>	<p>YES</p> <p>In accordance with the Company's Board Charter, the Nominations Committee (or, in its absence, the Board) is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible for facilitating inductions and professional development including receiving briefings on material developments in laws, regulations and accounting standards relevant to the Company.</p>
<p><b>Principle 3: Instil a culture of acting lawfully, ethically and responsibly</b></p>	
<p><b>Recommendation 3.1</b> A listed entity should articulate and disclose its values.</p>	<p>YES</p> <p>(a) The Company are committed to conducting all of its business activities fairly, honestly with a high level of integrity, and in compliance with all applicable laws, rules and regulations. The Board, management and employees are dedicated to high ethical standards and recognise and support the Company's commitment to compliance with these standards.</p> <p>(b) The Company's values are set out in its Code of Conduct</p>

		(which forms part of the Corporate Governance Plan) and are available on the Company's website. All employees are given appropriate training on the Company's values and senior executives will continually reference such values.
<b>Recommendation 3.2</b> A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</li> <li>(b) ensure that the Board or a committee of the Board is informed of any material breaches of that code.</li> </ul>	YES	<ul style="list-style-type: none"> <li>a) The Company's Corporate Code of Conduct applies to the Company's Directors, senior executives and employees.</li> <li>b) The Company's Corporate Code of Conduct (which forms part of the Company's Corporate Governance Plan) is available on the Company's website. Any material breaches of the Code of Conduct are reported to the Board or a committee of the Board.</li> </ul>
<b>Recommendation 3.3</b> A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose a whistle-blower policy; and</li> <li>(b) ensure that the Board or a committee of the Board is informed of any material incidents reported under that policy.</li> </ul>	YES	The Company's Whistleblower Protection Policy (which forms part of the Corporate Governance Plan) is available on the Company's website. Any material breaches of the Whistleblower Protection Policy are to be reported to the Board or a committee of the Board.
<b>Recommendation 3.4</b> A listed entity should: <ul style="list-style-type: none"> <li>(a) have and disclose an anti-bribery and corruption policy; and</li> <li>(b) ensure that the Board or committee of the Board is informed of any material breaches of that policy.</li> </ul>	YES	The Company's Anti-Bribery and Anti-Corruption Policy (which forms part of the Corporate Governance Plan) is available on the Company's website. Any material breaches of the Anti-Bribery and Anti-Corruption Policy are to be reported to the Board or a committee of the Board.
<b>Principle 4: Safeguard the integrity of corporate reports</b>		
<b>Recommendation 4.1</b> The Board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have an audit committee which: <ul style="list-style-type: none"> <li>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, who is not the chair of the board,</li> </ul> and disclose: <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the relevant qualifications and experience of the members of the committee; and</li> <li>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> <li>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</li> </ul>	PARTIALLY (a)	<p>The Company does not have an Audit and Risk Committee. The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee with at least three members, all of whom must be non-executive Directors, and majority of the Committee must be independent Directors. The Committee must be chaired by an independent Director who is not the Chair.</p> <p>The Company does not have an Audit and Risk Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to independently verify the integrity of the Company's periodic reports which are not audited or reviewed by an external auditor, as well as the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <ul style="list-style-type: none"> <li>(i) the Board devotes time at annual Board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors; and</li> <li>(ii) all members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting</li> </ul>
<b>Recommendation 4.2</b> The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	YES	<p>The Company's Audit and Risk Committee Charter requires the CEO and CFO (or, if none, the person(s) fulfilling those functions) to provide a sign off on these terms.</p> <p>The Company intends to obtain a sign off on these terms for each of its financial statements in each financial year.</p>

<p><b>Recommendation 4.3</b> A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p>YES</p> <p>The Company will include in each of its (to the extent that the information contained in the following is not audited or reviewed by an external auditor):</p> <ul style="list-style-type: none"> <li>(a) annual reports or on its website, a description of the process it undertakes to verify the integrity of the information in its annual directors' report;</li> <li>(b) quarterly reports, or in its annual report or on its website, a description of the process it undertakes to verify the integrity of the information in its quarterly reports;</li> <li>(c) integrated reports, or in its annual report (if that is a separate document to its integrated report) or on its website, a description of the process it undertakes to verify the integrity of the information in its integrated reports; and</li> <li>(d) periodic corporate reports (such as a sustainability or CSR report), or in its annual report or on its website, a description of the process it undertakes to verify the integrity of the information in these reports.</li> </ul>
<b>Principle 5: Make timely and balanced disclosure</b>	
<p><b>Recommendation 5.1</b> A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>	<p>YES</p> <ul style="list-style-type: none"> <li>a) The Company's Corporate Governance Plan details the Company's Continuous Disclosure policy.</li> <li>b) The Corporate Governance Plan, which incorporates the Continuous Disclosure policy, is available on the Company's website.</li> </ul>
<p><b>Recommendation 5.2</b> A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>	<p>YES</p> <p>Under the Company's Continuous Disclosure Policy (which forms part of the Corporate Governance Plan), all members of the Board will receive material market announcements promptly after they have been made.</p>
<p><b>Recommendation 5.3</b> A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p>	<p>YES</p> <p>All substantive investor or analyst presentations will be released on the ASX Markets Announcement Platform ahead of such presentations.</p>
<b>Principle 6: Respect the rights of security holders</b>	
<p><b>Recommendation 6.1</b> A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>YES</p> <p>Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company's website.</p>
<p><b>Recommendation 6.2</b> A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>YES</p> <p>The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Strategy outlines a range of ways in which information is communicated to shareholders and is available on the Company's website as part of the Company's Corporate Governance Plan.</p>
<p><b>Recommendation 6.3</b> A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p>	<p>YES</p> <p>Shareholders are encouraged to participate at all general meetings and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material stating that all Shareholders are encouraged to participate at the meeting.</p> <p>All substantive resolutions at securityholder meetings will be decided by a poll rather than a show of hands.</p>
<p><b>Recommendation 6.4</b> A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.</p>	<p>YES</p> <p>All substantive resolutions at securityholder meetings will be decided by a poll rather than a show of hands</p>
<p><b>Recommendation 6.5</b> A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>YES</p> <p>The Shareholder Communication Strategy provides that security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.</p> <p>Shareholders queries should be referred to the Company Secretary at first instance.</p>



<p><b>Recommendation 7.1</b> The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose:</li> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>	<p>YES</p> <p>a) The Company does not have an Audit and Risk Committee. The Company's Corporate Governance Plan contains an Audit and Risk Committee Charter that provides for the creation of an Audit and Risk Committee with at least three members, all of whom must be non-executive Directors, and majority of the Committee must be independent Directors. The Committee must be chaired by an independent Director who is not the Chair. A copy of the Corporate Governance Plan is available on the Company's website.</p> <p>b) The Company does not have an Audit and Risk Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to oversee the entity's risk management framework, The Board devotes time at regular board meetings to fulfill the roles and responsibilities with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures</p>
<p><b>Recommendation 7.2</b> The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>	<p>YES</p> <p>a) The Audit and Risk Committee Charter requires that the Audit and Risk Committee (or, in its absence, the Board) should, at least annually, satisfy itself that the Company's risk management framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board.</p> <p>b) The Company's Corporate Governance Plan requires the Company to disclose at least annually whether such a review of the Company's risk management framework has taken place.</p>
<p><b>Recommendation 7.3</b> A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p>YES</p> <p>The Audit and Risk Committee Charter provides for the Audit and Risk Committee to monitor and periodically review the need for an internal audit function, as well as assessing the performance and objectivity of any internal audit procedures that may be in place.</p>
<p><b>Recommendation 7.4</b> A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p>YES</p> <p>The Audit and Risk Committee Charter requires the Audit and Risk Committee (or, in its absence, the Board) to assist management to determine whether the Company has any potential or apparent exposure to environmental or social risks and, if it does, put in place management systems, practices and procedures to manage those risks.</p> <p>The Company's Corporate Governance Plan requires the Company to disclose whether it has any potential or apparent exposure to environmental or social risks and, if it does, put in place management systems, practices and procedures to manage those risk.</p> <p>Where the Company does not have material exposure to environmental or social risks, report the basis for that determination to the Board, and where appropriate benchmark the Company's environmental or social risk profile against its peers.</p> <p>The Company will disclose this information in its Annual Report.</p>
<p><b>Principle 8: Remunerate fairly and responsibly</b></p>	
<p><b>Recommendation 8.1</b> The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose:</li> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> </ul>	<p>YES</p> <p>a) The Company does not have a Remuneration Committee. The Company's Corporate Governance Plan contains a Remuneration Committee Charter that provides for the creation of a Remuneration Committee (if it is considered it will benefit the Company), with at least three members, a majority of whom are be independent Directors, and which must be chaired by an independent Director.</p> <p>b) The Company has a Remuneration Committee.] OR [The</p>

<p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>Company does not have a Remuneration Committee as the Board considers the Company will not currently benefit from its establishment. In accordance with the Company's Board Charter, the Board carries out the duties that would ordinarily be carried out by the Remuneration Committee under the Remuneration Committee Charter including the following processes to set the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p>The Board devotes time at the annual Board meeting to assess the level and composition of remuneration for Directors and senior executives.</p>
<p><b>Recommendation 8.2</b> A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.</p>	<p>YES The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of Directors and senior executives, which is disclosed in the remuneration report contained in the Company's Annual Report as well as being disclosed on the Company's website.</p>
<p><b>Recommendation 8.3</b> A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>YES a) The Company does not have an equity-based remuneration scheme. The Company does not have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.</p>
<b>Additional recommendations that apply only in certain cases</b>	
<p><b>Recommendation 9.1</b> A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents</p>	<p>Not Applicable</p>
<p><b>Recommendation 9.2</b> A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</p>	<p>Not Applicable</p>
<p><b>Recommendation 9.3</b> A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>Not Applicable</p>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Revenue and other income	2	40,625	13,038
Administration expense		(320,316)	(355,867)
Professional Fees and legal		(267,849)	(113,805)
Employee benefit expense	3.1	(686,528)	(656,142)
Share based payments	3.2	(39,726)	(91,000)
Tenements written off	3.3	(400,000)	-
Exploration and evaluation	3.4	(348,075)	(9,010)
<b>Loss before income tax</b>		<b>(2,021,869)</b>	<b>(1,212,786)</b>
Income tax expense/(benefit)	5	-	-
<b>Loss for the year</b>		<b>(2,021,869)</b>	<b>(1,212,786)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>		<b>(2,021,869)</b>	<b>(1,212,786)</b>
Loss per share attributable to the ordinary equity holders of the Company			
Basic (loss) per share	18	(0.039)	(0.029)
Diluted (loss) per share		(0.036)	(0.027)

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

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# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

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	Note	2023 \$	2022 \$
<b>Current assets</b>			
Cash and cash equivalents	6.1	1,126,920	4,749,569
Trade and other receivables	6.2	269,877	111,508
<b>Total current assets</b>		<b>1,396,797</b>	<b>4,861,077</b>
<b>Non-current assets</b>			
Plant and equipment	7.1	69,811	87,704
Mineral exploration and evaluation assets	7.2	4,677,922	3,334,839
<b>Total non-current assets</b>		<b>4,747,733</b>	<b>3,422,543</b>
<b>Total assets</b>		<b>6,144,530</b>	<b>8,283,620</b>
<b>Current liabilities</b>			
Trade and other payables	6.3	540,532	897,479
<b>Total current liabilities</b>		<b>540,532</b>	<b>897,479</b>
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>540,532</b>	<b>897,479</b>
<b>Net assets</b>		<b>5,603,998</b>	<b>7,386,141</b>
<b>Equity</b>			
Contributed equity	8.1.1	9,721,017	9,521,017
Reserves	8.3	146,296	106,570
Accumulated losses		(4,263,315)	(2,241,446)
<b>Total equity</b>		<b>5,603,998</b>	<b>7,386,141</b>

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	Note	Contributed equity	Share based payment reserve	Accumulated Losses	Total Equity
		\$	\$	\$	\$
<b>Balance at 1 July 2021</b>		5,932,584	106,570	(1,028,660)	5,010,494
Total comprehensive loss for the year		-	-	(1,212,786)	(1,212,786)
Share based payments		-	-	-	-
Contributions of equity, net of transaction costs	8.1.1	3,588,433	-	-	3,588,433
<b>Balance at 30 June 2022</b>		9,521,017	106,570	(2,241,446)	7,386,141
<b>Balance at 1 July 2022</b>		9,521,017	106,570	(2,241,446)	7,386,141
Total comprehensive loss for the year		-	-	(2,021,869)	(2,021,869)
Share based payments		-	39,726	-	39,726
Contributions of equity, net of transaction costs	8.1.1	200,000	-	-	200,000
<b>Balance at 30 June 2023</b>		9,721,017	146,296	(4,263,315)	5,603,998

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

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# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Cash flow from operating activities			
Interests received		40,625	13,038
Payments to suppliers & employees		(1,266,437)	(1,101,642)
<b>Net cash (outflow) from operating activities</b>	6.1.1	<b>(1,225,812)</b>	<b>(1,088,604)</b>
Cash flow from investing activities:			
Purchase of property, plant, equipment		(1,249)	(94,803)
Payments for exploration expenditure assets		(2,395,589)	(1,882,335)
<b>Net cash (outflow) from investing activities</b>		<b>(2,396,838)</b>	<b>(1,977,138)</b>
Cash flow from financing activities:			
Proceeds from issue of shares (net of costs)		-	3,037,433
<b>Net cash inflow from financing activities</b>		<b>-</b>	<b>3,037,433</b>
<b>Net increase / (decrease) in cash held</b>		<b>(3,622,649)</b>	<b>(28,310)</b>
Cash and cash equivalents at the beginning of the period		4,749,569	4,777,879
<b>Cash and cash equivalents at the end of period</b>	6.1	<b>1,126,920</b>	<b>4,749,569</b>

*The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.*

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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2023

### Note 1

In preparing the 2023 financial statements, Black Canyon Limited has grouped notes into sections under five key categories:

- Section A: How the numbers are calculated.....38
- Section B: Risk .....52
- Section C: Group structure.....56
- Section D: Unrecognised items.....57
- Section E: Other Information .....58

Significant accounting policies specific to each note are included within that note. Accounting policies that are determined to be non-significant are not included in the financial statements.

The financial report is presented in Australian dollars, except where otherwise stated.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2023

### SECTION A. HOW THE NUMBERS ARE CALCULATED

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operations of the entity, including:

- accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not deal with a particular type of transaction
- analysis and sub-totals, including segment information
- information about estimates and judgements made in relation to particular items.

#### NOTE 2 REVENUE AND OTHER INCOME

	2023 \$	2022 \$
From continuing operations:		
Interest – unrelated parties	40,625	13,038
<b>Total revenue and other income</b>	<b>40,625</b>	<b>13,038</b>

##### 2.1.1 Accounting Policy

###### a. Interest revenue

Interest revenue is recognised in accordance with Note 4.1 Finance income and expenses.

###### b. Other income

Other income is recognised when the Group obtains control over the funds, which is at the time of receipt.

All revenue is stated net of the amount of GST (Note 22.3 Goods and Services Tax (GST)).

#### NOTE 3 LOSS BEFORE INCOME TAX

Note

	2023 \$	2022 \$
Loss before income tax has been determined after including the following expenses:		
<b>3.1 Employment Costs:</b>		
• Salaries and Wages – Including Director Fees	621,647	607,052
• Superannuation	64,881	49,089
	<b>686,528</b>	<b>656,142</b>
<b>3.2 Share Based Payments:</b>		
• Shares issued to investor relations service provider	-	91,000
• Performance Rights issued to Directors	39,726	-
<b>3.3 Tenements written off</b>		
The Group relinquished tenement EL52/3897, Lofty Range owned by subsidiary Zephyr Exploration Pty Ltd. Related costs attributed to Lofty Range have been written off.	400,000	-
<b>3.4 Exploration costs</b>		
• Exploration and evaluation assets written off	348,075	9,010



3.4.1 Accounting Policy

a. Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave is expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

b. Retirement benefit obligations: Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions onto a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred.

c. Long service leave

Any liability for employee benefits relating to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the reporting date.

**NOTE 4 OTHER SIGNIFICANT ACCOUNTING POLICIES RELATED TO ITEMS OF PROFIT AND LOSS**

**4.1 Finance income and expenses**

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest revenue is recognised on a time proportionate basis that considers the effective yield on the financial asset.

Financial expenses comprise interest expense on borrowings calculated using the effective interest method, unwinding of discounts on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method

**NOTE 5 INCOME TAX**

Note

2023  
\$

2022  
\$

**5.1 The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:**

Loss before income tax	(2,021,869)	(1,212,786)
Prima facie tax payable on loss from ordinary activities before income tax at 25% (2022: 25%)	(505,467)	(303,197)
Non-deductible expenses	-	-
Tax effect of allowable expenses	(505,467)	(303,197)
Tax effect of unrecognised tax losses utilised	505,467	303,197
	-	-

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

As at year end, tax losses carried forward amounted to \$3,186,984 (2022: \$1,202,632) that have the ability to be carried forward indefinitely for offset against future taxable profits of the Group. The recoupment of available tax losses as at 30 June 2023 are contingent upon the Group satisfying the following conditions:

- deriving future assessable income of a nature and of an amount sufficient to enable the benefit from the losses to be realised;
- the conditions for deductibility imposed by tax legislation continuing to be complied with and the company meeting either its continuity of ownership test or in the absence of satisfying that test the company can satisfy the same business test; and
- there being no changes in tax legislation which would adversely affect the Group from realising the benefits from the losses.

In the event that the Group fails to satisfy these conditions above or the Commissioner of Taxation challenges the Group's ability to utilise its losses, the Group may be liable for future income tax on assessable income derived by the company.

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates consider both the financial performance and position of the company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions.

## 5.2 Accounting Policy

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

## NOTE 6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

### 6.1 Cash and cash equivalents

Cash at bank and on hand

	2023 \$	2022 \$
Cash at bank and on hand	1,216,920	4,749,569
	1,216,920	4,749,569
<b>6.1.1 Cash Flow Information</b>		
a. Reconciliation of cash flow from operations to (loss)/profit after income tax		
Operating loss after income tax	(2,021,869)	(1,212,786)
<b>Add / (less) non-cash items:</b>		
• Share based payments	39,726	91,000
• Depreciation	19,142	8,008
• Investment written off	400,000	
• Exploration and evaluation assets written off	348,075	9,010
<b>Non-cash changes in assets &amp; liabilities:</b>		
• Decrease/(increase) in receivables & prepayments	5,881	(74,886)
• Increase/(decrease) in payables	(16,767)	91,050
Cash flow from operations	(1,225,812)	(1,088,604)

### b. Non-cash Financing and investing activities

There are no non-cash financing and investing activities for the year ended 30 June 2023 (2022: nil).

**NOTE 6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)**

**6.1 Cash and cash equivalents (cont.)**

6.1.2 *Accounting Policy*

For statement of cash flows presentation purposes, 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

**6.2 Trade and other receivables**

6.2.1 *Current*

6.2.2 Prepayments

Accounts Receivable

GST refundable

	2023	2022
	\$	\$
	30,788	45,439
	180,324	
	58,765	66,069
	269,877	111,508

6.2.3 The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and loans to and from subsidiaries. Risk exposure arising from current receivables is set out in Note 9.

The main purpose of non-derivative financial instruments is to raise finance for Group operations. Due to the short-term nature of the current receivables, their carrying amount is assumed to approximate their fair value.

6.2.4 At reporting date, there are no receivables past their due date.

6.2.5 *Accounting Policy*

Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

**6.3 Trade and other payables**

6.3.1 *Current:*

**Unsecured**

Trade creditors

Accrued expenses

Other payables

Total unsecured liabilities

Note	2023	2022
	\$	\$
	340,836	93,345
	43,420	623,054
	156,276	181,081
	540,532	897,479

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6.3.2 *Accounting Policy*

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. The amounts are unsecured and are usually paid within 30 days of recognition. Payables expected to be collected within 12 months of the end of the reporting period are classified as current liabilities. All other payables are classified as non-current liabilities.

Trade and other payables are classified as financial liabilities. Financial liabilities are measured at amortised cost using the effective interest method.

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NOTE 6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

6.4 Other Significant Accounting Policies related to Financial Assets and Liabilities

<b>6.4.1 Financial Instruments – Assets</b>	
a. Classification	
The Group classifies its financial assets in the following measurement categories:	
<ul style="list-style-type: none"> <li>those to be measured subsequently at fair value (either through OCI or through profit or loss), and</li> <li>those to be measured at amortised cost.</li> </ul>	
The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.	
For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).	
The Group reclassifies debt investments when and only when its business model for managing those assets changes.	
b. Recognition and derecognition	
Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.	
c. Measurement	
At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.	
Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.	
i)	<p>Debt instruments</p> <p>Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:</p> <ul style="list-style-type: none"> <li>Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.</li> <li>FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.</li> </ul>

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NOTE 6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

ii. Equity instruments

- The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.
- Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

d) Impairment

The Group assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**6.4.2 Financial Instruments – Liabilities**

a. Classification

The Group classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at FVTPL, and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial liabilities and the contractual terms of the cash flows.

For financial liabilities measured at FVTPL, gains and losses, including any interest expenses will be recorded in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

For financial liabilities measured at amortised cost, the effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

b. Recognition and derecognition

Regular way purchases of financial liabilities are recognised on trade-date, the date on which the Group commits to purchase the financial liability. Financial liabilities are derecognised when the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid and payable is recognised in profit or loss.

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**NOTE 6 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)**

**c. Measurement**

At initial recognition, the Group measures financial liabilities at its fair value plus, in the case of financial liabilities not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial liabilities. Transaction costs of financial liabilities carried at FVTPL are expensed in profit or loss.

**NOTE 7 NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

**7.1 Plant and equipment**

**7.1.1 Non-current:**

Plant and equipment at cost  
Less accumulated depreciation

**7.1.2 Movements in Carrying Amounts**

**Owned plant & equipment at cost:**

Brought forward  
Additions  
Disposals / adjustments to cost  
Closing Balance

**Accumulated Depreciation:**

Brought forward  
Depreciation expense  
Disposals / adjustments to cost  
Closing Balance

Note	2023 \$	2022 \$
	96,961	95,712
	(27,150)	(8,008)
	69,811	87,704
	95,712	909
	1,249	94,803
	-	-
	96,961	95,712
	8,008	-
	19,142	8,008
	-	-
	27,150	8,008

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**NOTE 7 NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)**

**Plant and equipment (cont.)**

7.1.3 Accounting Policy

7.1.3.1 Recognition and measurement

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

7.1.3.2 Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

7.1.3.3 Depreciation

Depreciation on plant and equipment is calculated using the straight-line method to allocate their cost or re-valued amounts, net of their residual values, over their estimated useful lives, as follows:

- Machinery 4-5 years
- Vehicles 3-8 years
- Furniture, fittings and equipment 5-11 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

7.1.3.4 Derecognition and disposal

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

7.2 Mineral Exploration and Evaluation Assets	Note	2023 \$	2022 \$
7.2.1 Non-current:			
Exploration at cost:			
Balance at the beginning of the year		3,334,839	537,138
Tenements written off during year		(400,000)	
Exploration and evaluation expenses written off		(348,075)	
Share based payments for tenements		200,000	
Expenditure during the year		1,891,158	2,797,701
Balance at the end of the financial year		4,677,922	3,334,839

During the year, the Group relinquished tenement EL52/3897, Lofty Range. The Tenement was owned by subsidiary Zephyr Exploration Pty Ltd. The exploration costs attributed to Lofty Range have been written off and the Investment in Zephyr Exploration Pty Ltd has been written off.

7.2.2 Recoverability of the carrying amount of exploration assets is dependent on the successful exploration of the areas of interest.



7.2.3 Key Estimate – Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets and in particular exploration assets. Where an impairment trigger exists, the recoverable amount of the asset is determined and is dependent upon the ability of the Group to successfully continue exploration of all areas of interest and satisfy the requirements under AASB 6.

Specifically, the Company has reviewed its exploration tenements with regard to AASB 6 and have determined that:

- the period for which the Group has the right to explore in the exploration tenements has not expired during the period or will not expire in the near future, and is expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the exploration tenements is planned;
- exploration will be ongoing for some time and as such it is far too early to state that a discovery of commercially viable quantities of mineral resources has not occurred; and
- as the exploration is still ongoing, there is not sufficient data to conclude that the carrying amount of the exploration and evaluation asset is unlikely to be recovered.

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## NOTE 7 NON-FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

### 7.2 Mineral Exploration and Evaluation Assets (cont.)

#### 7.2.4 Key Judgments – Exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated below. The carrying value of capitalised expenditure at reporting date is \$4,677,922 (2022: 3,334,839).

During the financial year, the Group undertook assessment of its tenement assets. As a result of this assessment, the Group decided that no impairment of its exploration assets was necessary.

#### 7.2.5 Accounting Policy

##### 7.2.5.1 Exploration and evaluation expenditure

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

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

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

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

##### 7.2.5.2 Impairment of exploration and evaluation assets

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively sale, of the respective area of interest.

### 7.3 Other Significant Accounting Policies related to Non-Financial Assets and Liabilities

#### 7.3.1 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

**NOTE 8 EQUITY**

8.1 Issued capital	Note	2023 No.	2022 No.	2023 \$	2022 \$
Fully paid ordinary shares	8.1.1	51,715,808	51,715,808	9,521,017	9,521,017
<b>8.1.1 Ordinary shares</b>					
At the beginning of the year		51,715,808	51,715,808	9,521,017	9,521,017
Shares issued during the year:					
Shares issued as part of the acquisition of the Balfour Manganese project at a price of \$0.224 per Share		897,574	-	200,000	-
Transaction costs relating to share issues		-	-	-	-
At reporting date		52,613,382	51,715,808	9,721,017	9,521,017

**8.1.2 Terms and Conditions**

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called otherwise each shareholder has one vote on a show of hands.

**8.1.3 Accounting Policy**

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. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are not included in the cost of the acquisition as part of the purchase consideration.

8.2 Options	Note	2023 No.	2022 No.
At the beginning of the year		3,040,006	3,125,009
Options issued during the year:			
• Options expired on 22 June 2023		(2,040,006)	-
• 23 May 2022: Options exercised		-	(85,003)
At reporting date		1,000,000	3,040,006

8.3 Reserves	Note	2023 \$	2022 \$
Option reserve	8.3.1	106,570	106,570
Share based payments – share rights to director <sup>1</sup>		39,726	-
Balance at the end of the financial year		146,296	106,570

1.

- Mr Brendan Cummins received 1,200,000 Performance Rights at the 2021 Annual General Meeting (AGM) and 400,000 Performance Rights at the 2022 AGM.
- The terms and conditions of the Performance Rights are found in the Notices of Meetings for the 2021 and 2022 AGMs.
- The Share rights for 2023 have been valued on the following basis:

	Share Right Numbers	Grant Date.	Vested in year %.	Value per Performance Right	Measurement date of share rights
2021 Performance Rights Tranche 1	400,000	02/12/2021	-	\$0.1237	(i)
2021 Performance Rights Tranche 2	400,000	02/12/2021	100	\$0.1237	30/06/2023
2021 Performance Rights Tranche 3	400,000	02/12/2021	-	\$0.1237	(i)
2022 Performance Tranche 1	400,000	30/11/2022	70	\$0.25	30/06/2023

As at reporting date, no performance rights have been converted to shares.

(i) The vesting of these rights is conditional on market and non-market based performance conditions. Management assessed these tranches unlikely for the attached vesting conditions to be met and have not measured nor accounted for these in 2023. Tranches where management have determined have vested during the year are conditional to non-market based performance conditions. These non-market performance rights were valued based on share price at grant date.

Item	2021 Tranche 2 Performance Rights
Share price	\$0.2500
Exercise price	\$0.0000
Valuation date	19-Nov-21
Start of measurement/vesting period	19-Nov-21
Measurement/vesting date	19-Nov-24
Measurement/vesting period (years)	3.00
Remaining measurement/vesting period (years)	3.00
Expiry date	19-Nov-24
Life of the Performance Rights (years)	3.00
Volatility	88.24%
Risk-free rate	0.95%
Dividend yield	0.00%
Number of Performance Rights expected to vest	400,000
Value per Performance Right (@70% probability)	\$0.1237
<b>Value of Performance Rights</b>	<b>\$49,480</b>
<b>Months to be recognised</b>	<b>19</b>
<b>Total Months</b>	<b>36</b>
<b>Total valuation at end of year</b>	<b>\$26,114</b>

Item	2022 Performance Rights
Share price	\$0.2500
Exercise price	\$0.0000
Valuation date	24-Nov-22
Start of measurement/vesting period	24-Nov-22
Measurement/vesting date	24-Nov-25
Measurement/vesting period (years)	3.00
Remaining measurement/vesting period (years)	3.00
Expiry date	24-Nov-25
Life of the Performance Rights (years)	3.00
Volatility	85.20%
Risk-free rate	3.24%
Dividend yield	0.00%
Number of Performance Rights expected to vest	400,000
Value per Performance Right (@100% probability)	\$0.25
<b>Value of Performance Rights</b>	<b>\$100,000</b>
<b>Months to be recognised</b>	<b>7</b>
<b>Total Months</b>	<b>36</b>
<b>Valuation of performance rights at end of year</b>	<b>\$13,611</b>

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### 8.3.1 Option reserve

The option reserve records the fair value of options issued to the Lead Manager of the Initial Public Offering.

## SECTION B. RISK

This section of the notes discusses the Group's exposure to various risks and shows how these could affect the Group's financial position and performance.

## NOTE 9 FINANCIAL RISK MANAGEMENT

### 9.1 Financial Risk Management and Policies

The Group's financial instruments consist mainly of deposits with banks, short-term investments, and accounts receivable and payable, loans to and from subsidiaries. The main purpose of non-derivative financial instruments is to raise finance for Group operations. The Group does not speculate in the trading of derivative instruments.

Risk management has focused on limiting liabilities to a level which could be extinguished by sale of assets if necessary.

The Group's activities expose it to a variety of financial risks; market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group'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 Group. The Group is engaged in mineral exploration and evaluation, and does not currently sell product and derives only limited revenue from interest earned.

Risk management is carried out by the Board as a whole and no formal risk management policy has been adopted but is in the process of development.

The Group holds the following financial instruments:

#### Financial assets

- Cash and cash equivalents
- Trade and other receivables

#### Financial liabilities

- Trade and other payables

Net financial instruments

	2023 \$	2022 \$
	1,126,920	4,749,569
	269,877	111,508
	1,396,797	4,861,077
	540,532	897,479
	540,532	897,479
	856,265	3,963,598

### 9.2 Specific Financial Risk Exposures and Management

#### 9.2.1 Market risk

##### a. Price risk

The Group is not exposed to commodity price risk.

##### b. Interest rate risk

Refer to 9.2.4 below

#### 9.2.2 Credit risk

Credit exposure represents the extent of credit related losses that the Group may be subject to on amounts to be received from financial assets. Credit risk arises from cash held at bank and principally from trade and other receivables including intercompany loans. The objective of the consolidated entity is to minimise the risk of loss from credit risk. Although revenue from operations is minimal, the Group trades only with creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is insignificant.

The Group's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated above.

The credit quality of the financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available).

**NOTE 9 FINANCIAL RISK MANAGEMENT (CONT.)**

9.2.3 *Liquidity risk*

Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due. The objective of the consolidated entity is to maintain sufficient liquidity to meet commitments under normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. Due to the lack of material revenue, the Group aims at maintaining flexibility in funding by maintaining adequate reserves of liquidity.

The Group did not have access to any undrawn borrowing facilities at the reporting date.

All liabilities are current and will be repaid in normal trading terms

■ *Contractual Maturities*

The following are the contractual maturities of financial assets and liabilities of the Group:

	Within 1 Year		Greater Than 1 Year		Total	
	2023 \$	2022 \$	2023 \$	2022 \$	2023 \$	2022 \$
Financial liabilities due for payment						
Trade and other payables	540,532	897,479	-	-	540,532	897,479
<b>Total contractual outflows</b>	<b>540,532</b>	<b>897,479</b>	<b>-</b>	<b>-</b>	<b>540,532</b>	<b>897,479</b>
Financial assets						
Cash and cash equivalents	1,126,920	4,749,569	-	-	1,126,920	4,749,569
Trade and other receivables	269,877	111,508	-	-	269,877	111,508
<b>Total anticipated inflows</b>	<b>1,396,797</b>	<b>4,861,077</b>	<b>-</b>	<b>-</b>	<b>1,396,797</b>	<b>4,861,077</b>
<b>Net (outflow)/inflow on financial instruments</b>	<b>856,265</b>	<b>3,963,598</b>	<b>-</b>	<b>-</b>	<b>856,265</b>	<b>3,963,598</b>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

9.2.4 *Cash flow and interest rate risk*

From time to time the Group has significant interest-bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the rise and fall of interest rates. The Group's income and operating cash flows are not expected to be materially exposed to changes in market interest rates in the future and the exposure to interest rates is limited to the cash and cash equivalents balances. As such, this is not considered a material exposure and no sensitivity analysis has been prepared.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is below.

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NOTE 9 FINANCIAL RISK MANAGEMENT (CONT.)

	Floating interest rate \$	Fixed interest maturing in 1 year or less \$	Non-interest bearing \$	Total \$
<b>2023</b>				
<b>Financial assets</b>				
Cash and deposits	232,248	894,672		1,126,920
Receivables	-	-	269,877	269,877
	<b>232,248</b>	<b>894,672</b>	<b>269,877</b>	<b>1,396,797</b>
<b>Financial Liabilities</b>				
Trade and other creditors	-	-	540,532	540,532
			<b>540,532</b>	<b>540,532</b>
<b>2022</b>				
<b>Financial assets</b>				
Cash and deposits	4,749,569	-	-	4,749,569
Receivables	-	-	111,508	111,508
	<b>4,749,569</b>	<b>-</b>	<b>111,508</b>	<b>4,861,077</b>
<b>Financial Liabilities</b>				
Trade and other creditors	-	-	897,479	897,479
			<b>897,479</b>	<b>897,479</b>

9.2.5 Net fair value of Financial Assets and Liabilities

The net fair value of cash and cash equivalents and non-interest-bearing monetary assets and financial liabilities approximates their carrying values.



**NOTE 10 CAPITAL MANAGEMENT**

Management controls the capital of the Group. Their objectives when managing capital are to safeguard the Group’s ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders. The capital structure of the consolidated entity consists of equity attributable to equity holders of the parent comprising issued capital, reserves and accumulated losses.

Due to the nature of the Group’s activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group’s capital risk management is the current working capital position against the requirements of the Group to meet exploration programs and corporate overheads. The Group’s strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The consolidated entity is not subject to any externally imposed capital requirements.

The working capital position of the Group at 30 June 2023 and 30 June 2022 is as follows:

	Note	2023 \$	2022 \$
Cash and cash equivalents	6.1	1,126,920	4,749,569
Trade and other receivables	6.2	269,877	111,508
Trade and other payables	6.3	(540,532)	(897,479)
Working capital position		856,265	3,963,598

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## SECTION C. GROUP STRUCTURE

This section provides information which will help users understand how the group structure affects the financial position and performance of the group as a whole. In particular, there is information about:

- (a) changes to the structure that occurred during the year as a result of business combinations and the disposal of a discontinued operation
- (b) transactions with non-controlling interests, and
- (c) interests in joint operations.

A list of significant subsidiaries is provided in note 11. This note also discloses details about the group's equity accounted investments.

### NOTE 11 INTEREST IN SUBSIDIARIES

Shares in controlled entities are unlisted and comprise:

	Place of Incorporation	2023 Holding %	2023 Amount \$	2022 Holding %	2022 Amount \$
• Zephyr Exploration Pty Ltd	WA	100	-	100	400,000
• Panther Exploration Pty Ltd	WA	100	260,000	100	260,000

During the year, the investment in Zephyr Exploration Pty Ltd was written off. Investments in subsidiaries are accounted for at cost.

The Group has no equity accounted investments at 30 June 2023 (30 June 2022: Nil)

In December 2021, the Company entered into a Binding Heads of Agreement to acquire 100% of the Issued Capital of Panther Exploration Pty Ltd for consideration of 1,000,000 Shares in the Company at \$0.26 per Share. In addition, 2,000,000 Shares are payable upon the Company announcing a JORC compliant mineral resource on the Panther tenements equal to or greater than 30 million tonnes grading at least 10% Mn from a single deposit on the Tenements. Acquisition of Panther Exploration Pty Ltd was completed in FY22 and no deferred consideration was accounted due to the remote likelihood of the attached condition.

**SECTION D. UNRECOGNISED ITEMS**

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

**NOTE 12 COMMITMENTS**

**12.1 Capital expenditure commitments payable:**

Within one year

After one year but not more than five years

After five years

Total Exploration tenement minimum expenditure requirements

	2023	2022
	\$	\$
	629,640	699,836
	2,277,403	2,653,134
	0	986
	2,907,043	3,353,956

**NOTE 13 CONTINGENT ASSETS AND LIABILITIES**

There are no contingent assets or liabilities at year end.

**NOTE 14 EVENTS SUBSEQUENT TO REPORTING DATE**

On 21 July, the Company announced that it had completed an oversubscribed placement of \$1,950,000 to fund exploration and HPMSM studies. The placement is to be completed over two tranches with Tranche 2 subject to shareholder approval. The placement was for the issue of approximately 13.9 million new shares at \$0.14 per share. Participants in the placement will receive 1 unlisted option exercisable 2 years from date of issue at an exercise price of \$0.28 per option.

There were no other significant events after the end of the reporting period.

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## SECTION E. OTHER INFORMATION

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

### NOTE 15 KEY MANAGEMENT PERSONNEL COMPENSATION

	2023	2022
	\$	\$
Short term employee benefits	455,908	550,375
Share based payments	39,726	39,726
Post-employment benefits	42,960	30,000
Share based payments	-	-
	538,594	580,375

The names and positions of the Key Management personnel are as follows:

Mr Graham Ascough	- Non-Executive Chairman
Mr Brendan Cummins	- Executive Director
Mr Adrian Hill	- Non-Executive Director
Mr Simon Taylor	- Non-Executive Director

### NOTE 16 RELATED PARTY TRANSACTIONS

There are no other related party transactions other than those payments to Directors as disclosed in the remuneration report.

### NOTE 17 AUDITORS' REMUNERATION

	2023	2022
	\$	\$
Remuneration of the auditors, Hall Chadwick Audit (WA) of the Group for:		
• Auditing or reviewing the accounts	42,274	42,087
	42,274	42,087

### NOTE 18 EARNINGS PER SHARE (EPS)

	2023	2022
	\$	\$
<b>18.1 Reconciliation of earnings to profit or loss</b>		
Loss for the year	(2,021,870)	(1,212,786)
<b>18.2 Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS</b>	51,722,755	42,047,818
<b>18.3 Earnings per share</b>		
Basic EPS	(0.039)	(0.029)
Diluted EPS	(0.036)	(0.027)

#### 18.4 Accounting Policy

##### 18.4.1 Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

##### 18.4.2 Diluted earnings per share

Potential shares as a result of options outstanding at the end of the year are dilutive and therefore have been included in the calculation of diluted earnings per share.

**NOTE 19 SHARE-BASED PAYMENTS**

**19.1 Share-based payments**

- Recognised as Share-based payment expense

Gross share-based payments

	2023 \$	2022 \$
	39,726	91,000
Gross share-based payments	39,726	91,000

In 2023, Gross share-based payments are based on the valuation of performance rights to the Managing Director. Refer to Note 8.3 for details.

In 2022, Gross share-based payments are based on the issue of 200,000 Shares to an investor relation firm for services rendered at an issue price of \$0.455.

**NOTE 20 OPERATING SEGMENTS**

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors on a regular basis and in determining the allocation of resources. Management continually assesses the Group's segments and has identified the operating segments based on the one principal location based on geographical areas and therefore different regulatory environments – Australia (2022: Australia). The Group operates predominantly in the minerals exploration and evaluation industry.

the Group currently operates materially in one business segment and one geographical segment as described above. Accordingly, the financial information presented in the statement of comprehensive income and statement of financial position is the same as that presented to the chief operating decision maker.

**20.1 Accounting Policy**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' results are regularly reviewed by the Group's Executive Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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NOTE 21 PARENT ENTITY DISCLOSURES

21.1 Financial Position of Black Canyon Limited

	2023 \$	2022 \$
Current assets	1,396,797	4,860,087
Non-current assets	4,747,733	3,430,548
<b>Total assets</b>	<b>6,144,530</b>	<b>8,290,635</b>
Current liabilities	540,532	887,479
Non-current liabilities	-	-
<b>Total liabilities</b>	<b>540,532</b>	<b>887,479</b>
<b>Net assets</b>	<b>5,603,998</b>	<b>7,403,156</b>
Equity		
Contributed equity	9,721,017	9,521,017
Reserves	146,296	106,570
Accumulated losses	(4,263,315)	(2,224,431)
<b>TOTAL EQUITY</b>	<b>5,603,998</b>	<b>7,403,156</b>

21.2 Financial Performance of Black Canyon Limited

Loss for the year	(2,021,869)	(1,203,776)
<b>Total comprehensive loss</b>	<b>(2,021,869)</b>	<b>(1,203,776)</b>

21.3 Guarantees entered into by Black Canyon Limited

There are no guarantees entered into by Black Canyon Limited for the debts of its subsidiaries as at 30 June 2023 (2022: none).

21.4 Contingent liabilities of Black Canyon Limited

There are no contingent liabilities as at 30 June 2023. (2022: none).

21.5 Commitments of Black Canyon Limited

The commitments of Black Canyon Limited are the same as those for the Group disclosed in note 12.

**NOTE 22 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

**22.1 Basis of preparation**

**22.1.1 Reporting Entity**

Black Canyon Limited is a listed public company limited by shares, domiciled and incorporated in Australia. The Company's registered office is at 283 Rokeby Road, Subiaco WA. These are the consolidated financial statements and notes of Black Canyon Limited (the Company) and controlled entity (collectively the Group). The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. The Group is a for-profit entity and is primarily involved in the exploration, development and mining of minerals.

The separate financial statements of Black Canyon Limited, as the parent entity, have not been presented with this financial report as permitted by the Corporations Act 2001 (Cth).

**22.1.2 Basis of accounting**

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AAS Board) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and the *Corporations Act 2001* (Cth).

Australian Accounting Standards (AASBs) set out accounting policies that the AAS Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

The financial statements were authorised for issue on 28 September 2023 by the directors of the Company.

**22.1.3 Going Concern**

The 30 June 2023 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realization of assets and extinguishment of liabilities in the ordinary course of business.

The Group incurred a loss for the year of \$2,021,869 (2022: \$1,212,786 loss) and a net cash outflow from operating, investing, and financing activities of \$3,622,649 (2022: \$28,310 outflow).

As at 30 June 2023, the Company had working capital of \$856,265 (2022: \$3,963,598 working capital).

Post 30 June 2023, the Company raised \$1,950,000 before costs through a placement to Sophisticated investors.

**22.1.4 Comparative Figures**

Where required by AASBs comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

**22.2 Principles of Consolidation**

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

**22.2.1 Subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the parent, Black Canyon Limited and its subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 11.

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The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as non-controlling interests. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

### 22.3 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of 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 taxation authority is included with other receivables or payables in the consolidated 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 taxation authority, are presented as operating cash flow.

### 22.4 Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

#### 22.4.1 *Critical Accounting Estimates and Judgements*

Judgements, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes assumptions concerning the future. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. The resulting accounting estimates will, by definition, 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 and assets and liabilities within the next financial year are discussed further at Note 7.2.3.

### 22.5 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

#### **Standards and interpretations applicable to 30 June 2023**

In the period ended 30 June 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for the current financial reporting period.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

#### **Standards and interpretations on issue not yet effective and adopted**

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the period ended 30 June 2023. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations issued but not yet effective and adopted on its business and, therefore, no further disclosures have been made in this regard.



**NOTE 23 COMPANY DETAILS**

**The registered office of the Company is:**

Address:

*Street:* 283 Rokeby Road  
Subiaco WA 6008

*Telephone:* +61 (0)8 9426 0666

**The principal place of business of the Company is:**

Address:

*Street:* 283 Rokeby Road  
Subiaco WA 6008

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# DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 33 to 60, are in accordance with the *Corporations Act 2001* (Cth) and:
  - (a) comply with Accounting Standards;
  - (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in notes to the financial statements; and
  - (c) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Company and Consolidated Group.
  - (d) the Directors have been given the declarations required by s.295A of the *Corporations Act 2001* (Cth);
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Graham Ascough  
**NON-EXECUTIVE CHAIRMAN**

Dated 28 September 2023

# INDEPENDENT AUDITOR'S REPORT

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HALL CHADWICK 

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACK CANYON LIMITED

### Report on the Financial Report

#### Opinion

We have audited the accompanying financial report of Black Canyon Limited ("the Company") and its controlled entity (collectively "the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Black Canyon Limited 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 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

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

#### Independence

We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (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.

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**Key Audit Matters**

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

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the below matter, provide the basis for our audit opinion on the accompanying financial report.

**1. Carrying value of mineral exploration and evaluation assets – Note 7.2**

Why significant	How our audit addressed the key audit matter
<p>We identified the mineral exploration and evaluation assets of \$4,677,922 as at 30 June 2023 to be a key audit matter due to its significance and the level of judgement required by us in evaluating management's application of the requirements of AASB 6 Exploration for and Evaluation of Mineral Resources. AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset.</p> <p>In addition, the assessment of impairment of capitalised exploration and evaluation assets can be inherently difficult particularly in uncertain or depressed market conditions.</p>	<p>Our work included, but was not limited to, the following procedures:</p> <ul style="list-style-type: none"> <li>Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Group holds an interest in, the budgeted and future exploration programmes planned for the areas, made inquiries of management, reviewed the Group's ASX announcements and the Directors' minutes as to the Group's future plans for the areas;</li> <li>For the area of interest, we assessed the Group's rights to tenure by corroborating to government registries/correspondences and evaluating agreements in place with other parties;</li> <li>We tested the additions to capitalised expenditure for the year by evaluating sample of recorded expenditure for consistency to underlying records, the requirements of the Group's accounting policy and requirements of AASB 6;</li> <li>Evaluating the competence, capabilities and objectivity of management's experts in the evaluation of impairment triggers and considered the Director's assessment of potential indicators of impairment; and</li> <li>Assessing that disclosures relating to the capitalised exploration and evaluation assets are in accordance with Australian Accounting Standards.</li> </ul>

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### Other Information

Other information is financial and non-financial information in the annual report of the Group which is provided in addition to the Financial Report and the Auditor's Report. The directors are responsible for Other Information in the annual report. The Other Information we obtained prior to the date of this Auditor's Report was the Director's report. The remaining Other Information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report. In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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. We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior the date of this Auditor's Report we have nothing to report.

### Directors' Responsibilities for the Financial Report

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 22.1.2, the Directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards. In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

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

The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern. We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion. We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on the Remuneration Report

##### Opinion

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 Black Canyon Limited for the year ended 30 June 2023, complies with section 300A of the Corporations Act 2001.

##### Responsibilities

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



**HALL CHADWICK AUDIT (WA) PTY LTD**



**NIKKI SHEN CA**  
Director

Dated this 28<sup>th</sup> day of September 2023  
Perth, Western Australia

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# ASX ADDITIONAL INFORMATION

## FOR LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Securities Exchange in respect of listed public companies.

### 1 SHAREHOLDING AS AT 26 September 2023

#### a. Distribution of Shareholders

Range	Total holders	Units	% Units
1 - 1,000	16	3,055	0.00
1,001 - 5,000	93	272,445	0.41
5,001 - 10,000	61	513,083	0.77
10,001 - 100,000	222	9,608,765	14.44
100,001 Over	129	56,144,604	84.37
<b>Rounding</b>			<b>-0.01</b>
<b>Total</b>	<b>521</b>	<b>66,541,952</b>	<b>100.00</b>

#### Unmarketable Parcels

Minimum Parcel Size	Holders	Units
Minimum \$ 500.00 parcel at \$ 0.1200 per unit	93	198,296

#### b. Voting Rights

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

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

#### c. 20 Largest Shareholders — Ordinary Shares as at 26 September 2023

Rank	Name	Units	% Units
1	PALM BEACH NOMINEES PTY LIMITED	3,218,930	4.84
2	EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	2,270,562	3.41
3	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	1,916,356	2.88
4	ICON CUSTODIANS PTY LTD <CUMMINS FAMILY A/C>	1,617,168	2.43
5	MR GRAHAM LESLIE ASCOUGH + MRS PATRICIA LYNN ASCOUGH <ASCOUGH S/F A/C>	1,591,992	2.39
6	SAMATZO HOLDINGS PTY LTD <HILL FAMILY A/C>	1,566,666	2.35
7	MS LETITIA BURBURY	1,533,262	2.30
8	MULTITASK INTERNATIONAL PTY LTD	1,500,000	2.25
9	ABROLHOS EDGE PTY LTD <ABROLHOS EDGE SUPER A/C>	1,399,940	2.10
10	GP SECURITIES PTY LTD	1,398,512	2.10
11	JETOSEA PTY LTD	1,376,755	2.07
12	CALAMA HOLDINGS PTY LTD <MAMBAT SUPER FUND A/C>	1,235,828	1.86
13	MRS SIMONE ELIZABETH ARCHER	1,000,000	1.50
14	JIMZBAL PTY LTD <JIMZBAL SUPER A/C>	988,419	1.49
15	SILVERPEAK NOMINEES PTY LTD <THE RGM HILL A/C>	900,000	1.35
16	KILLI RESOURCES LIMITED	897,574	1.35
17	NURRAGI INVESTMENTS PTY LTD	859,997	1.29
18	SYMINGTON PTY LTD	810,779	1.22
19	NIHARU PTY LTD	761,011	1.14
20	ENERGY-X RESOURCES PTY LTD <WJB S/F A/C>	760,401	1.14
<b>Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)</b>		<b>27,604,152</b>	<b>41.48</b>

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**2 COMPANY SECRETARY**

The name of the Company Secretary is Jay Stephenson.

**3 PRINCIPAL REGISTERED OFFICE**

As disclosed in the Corporate Directory of this Annual Report.

**4 REGISTERS OF SECURITIES ARE HELD AT THE FOLLOWING ADDRESSES**

As disclosed in the Corporate Directory of this Annual Report.

**5 STOCK EXCHANGE LISTING**

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited, as disclosed in the Corporate Directory of this Annual Report.

**6 UNQUOTED SECURITIES****a. Options over Unissued Shares**

The Company currently has 4,895,800 options on issue (2022: 3,040,006).

**7 USE OF FUNDS**

The Company has used its funds in accordance with its initial business objectives.

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