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Annual Report 2023



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NDRC Drill Rig on Site at Solis Prospect, Island Gold Project (July 2022)

Cover photos: Soil Sampling at QC2 Prospect, Mukindubin REE Project (May 2023) (left)
 RC drill rig at Lady Sampson utilising the Enviropod to minimise ground disturbance (February 2023) (right)

Corporate Directory

Directors

David Church (Non-Executive Chairman)
Mick Caruso (Non-Executive Director)
Adam Miethke (Non-Executive Director)
Phil Re (Non-Executive Director)

Company secretary

Oonagh Malone

Securities exchange

Australian Securities Exchange (ASX)
Code: CRS
Home office: Perth

Country of incorporation and domicile

Australia

Registered and business address

Level 3, 10 Outram Street
West Perth WA 6005
Telephone: +61 8 6141 3136
Website: www.capriceresources.com

Auditors

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
Perth WA 6000

Share registry

Automatic Registry Services
126 Phillip Street
Sydney, New South Wales 2000
Telephone: 1300 288 664

Review of Operations

Mukinbudin Rare Earths Project – Western Australia

The Mukinbudin REE Project consists of one tenement, E70/5939, covering 384km² and two applications E70/6519 and 6520 covering 198km². The Project is located approximately 25km northwest of the town of Mukinbudin, 250km northeast of Perth.

Caprice has adopted a systematic approach to exploration on the Project with work to date focusing on defining targets for the initial drill program to test for REE mineralisation. Exploration continues to further enhance the understanding of the REE potential of the Project.

Since the Project was acquired in late 2022, Caprice has completed multiple soil and rock chip sampling programs in a number of areas in the southern half of the tenement with results received confirming the prospectivity of the ground for REE mineralisation.

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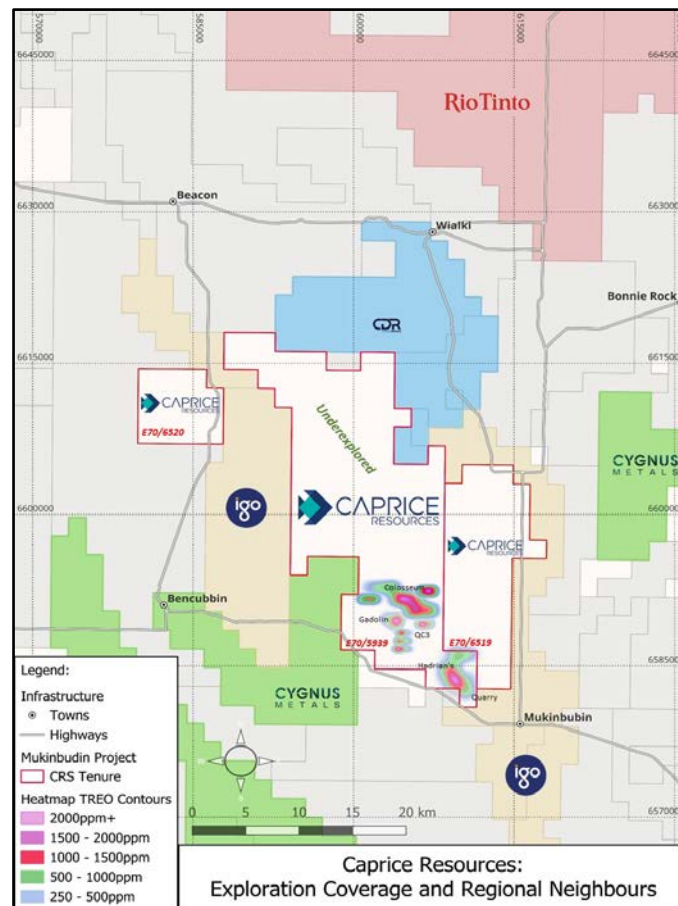


Figure 1: Current sampling including regional neighbours. Excellent exploration scope to the north, and pending tenure applications.

Gadolin

The Gadolin prospect sampling delineated a significant soil anomaly in an area coinciding with an outcropping zoned pegmatite.

Recent assays indicate anomalism greatly increases stepping east and west away from the intercepted emplacement structure initially targeted (see Figure 2). Protolith remains the widespread, regional

fractionated porphyritic granite and steps will now be taken to delineate terrain that would suggest clay anomalism.

Gadolin's strike currently stands at +3.4km, and with a currently defined 1.8km overall width the exploration team remains encouraged that anomalism remains open in all directions. Of note, the southern trend indicates high grade channel of +2500ppm over 800m and remains open.

Sampling was completed over 380m spaced lines and 80m spaced samples in the west, and probative 800m spaced lines and 80m spaced samples in the south. Caprice intends to conduct follow up sampling and infill programs in the near future.

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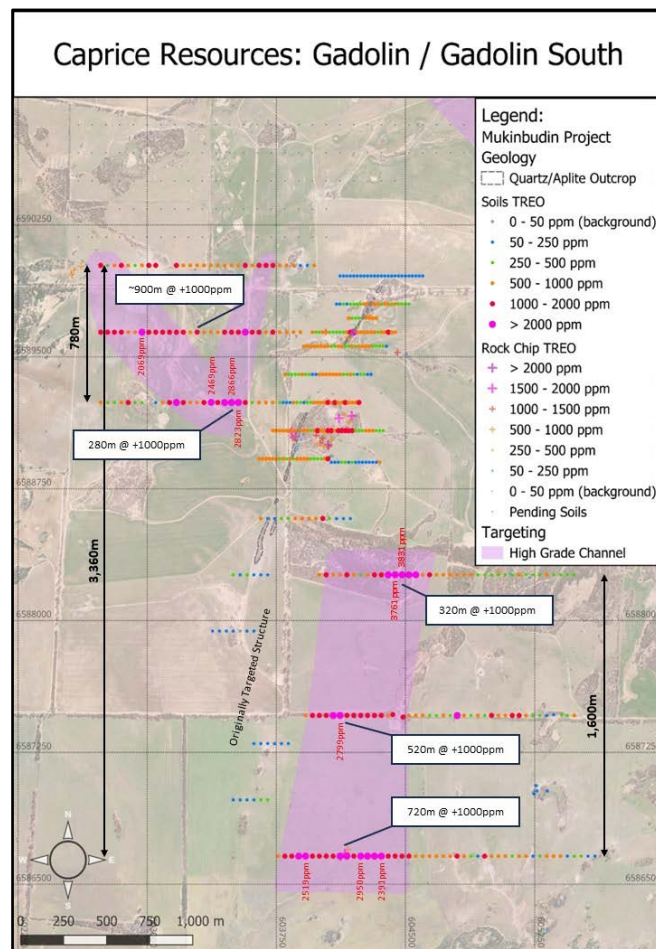


Figure 2: Gadolin plan view featuring high grade channel (+1,000ppm interpretation)

Colosseum

Rock chip sampling has defined the +500m Colosseum prospect, approximately 2km north of Gadolin, which encompasses a coarse granite outcrop. Colosseum is currently delineated by 20 rock chip samples, 13 of which returned values greater than 1,000ppm TREO, with a peak value of 5,038ppm TREO (0.5% TREO) (24.8% MREO). With these consistent results, Colosseum is considered a walk up target for the pending drill program.

563 soils from the recently completed soil sampling program remain outstanding from Colosseum, targeting potential mineralisation between Colosseum and Gadolin.

Previous sampling successfully identified a series of northwest trending anomalies, with a peak value of 2,812ppm TREO, within a broader N-S trend.

The anomalism remains open, with initial probative regional sampling undertaken over 1,120m spaced lines and 80m spaced samples.

Hadrian's

Follow up sampling at Hadrian's has identified elevated levels of rare earths outside of the previously identified target targets, significantly expanding the known potential strike of mineralisation at the prospect. With a number of samples still outstanding, the Caprice team remains confident that Hadrian's will be elevated to a drill ready target alongside Gadolin and Colosseum in an upcoming drill program.

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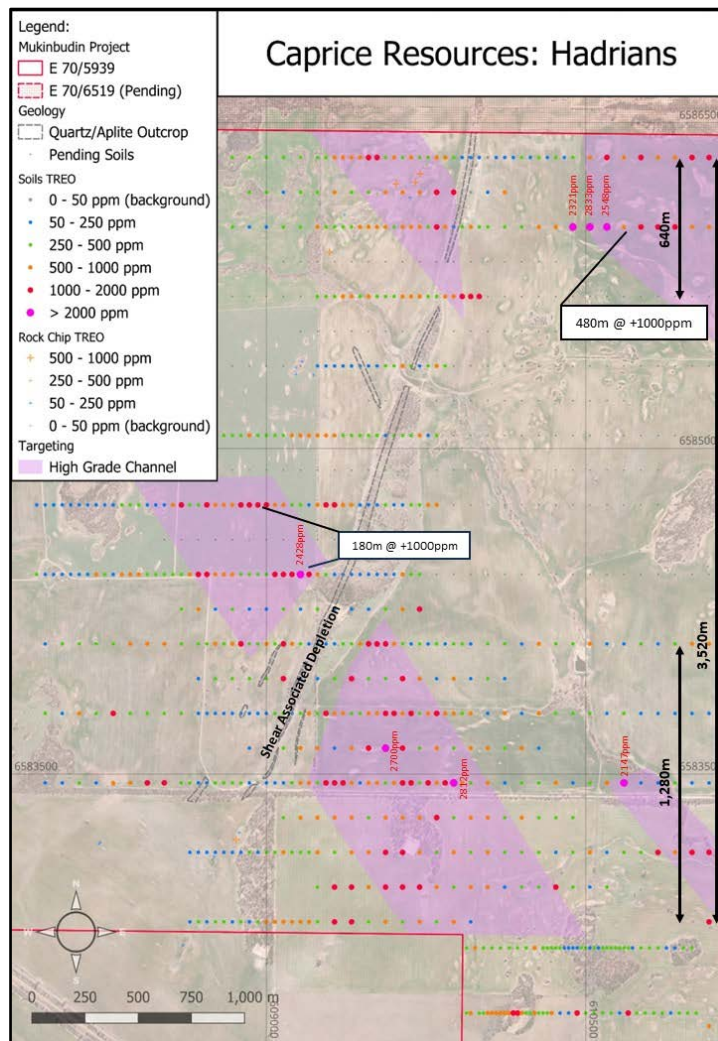


Figure 3: Hadrian's plan view featuring high grade channel (+1,000ppm interpretation)

Follow up and infill soil sampling was undertaken to the north and south with, with anomalism defined over 160m spaced lines and 80m spaced samples, over a 3.5km north-south strike, primarily focussed around a prominent topographical feature.

The northwest trend is easily deduced in Figure 3. The quartz-aplite ridge crosscuts NW – SE anomalism trends and early mapping hypothesis suggests a NNE oriented shear.

Quarry

The Quarry prospect is located 8.5km south-southeast of Gadolin and is targeting a northeast oriented structure and outcrop. Two 1,100m long sampling traverses with 20-40m spaced samples were completed, 300m apart over two programs. The sampled delineated elevated REE on the western end of the southern traverse with multiple +500ppm REO's and several above 1,000ppm REO.

Further sampling work is being planned to assess the Quarry prospect.

QC3

The QC3 prospect is located 1.6km east of Gadolin. An initial reconnaissance soil sampling traverse across QC3 identified elevated REO. Follow up sampling to the north and south has extended the anomalism, with two higher grade (+1,000ppm) northwest trending zones. The peak result of 2,000ppm TREO was on the northernmost line, however, this was located in proximity to a dam and may not have been sampling in situ material.

The width of the REO anomalism is c.1km east-west and it presents a quality target requiring more work, particularly to the north to assess the size potential.

More soil sampling will be undertaken in due course to test the prospect further.

Northampton Polymetallic Project – Western Australia

The Northampton complex is a highly prospective historical base metals field that has seen very little modern exploration. Caprice believes the region is highly prospective for additional base metals mineralisation.

In October 2022, an aerial magnetic survey was completed covering tenements E66/99 (western block), E66/106 and E70/5677 (southern block) at Northampton. The survey also included the capture of a detailed digital elevation model and radiometric data. Several preliminary areas of interest were identified following an initial review of the magnetic and radiometric data.

In February 2023, Caprice undertook a maiden reverse circulation (RC) drilling program at the Lady Sampson prospect, located approximately 40km southeast of Northampton.

The program consisted of 11 RC holes for 938m, testing north-south oriented base metals mineralisation over approximately 750m of strike. This is the first time that any drilling has been done in this area.

The program returned excellent results, with outstanding grades and widths of mineralisation.

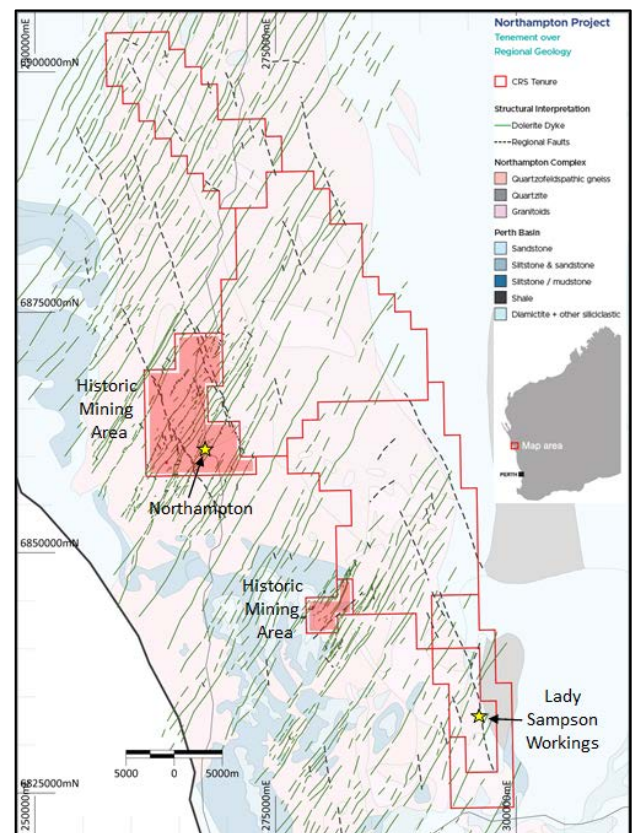


Figure 4: Northampton Polymetallic Project, with Lady Sampson located on E66/106

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Better results (all widths are downhole) include:

- **14m at 7.6% lead, 1.1% zinc and 3.1 g/t silver** from 39m, including **6m at 11.4% lead, 1.7% zinc and 4.4 g/t silver** from 40m;
- **3m at 4.2% lead, 2.2% zinc and 4.6 g/t silver** from 67m to EOH;
- **7m at 3.5% lead and 1.1 g/t silver** from 59m, including **2m at 7.0% lead and 2.1 g/t silver** from 59m; and
- **5m at 3.1% lead and 1.8 g/t silver** from 46m.

The drilling delineated a north-north-westerly strike of the mineralisation, with a likely steep easterly dip. Anomalism and mineralisation has been identified over at least 1,000m and remains open at depth and along strike.

The drilling clarified the dip and orientation of the mineralisation, which is interpreted to be steeply east dipping. The holes from the maiden program were drilled towards the east, with three of the holes interpreted to have gone underneath the target structure (23NHRC002, 003, and 004).

At the end of March 2023, the Company undertook the Phase 2 RC drill program at Northampton, completing 11 holes for 1,010m of drilling, with multiple intersections of significant grades and widths. Importantly, the higher-grade zone was extended another 100m to the south and remains open. This zone will be a key focus for follow up drilling, as well as testing depth extents.

The mineralisation to date remains lead dominant, however there is some distinct variability in the metal mix. There are areas of zinc dominance, as well as one hole which intercepted copper and silver mineralisation (23NHRC0018).

Results from Phase 2 include:

- **7m at 4.4% lead, 1.6% zinc and 3.7 g/t silver** from 26m including **2m at 7.7% lead, 1.0% zinc and 4.6 g/t silver** from 28m;
- **15m at 1.5% lead, 0.2% zinc and 1.0 g/t silver** from 27m including **1m at 4.6% lead, 3.1% zinc and 9.9 g/t silver** from 27m; and
- **1m at 1.1% copper and 2.7 g/t silver** from 69m.

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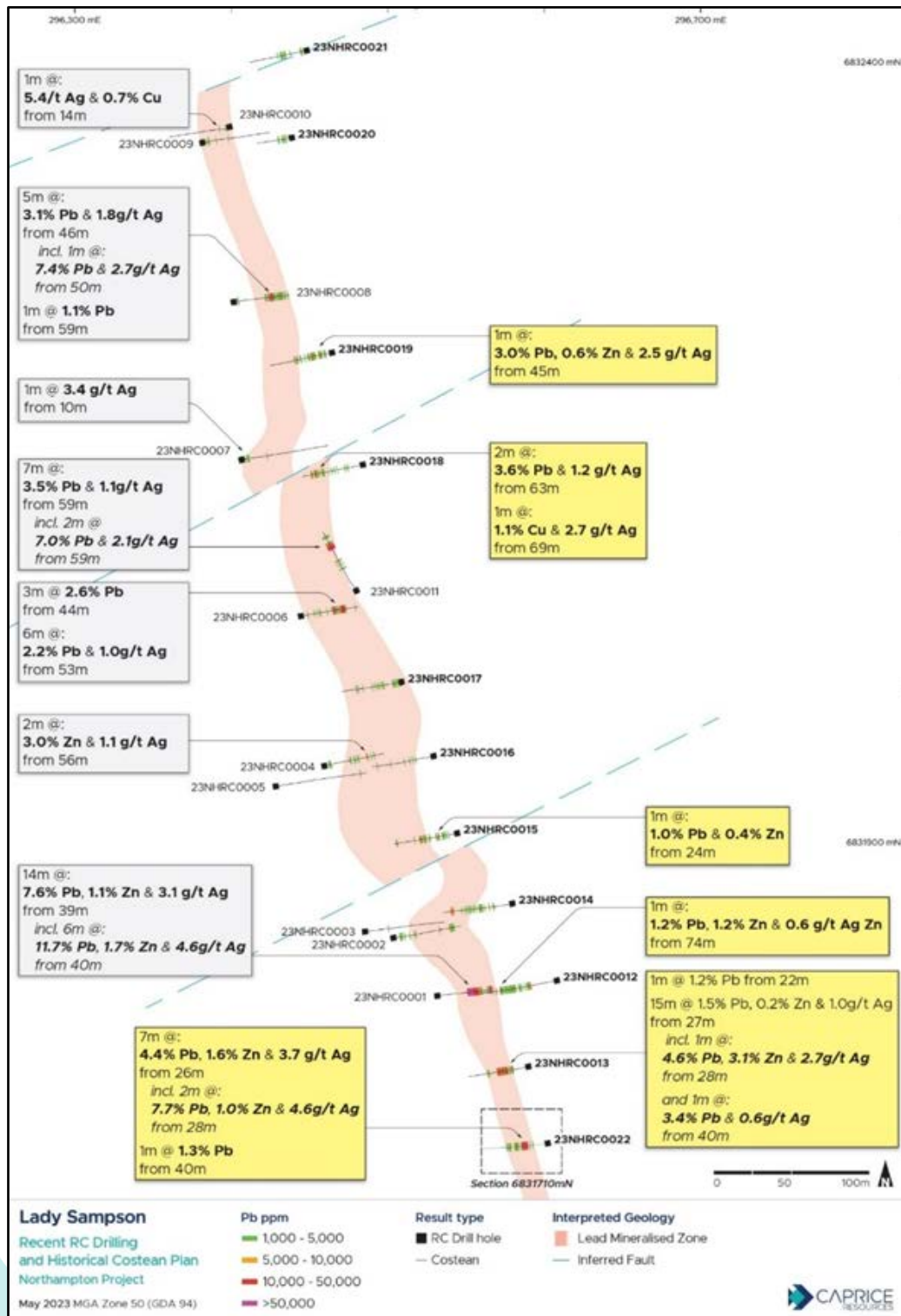


Figure 5: Lady Sampson RC collar plan with significant drill results – Phase 1 in white and Phase 2 in yellow.

In addition to the drilling at Lady Sampson, a baseline ultrafine soil sampling program was undertaken in four traverses along the strike of the mineralisation. The traverses were in regular intervals and approximately 200m in length. The sampling involved collecting a -2mm portion of soil of approximately 200g with the ultrafines portion of this sample tested at Labwest for a multi-element suite.

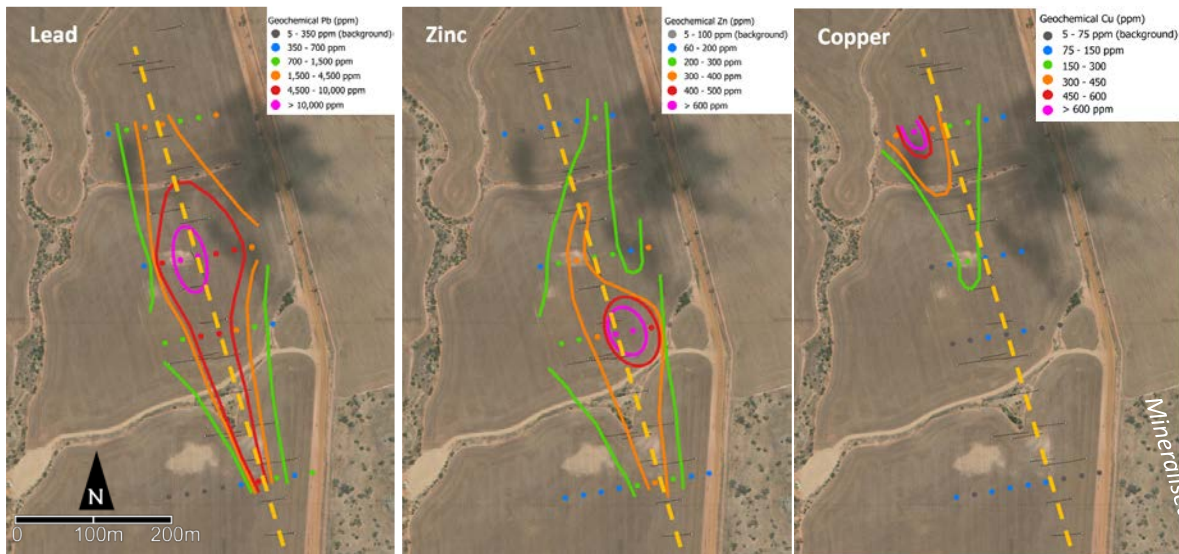


Figure 6: Lady Sampson ultrafine soil sampling anomalies for lead, zinc and copper relative to trend of mineralisation

With minimal soil cover and relatively modest weathering profile, the ultrafine results have defined the trend of mineralisation at Lady Sampson very well, particularly the lead and zinc.

Copper has a defined a separate anomaly to the slight northwest of the mineralised trend. Whilst copper in the soils is relatively weak at the south, it is much stronger at the north, which broadly reflects the metal distribution of the underlying mineralisation. However, the strength and location of the copper soils anomaly may represent a separate underlying copper rich zone, which requires follow up work to understand.

The success of the soils in defining the key mineralised trend is very encouraging. Initially, Caprice will use the ultrafine soil sampling to test along strike to the north and south of Lady Sampson, as well as extending the lines laterally to assess the potential of additional lodes. The results of this program will assist in guiding the next round of drilling.

Based on the assumption that the soils can identify underlying mineralised trends, this technique has the potential to be a very powerful targeting tool to not only refine the Company's understanding of Lady Sampson, but also to assess more regional areas to define drill target.

Murchison Gold Projects

Island Gold Project – Western Australia

The Island Gold Project covers 21km² of highly prospective tenure in the richly endowed Cue gold field and contains many of the historical gold mines of the Lake Austin gold mining centre. The Project comprises two granted mining leases and one exploration license (M21/66, M21/140 and E21/186). The Project lies adjacent to the Great Northern Highway and is located 630km north of Perth, 60km north of Mt Magnet and 20km south of Cue.

The focus of field work in the 2023 financial year was on the assessment of mineralisation potential at the Solis Prospect, located at the southern end of Lake Austin within E21/186. Drilling in the previous year had delineated a +1km gold in regolith anomaly with multiple +1g/t gold intercepts.

In July and August 2022, the Company undertook a follow up reverse circulation (RC) drill program to test discrete targets within the broad regolith anomaly down to approximately 100m, completing 15 holes for 1,428m on selected sections and beneath the better aircore intersections.

Better results from this RC program include:

- **4m at 4.4g/t Au** from 60m, including 1m at 11.0g/t Au in 22IGRC0132
- **1m at 1.5g/t Au** from 35m in 22IGRC0119,
- **2m at 1.2g/t Au** from 33m in 22IGRC0128,
- **1m at 1.2g/t Au** from 50m in 22IGRC0123,
- **1m at 1.1g/t Au** from 88m in 22IGRC0128, and
- **1m at 1.0g/t Au** from 54m in 22IGRC0123.

The high-grade intercept in 22IGRC0132 of 4m at 4.3g/t Au, incl. 1m at 11.0g/t from 63m, is on a sheared geological contact between a mafic (tholeiitic) and high-Mg basalt units. The mineralisation is associated with a quartz vein and underlying sericite-chlorite-carbonate shear zone with minor quartz-carbonate veining. The quartz vein is strongly weathered, whilst the underlying shear is only moderately to weakly weathered.

In addition to the above, 22IGRC0121 yielded 8m at 0.5g/t Au from 45m across a similarly sheared contact, approximately 500m south of the high-grade intercept. This highlights the contact between tholeiitic basalt and high Mg basalt as a priority for follow up drilling.

In September 2022, the Company undertook a follow up RC program to test discrete targets within the broad regolith anomaly down to approximately 140m, with 13 holes completed for 1,526m.

Better results from the second RC program of the year at Solis are:

- **2m at 6.4g/t Au** from 51m, in 22IGRC0143;
- **1m at 2.2g/t Au** from 62m in 22IGRC0135;
- **2m at 1.5g/t Au** from 83m in 22IGRC0144;
- **1m at 1.7g/t Au** from 62m in 22IGRC0143;
- **1m at 1.2g/t Au** from 94m in 22IGRC0144; and
- **1m at 1.1g/t Au** from 21m in 22IGRC0142.

Like the 4m at 4.4g/t from the previous RC program, the high-grade intercept in 22IGRC0143 of 2m at 6.4g/t Au is on a sheared geological contact between a mafic (tholeiitic) and high-Mg basalt units. The mineralisation is associated with sericite-chlorite-carbonate shear zone with minor quartz-carbonate veining.

Hole 22IGRC0143 is approximately 100m due north of the 8m at 0.5g/t Au from 45m in 22IGRC0121 and is interpreted to be on the same geological contact.

There is good grade continuity in the southern area of Solis, with mineralisation consistently traced across at least 5 RC holes, over 100m down dip and at least 100m of strike north-south. Significantly, the mineralisation remains open.

This consistency, as well as the higher grades, highlights that the contact between tholeiitic basalt and high Mg basalt is the most fertile mineralising position encountered to date and will be a focus for future exploration.

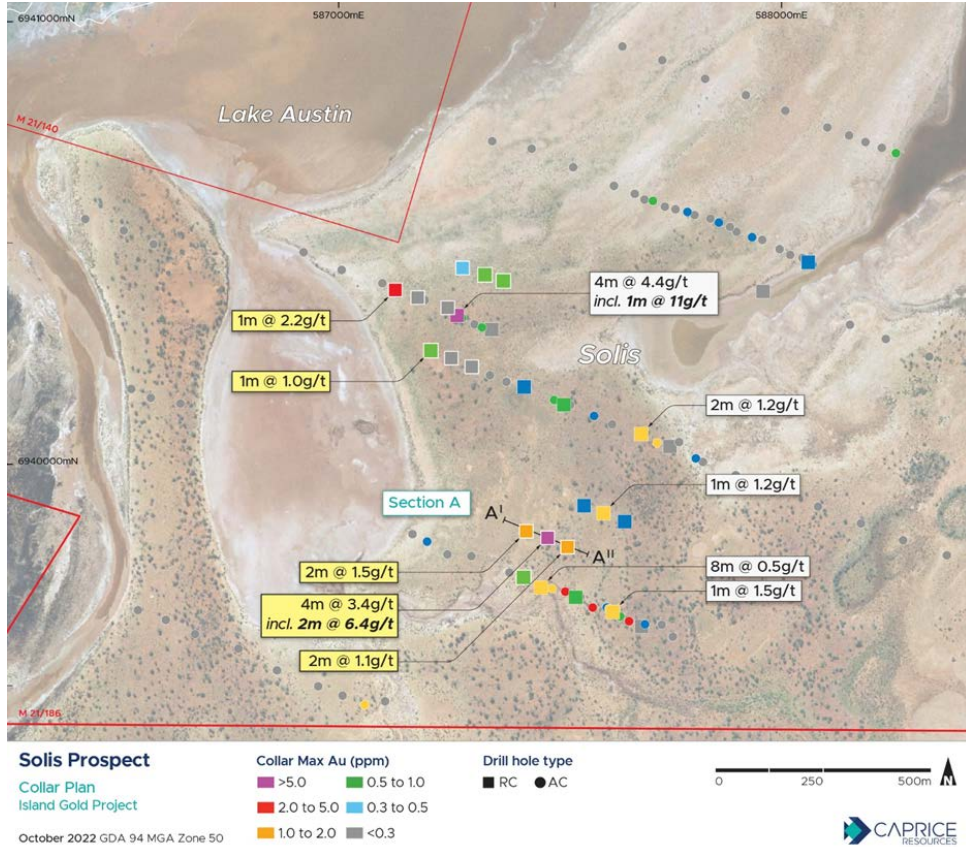


Figure 7: Solis drill collar locations, coloured by Max Au in hole, with first round RC results in white and second round RC results in yellow.

Big Bell South and Cuddingwarra Projects

In August 2021, Caprice purchased an 80% interest in the Cuddingwarra and Big Bell South Projects from Golden State Mining Limited (**GSM**), forming an 80:20 joint venture with GSM. The Projects are located to the northwest of the Company's Island Gold Project, with all Murchison projects within trucking distance of two gold processing plants.

The geology and structures covered by the new Projects are consistent with a number of the major gold systems in the Murchison region, yet have received only minimal modern exploration and drill testing and were not a core focus of GSM.

Since acquisition, the magnetic data for the projects has been reprocessed to assist with target generation and work program development.

Caprice continues to await heritage feedback to enable on-ground access at Cuddingwarra and Big Bell South and no field work was completed during the year.

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Wild Horse Hill Project – Northern Territory

The Wild Horse Hill Project covers an area of over 231km² and is situated in the Pine Creek mineralogical terrain. Pine Creek is highly prospective for gold, highlighted by the presence of established and historical gold mining areas.

The Company undertook its initial drilling program in the last quarter of 2019 with the first phase of the drill program testing the Cook Prospect with 10 RC drill holes, each drilled to a maximum depth of 150m.

No field work was undertaken during the year and the Company is considering opportunities for divestment.

Competent Person's Statement

The exploration results in this announcement were reported by the Company in accordance with listing rule 5.7 on 15 August 2022, 31 October 2022, 6 December 2022, 16 December 2022, 17 February 2023, 2 March 2023, 7 March 2023, 23 March 2023, 5 May 2023, 12 May 2023, 13 June 2023, 6 July 2023, 17 August 2023 and 29 September 2023. The Company confirms that it is not aware of any information or data that materially changes the results from when they were first reported to the ASX.

Corporate Governance

Caprice Resources Limited's Corporate Governance Statement for FY2023 is available on the Company's website www.capriceresources.com

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Financial Statements

FY2023

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CAPRICE RESOURCES LTD
ABN 96 624 970 725
DIRECTORS' REPORT (continued)

The Directors present their report together with the annual financial report of Caprice Resources Ltd ("Caprice" or the "Company") and Controlled Entity (the "Group" or "consolidated entity") for the year ended 30 June 2023 and the independent auditor's report thereon.

Directors

The names of the Directors in office at any time during or since the end of the year are:

David Church (Non-Executive Chairman)
Andrew Muir (Managing Director) resigned 31 August 2023
Michael Caruso (Non-Executive Director)
Adam Miethke (Non-Executive Director)
Philip Re (Non-Executive Director) appointed 31 August 2023

Principal Activities

The principal activity of the Group is mineral exploration and evaluation. There has been no significant change in activities during the year.

Review of Operations

During the year, the Group:

- completed a placement to institutional and sophisticated investors, and Directors at an issue price of \$0.05 raising \$1.3 million (before costs);
- acquired a 100% interest in the Mukinbudin Project in WA;
- completed a follow up drilling program at the Island Gold Project;
- completed a high-level targeting study at the Wild Horse Hill Project;
- completed a drilling program at the Northampton Project;
- commenced geophysical studies at the Cuddingwarra and Big Bell South Project;
- commenced preliminary field studies at the Mukinbudin Project.

Financial Results

The loss of the Group after providing for income tax for the period ending 30 June 2023 was \$1,226,891 (30 June 2022: \$1,366,052). During the year, total expenses were \$1,242,410 (30 June 2022: \$1,367,379). Cash and cash equivalents as at 30 June 2023 was \$685,771 (30 June 2022: \$1,958,751).

Significant Changes in State of Affairs

During the year, Caprice Resources Ltd successfully completed a \$1.3m capital raising and acquired 100% interest in the Mukinbudin Project in WA's wheatbelt consisting of tenement E70/5939.

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

Events Subsequent to the End of the Reporting Period

On 31 August 2023, the Company announced that Andrew Muir, Managing Director tendered his resignation and Mr Philip Re was appointed Non-Executive Director effective immediately.

There are no other matters or circumstances arisen since the end of the financial year that significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

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DIRECTORS' REPORT (continued)

Likely Developments and Expected Results of Operations

Other than as referred to in this report, further information as to likely developments in the operations of the Group and likely results of those operations in future financial years would, in the opinion of the directors, be speculative.

Dividends

No dividends have been paid or declared by the Group.

Environmental Regulation

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Indemnity and Insurance of Officers

To the extent permitted by law, the Company indemnifies every person who is or has been:

- an Officer against any liability to any person (other than the Company) incurred while acting in that capacity and in good faith; and
- an Officer of the Company, against costs and expenses incurred by that person in that capacity in successfully defending legal proceedings and ancillary matters.

The Company has entered into a Deed of Indemnity, Access and Insurance with each of its Directors and the Company Secretary. Under the Deeds of Indemnity, Access and Insurance the Company will indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Deeds of Indemnity, Access and Insurance also provide for the right to access Board papers and other Company records.

Indemnity and Insurance of Auditor

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

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

Proceedings on Behalf of Company

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

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DIRECTORS' REPORT (continued)

Information on Directors

Information in relation to the Directors of the Company for the reporting period and up to the date of this report is as follows:

Mr David Church - Non-Executive Chairman (appointed Non-Executive Director 18 October 2018; transitioned to Non-Executive Chairman on 6 October 2020)

Qualifications: Bachelor of Laws (LLB)

Experience and expertise: Mr Church is a consultant providing general counsel and, mergers and acquisition services to Regent Pacific Group Limited, a company whose securities are listed on The Stock Exchange of Hong Kong Limited. He has worked on domestic and international corporate transactions and equity offerings for corporates and investment banks. Mr Church is a qualified solicitor and has practiced in Australia with Clayton Utz, and in the UK and Hong Kong with Linklaters.

Other current directorships: Non-Executive Director of Hammer Metals Limited (ASX:HMX).

Former directorships: Nil.

Special responsibilities: Nil.

Interest in shares: 2,131,017 ordinary shares.

Interest in options: 1,000,000 options (exercise price \$0.3894, expiry date 10 December 2023); 234,375 options (exercise price \$0.30, expiry date 31 March 2024).

Contractual rights to shares: Nil.

Mr Andrew Muir – Managing Director (appointed 27 April 2021) (resigned 31 August 2023)

Qualifications: Bachelor of Science with Honours (Geology) (BSc), Graduate Diploma Applied Finance & Investment (FFIN)

Experience and expertise: Mr Muir is a highly regarded mining executive with a strong background in gold exploration and geology, coupled with strong economic evaluation and corporate experience. He was previously Managing Director of NTM Gold where he was responsible for significant exploration success which ultimately resulted in the takeover by Dacian Gold Ltd.

Mr Muir is an experienced geologist with time spent equally across both exploration and mining operations. He has previously worked with Great Central Gold Mines, Placer Dome and Goldfields Limited. Prior to NTM, Mr Muir worked at Argonaut Capital as an Associate Director with Argonaut's corporate team and was a resource analyst for JP Morgan, Hartleys and PCF Capital.

Other current directorships: Nil.

Former directorships: Managing Director, NTM Gold Ltd (ASX: NTM) resigned 15/03/2021 following takeover; Non-Executive Director, Alice Queen Ltd (ASX: AQX) resigned 03/02/2020.

Special responsibilities: Nil.

Interest in shares: 312,500 ordinary shares.

Interest in options: 156,250 options (exercise price \$0.30, expiry date 31 March 2024).

Contractual rights to shares: 3,750,000 performance rights.

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DIRECTORS' REPORT (continued)

Mr Michael Caruso – Non-Executive Director (appointed 6 October 2020)

Experience and expertise: Mr Caruso has 40 years of practical and administrative experience in the operation of remotely located civil, mining, earthmoving, and mineral exploration projects throughout Australia. He was the majority shareholder of Goldview, vendor of the Island Gold Project and brings across a wealth of knowledge on the project and the broader region.

Other current directorships: Nil

Former directorships: Nil.

Special responsibilities: Nil.

Interest in shares: 11,757,543 ordinary shares.

Interest in options: 325,000 options (exercise price \$0.25, expiry date 6 October 2023); 1,000,000 options (exercise price \$0.3894, expiry date 10 December 2023).

Contractual rights to shares: Mr Caruso has a contractual right to 3,464,492 “milestone shares” as part of the acquisition agreement of Goldview Metals Pty Ltd. These “milestone shares” are ordinary shares in Caprice which will be issued to Mr Caruso upon the successful announcement by Caprice on the ASX market announcement platform of a mineral resources in accordance with the JORC Code 2012 of a minimum of 250,000 ounces gold resource at a minimum grade of 2.0 grams per tonne of gold on the Goldview tenements being M21/66, M21/140 and E21/186 on or before 25 September 2025.

Mr Adam Miethke – Non-Executive Director (appointed 6 October 2020)

Qualifications: Bachelor of Applied Science with First Class Honours (BSc), Master of Business Administration (MBA)

Experience and expertise: Mr Miethke is a geologist with extensive experience in the metals and mining sector. He worked at Rio Tinto, Snowden, and Regent Pacific Group involved in assets globally before joining Argonaut as Director of Corporate Finance in the metals and mining division.

Other current directorships: Nil.

Former directorships: Non-Executive Director, Calidus Resources Ltd (ASX: CAI) resigned 27/07/2020.

Special responsibilities: Nil.

Interest in shares: 1,894,445 ordinary shares.

Interest in options: 1,000,000 options (exercise price \$0.3894, expiry date 10 December 2023).

Contractual rights to shares: Nil.

Mr Philip Re – Non-Executive Director (appointed 31 August 2023)

Qualifications: Bachelor of Business (BBA)

Experience and expertise: Mr Re is a Chartered Accountant, Chartered Secretary and a Member of the Australian Institute of Company Directors who specialises in corporate advisory, corporate governance, mergers and acquisitions, and investment banking for ASX listed companies.

Other current directorships: Non-Executive Chairman of Corella Resources Limited and Weststar Industrial Limited, Non-Executive Director of Streamplay Studio Ltd.

Former directorships: Managing Director, South American Ferro Metals (SFZ); Meridan Minerals Limited (MII).

Special responsibilities: Nil

Interest in shares: Nil

Interest in options: Nil

Contractual rights to shares: Nil

Directors' Meetings

During the financial year, three meetings of Directors were held. Attendances by each Director during the year were as follows:

Director	Directors' Meetings	
	Eligible to Attend	Attended
David Church	3	3
Andrew Muir	3	3
Michael Caruso	3	3
Adam Miethke	3	3

CAPRICE RESOURCES LTD
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DIRECTORS' REPORT (continued)

Company Secretary

Ms Oonagh Malone held the position of company secretary at the end of the financial year.

Ms Malone is a principal of a corporate advisory firm which provides company secretarial and administrative services. She has over 10 years' experience in administrative and company secretarial roles for listed companies and is a member of the Governance Institute of Australia and Australian Institute of Company Directors. Ms Malone currently acts as Company Secretary for ASX-listed companies African Gold Ltd, Aston Minerals Limited, Benz Mining Corp, Carbine Resources Ltd, RareX Ltd and Riversgold Ltd, and is a Non-executive Director of Peak Minerals Ltd.

Remuneration Report - Audited

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

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

Remuneration Policy

In determining competitive remuneration rates, the Board seeks independent advice on local and international trends among comparative companies and industry generally.

Independent advice may be obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices. During the year no remuneration consultants were used.

Performance-based Remuneration

The Board recognises that the Group operates in a global environment. To prosper in this environment we must attract, motivate, and retain key executive staff.

The principles supporting the remuneration policy are that:

- reward reflects the competitive global market in which the Group operates;
- rewards to executives are linked to creating value for shareholders;
- remuneration arrangements are equitable and facilitate the development of senior management across the Group;
- where appropriate, senior managers receive a component of their remuneration in equity to align their interests with those of the shareholders; and
- long term incentives are used to ensure that remuneration of key management personnel reflects the Group's financial performance, with particular emphasis on the Group's earnings and the consequence of the Group's performance on shareholder wealth.

Market Comparisons

Consistent with attracting and retaining talented executives, the Board endorses the use of incentive and bonus payments. The Board continues to seek external advice to ensure reasonableness in remuneration scale and structure, and to compare the Company's position with the external market. The impact and high cost of replacing senior employees and the competition for talented executives requires the Board to reward key employees when they deliver consistently high performance.

Board Remuneration

The Board determines actual payments to Directors and reviews their remuneration annually based on independent external advice with regard to market practice, relativities, and the duties and accountabilities of directors. A review of Directors' remuneration is conducted annually to benchmark overall remuneration including retirement benefits.

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DIRECTORS' REPORT (continued)

Directors' Fees

Executive Remuneration

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders.

The Board ensures that executive reward satisfies the following key criteria for good reward corporate governance practices:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage/alignment of executive compensation
- Transparency
- Capital management

The Company has structured an executive framework that is market competitive and complementary to the reward strategy for the organisation.

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

- The remuneration policy, setting the terms and conditions for executive directors and executives, was developed and approved by the Board. All executives receive a fee, part of which may be taken as superannuation, and from time to time, options. Options issued to Directors are subject to approval by Shareholders. The Board reviews executive packages regularly by reference to the Company's performance, executives' performance and comparable information from industry sectors and other listed companies in similar industries. The Board may in its discretion establish a performance-based bonus system to provide reward in addition to the base salary level to the executives on such terms as the Board may determine.
- Salaried executive directors and specified executives are allocated superannuation guarantee contributions as required by law, and do not receive any other retirement benefits. From time to time, some individuals may choose to sacrifice their salary or consulting fees to increase payments towards superannuation.
- All remuneration paid to directors and specified executives is valued at the cost to the Company and expensed. Options are valued using either the ASX trading price (for listed options issued) or the Black-Scholes methodology (for unlisted options issued).

Service Agreements

A summary of service agreements entered into with Executives is set out below:

Executive	Term of Agreement	Base Salary per annum including any Superannuation* (Non-performance based)	Termination Conditions	Elements of Remuneration related to Performance
Mr Andrew Muir ¹	Ongoing until terminated in accordance with the agreement	\$276,250	3 months' notice by either party	3,750,000 performance rights

* Base salary quoted is the position as at 30 June 2023; salaries are reviewed annually
¹ Resigned 31 August 2023

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DIRECTORS' REPORT (continued)

Non-Executive Remuneration

Shareholders approve the maximum aggregate remuneration for non-executive directors. The maximum aggregate remuneration approved for Non-Executive Directors is determined from time to time by a general meeting.

It is recognised that non-executive director remuneration is ideally structured to exclude equity-based remuneration. However, whilst the Company remains small and the full Board, including the Non-Executive Directors, are included in the operations of the Company more intimately than may be the case with larger companies, the Non-Executive Directors are entitled to participate in equity-based remuneration schemes.

Bonus or Profit Participation Plan

Performance incentives may be offered to executive directors and senior management of the Company through the operation of a bonus or profit participation plan at the ultimate discretion of the Board.

Details of the remuneration of the Directors and key management personnel of the Company (as defined in AASB 124 *Related Party Disclosures*) are set out in the following tables.

There were no other transactions with Directors or key management personnel other than those included in the below remuneration tables or as disclosed elsewhere in the Directors' Report.

Voting and comments made at the company's 2022 Annual General Meeting ('AGM')

The Company received 91.4% "for" votes on its Remuneration Report for the year ended 30 June 2022.

Details of remuneration for year ended 30 June 2023

	Salary, Fees & Commissions \$	Superannuation Contribution \$	Non-cash Benefits \$	Share-based Payments \$	Total \$
Non-executive Directors					
Mr David Church	60,000	6,300	-	-	66,300
Mr Michael Caruso	40,000	4,200	-	-	44,200
Mr Adam Miethke	40,000	4,200	-	-	44,200
Executive Director					
Mr Andrew Muir ¹	250,000	26,250	-	200,925	477,175
Other Key Management Personnel					
Ms Oonagh Malone	48,000	-	-	-	48,000
Total	438,000	40,950	-	200,925	679,875

¹ Resigned 31 August 2023

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CAPRICE RESOURCES LTD
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DIRECTORS' REPORT (continued)

Details of remuneration for year ended 30 June 2022

	Salary, Fees & Commissions \$	Superannuation Contribution \$	Non-cash Benefits \$	Share-based Payments \$	Total \$
Non-executive Directors					
Mr David Church	60,000	6,000	-	-	66,000
Mr Michael Caruso	40,000	4,000	-	-	44,000
Mr Adam Miethke	40,000	4,000	-	-	44,000
Mr Scott Patrizi ¹	4,516	452	-	-	4,968
Executive Director					
Mr Andrew Muir	250,000	25,000	-	200,925	475,925
Other Key Management Personnel					
Ms Oonagh Malone	48,000	-	-	-	48,000
Total	442,516	39,452	-	200,925	682,893

¹ Resigned 11 August 2021

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

	Fixed remuneration		At risk- short term incentives		At risk- long term incentives	
	2023 %	2022 %	2023 %	2022 %	2023 %	2022 %
Non-executive Directors						
Mr David Church	100	100	-	-	-	-
Mr Michael Caruso	100	100	-	-	-	-
Mr Adam Miethke	100	100	-	-	-	-
Mr Scott Patrizi ¹	-	100	-	-	-	-
Executive Director						
Mr Andrew Muir	58	58	-	-	42	42
Other Key Management Personnel						
Ms Oonagh Malone	100	100	-	-	-	-

¹ Resigned 11 August 2021

There were no cash bonuses paid/payable or forfeited during the year ended 30 June 2023 or 30 June 2022.

Details of share-based compensation for year ended 30 June 2023

Issue of shares

There were no shares granted during the reporting period as compensation (2022: Nil).

Issue of options

There were no options issued during the reporting period as compensation (2022: Nil).

Issue of Performance Rights

There were no performance rights issued during the reporting period as compensation (2022: Nil).

CAPRICE RESOURCES LTD
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DIRECTORS' REPORT (continued)

Additional disclosures relating to key management personnel

(i) Share holdings

The numbers of shares in the Company held during the financial year by each director and other key management personnel of the Company, including their personally related parties, are set out below.

2023	Balance at the start of the year or on appointment	Received during the year on exercise of options	Other changes during the year	Balance at the end of the year or date of resignation
Ordinary shares				
Mr David Church	1,131,017	-	1,000,000	2,131,017
Mr Michael Caruso	11,557,543	-	200,000	11,757,543
Mr Adam Miethke	1,894,445	-	-	1,894,445
Mr Andrew Muir	312,500	-	-	312,500
Ms Oonagh Malone	10,000	-	-	10,000
Total	14,905,505	-	1,200,000	16,105,505

(ii) Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director and other key management personnel of the Company, including their personally related parties, are set out below.

2023	Balance at start of the year	Granted as Compensation	Acquired	Lapsed/ Forfeited	Balance at end of the year	Vested	Escrowed
D Church	1,559,375	-	-	(325,000)	1,234,375	1,234,375	-
V Caruso	1,325,000	-	-	-	1,325,000	1,325,000	-
A Miethke	1,000,000	-	-	-	1,000,000	1,000,000	-
A Muir	156,250	-	-	-	156,250	156,250	-
O Malone	250,000	-	-	-	250,000	250,000	-
Total	4,290,625	-	-	(325,000)	3,965,625	3,965,625	-

During the reporting period, no shares were issued to Directors or key management personnel on the exercise of options previously granted as remuneration.

(iii) Performance rights

The numbers of performance rights held during the financial year by each Director and other key management personnel of the Company, including their personally related parties, are set out below.

2023	Balance at start of the year	Granted as Compensation	Converted	Lapsed/ Forfeited	Balance at end of the year	Vested
D Church	-	-	-	-	-	-
V Caruso	-	-	-	-	-	-
A Miethke	-	-	-	-	-	-
A Muir	3,750,000	-	-	-	3,750,000	-
O Malone	-	-	-	-	-	-
Total	3,750,000	-	-	-	3,750,000	-

During the reporting period, no performance rights were issued to Directors or key management personnel.

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CAPRICE RESOURCES LTD
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DIRECTORS' REPORT (continued)

(iv) Other transactions with key management personnel and their related parties

Civil and Mining Earthmoving (director-related entity of Non-Executive Director Michael Caruso), received \$5,400 (2022: \$56,400) for labour and excavator hire in relation to exploration activities at the Island Gold Project.

Discovery Capital Partners (director-related entity of Non-Executive Director Adam Miethke) received \$80,000 (2022: \$150,000) for corporate advisory services and \$63,209 (2022: Nil) for capital raising management services.

All transactions with related parties have been entered into on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Additional information for consideration of shareholder wealth

This table summarises the earnings of the Group and other factors that are considered to affect shareholder wealth.

	2023	2022	2021	2020	2019
Loss after income tax attributable to shareholders (\$)	(1,226,891)	(1,366,052)	(2,079,147)	(369,505)	(1,226,824)
Share price at financial year end (\$)	0.039	0.085	0.205	0.210	0.150
Movement in share price for the year (\$)	(0.046)	(0.120)	(0.005)	0.060	(0.050)
Total dividends declared (cents per share)	-	-	-	-	-
Basic loss per share (cents per share)	(1.27)	(1.85)	(3.62)	(1.13)	(5.47)

This is the end of the audited remuneration report.

Shares under option

Unissued ordinary shares of the Company under option at the date of this report are:

Grant Date	Expiry Date	Exercise Price	Number of Options
06/10/2020	06/10/2023	\$0.25	325,000
10/12/2020	10/12/2023	\$0.3894	4,250,000
02/08/2021	02/08/2024	\$0.25	250,000
31/03/2022	31/03/2024	\$0.30	6,249,999
16/03/2023	20/03/2026	\$0.10	7,000,000
16/03/2023	20/03/2026	\$0.20	15,000,000
Total			33,074,999

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

During the year, there were no shares issued on the exercise of options (2022 Nil).

Non-audit services

No non-audit services were performed by the Group's auditor, RSM Australia Partners, during the year ended 30 June 2023 (2022: Nil).

Officers of the company who are former partner of RSM Australia Partners

No officer of the Company is or has been a Partner/Director of any auditor of the Group.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 15.

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CAPRICE RESOURCES LTD
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DIRECTORS' REPORT (continued)

Auditor

RSM Australia continues in office in accordance with section 327 of the *Corporations Act 2001*.

This Directors' Report is signed in accordance with a resolution of the Board of Directors made pursuant to section 298(2)(a) of the *Corporation Act 2001*.



David Church

Non-Executive Chairman

Dated this 28 day of September 2023

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Caprice Resources 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:

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

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 28 September 2023

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RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

CAPRICE RESOURCES LTD
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023	2022
		\$	\$
Income			
Interest income	3(a)	11,810	1,327
Other income	3(a)	3,709	-
Total income		15,519	1,327
Expenses			
Administration expenses		(461,210)	(357,999)
Consultants and management expenses	3(b)	(485,734)	(620,090)
Depreciation expense	12,17(b)	(39,443)	(39,291)
Financial costs		(5,405)	(5,639)
Legal expenses		(25,827)	(12,826)
Share based payment expense	16	(200,925)	(255,274)
Exploration costs expensed or written off	5	(23,580)	(54,509)
Foreign exchange loss		(286)	(275)
Transaction costs	3(c)	-	(21,476)
Total expenses		(1,242,410)	(1,367,379)
Loss before income tax for the year		(1,226,891)	(1,366,052)
Income tax expense	6	-	-
Loss after income tax expense for the year		(1,226,891)	(1,366,052)
Other comprehensive income		-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>		-	-
Total other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(1,226,891)	(1,366,052)
Attributable to:			
Members of the Company		(1,226,891)	(1,366,052)
Basic and diluted loss per share (cents per share)	20	(1.27)	(1.85)

The accompanying notes form part of these financial statements.

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CAPRICE RESOURCES LTD
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023	2022
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	685,771	1,958,751
Trade and other receivables	8	39,337	50,750
Other current assets	9	64,390	63,372
TOTAL CURRENT ASSETS		789,498	2,072,873
NON-CURRENT ASSETS			
Exploration and evaluation assets	10	13,753,290	11,455,373
Property, plant and equipment	12	14,529	18,463
Right of use asset	17(b)	35,936	71,445
TOTAL NON-CURRENT ASSETS		13,803,755	11,545,281
TOTAL ASSETS		14,593,253	13,618,154
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	205,586	232,716
Provisions		36,192	34,299
Lease liability	17(c)	38,437	35,471
TOTAL CURRENT LIABILITIES		280,215	302,486
NON-CURRENT LIABILITIES			
Lease liability	17(c)	467	39,269
TOTAL NON-CURRENT LIABILITIES		467	39,269
TOTAL LIABILITIES		280,682	341,755
NET ASSETS		14,312,571	13,276,399
EQUITY			
Contributed equity	14	18,162,148	16,487,929
Reserves	15	2,427,525	1,885,275
Accumulated losses		(6,277,102)	(5,096,805)
TOTAL EQUITY		14,312,571	13,276,399

The accompanying notes form part of these financial statements.

CAPRICE RESOURCES LTD
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Note	Contributed Equity \$	Option Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2021		13,914,054	1,602,251	(3,730,753)	11,785,552
Loss after income tax expense for the year		-	-	(1,366,052)	(1,366,052)
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive loss for the year		-	-	(1,366,052)	(1,366,052)
Transactions with owners, in their capacity as owners		-	-	-	-
Share issues	14(b)	2,000,000	-	-	2,000,000
Proceeds from exercise of options		-	-	-	-
Shares issued as consideration for tenements	14(b)	710,000	-	-	710,000
Transactions costs	14(b)	(136,125)	-	-	(136,125)
Share based payments	15,16	-	255,274	-	255,274
Options issued as consideration for tenements	15	-	27,750	-	27,750
Balance at 30 June 2022		16,487,929	1,885,275	(5,096,805)	13,276,399
Balance at 1 July 2022		16,487,929	1,885,275	(5,096,805)	13,276,399
Loss after income tax expense for the year		-	-	(1,226,891)	(1,226,891)
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive loss for the year		-	-	(1,226,891)	(1,226,891)
Transactions with owners, in their capacity as owners		-	-	-	-
Share issues	14(b)	1,337,784	-	-	1,337,784
Proceeds from exercise of options		-	-	-	-
Shares issued as consideration for tenements	14(b)	420,000	-	-	420,000
Transactions costs	14(b)	(83,565)	-	-	(83,565)
Share based payments	15, 16	-	200,925	-	200,925
Expired performance rights transferred to accumulated losses		-	(46,594)	46,594	-
Options issued as consideration for tenements	15	-	387,919	-	387,919
Balance at 30 June 2023		18,162,148	2,427,525	(6,277,102)	14,312,571

The accompanying notes form part of these financial statements.

CAPRICE RESOURCES LTD
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
CASH FLOWS USED IN OPERATING ACTIVITIES			
Payments to suppliers and employees		(925,966)	(920,068)
Interest paid		(5,405)	(5,639)
Interest received		11,721	1,327
Other income		-	-
Net cash used in operating activities	21	(919,650)	(924,380)
CASH FLOWS USED IN INVESTING ACTIVITIES			
Payments for exploration expenditure		(1,472,496)	(1,982,831)
Payments for acquisition of mining tenements		(99,217)	(267,355)
Payments for property, plant and equipment	12	-	(13,995)
Net cash used in investing activities		(1,571,713)	(2,264,181)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	14(b)	1,337,784	2,000,000
Share issue costs paid	14(b)	(83,565)	(136,125)
Repayments of lease liabilities		(35,836)	(32,002)
Net cash from financing activities		1,218,383	1,831,873
Net decrease in cash held		(1,272,980)	(1,356,688)
Opening cash and cash equivalents		1,958,751	3,315,439
Cash and cash equivalents at end of year	7	685,771	1,958,751

The accompanying notes form part of these financial statements.

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CAPRICE RESOURCES LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

The consolidated financial statements and notes represent those of Caprice Resources Ltd (the “Company”) and Controlled Entity (the “Group” or consolidated entity). Caprice Resources Ltd is a listed public company limited by shares, incorporated and domiciled in Australia.

The consolidated financial statements were authorised for issue on 28 September 2023 by the Directors of Caprice Resources Ltd.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

This general purpose consolidated financial statements has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the consolidated financial statements are presented below and have been consistently applied unless stated otherwise.

Compliance with IFRS

The consolidated financial statements of the Caprice Resources Ltd comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

New or amended Accounting Standards and Interpretations adopted by the Group

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

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

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a net loss of \$1,226,891 and had net cash outflows from operating activities of \$919,650, investing activities of \$1,571,713 and net cash inflows from financing activities of \$1,218,383 for the year ended 30 June 2023. The ability of the Group to continue as a going concern is primarily dependent on securing additional funding through the issue of additional equity securities. These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that it is reasonably foreseeable that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- a. The Directors believe that future funding will be available to meet the Group’s objectives and pay debts as and when they fall due, including through engaging with parties interested in joint venture arrangements and raising additional capital through equity placements to existing or new investors. The Group has a demonstrated history of success in this regard with the Directors being confident in the ability to continue to raise additional funds on a timely basis, as and when required; and
- b. The Group has the capacity, if necessary, to reduce its operating cost structure in order to reduce its working capital requirements.

CAPRICE RESOURCES LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The financial statements do not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

Historical cost convention

These consolidated financial statements have been prepared on an accrual basis under the historical cost convention.

Critical accounting estimates, judgements and assumptions

The preparation of consolidated financial statements requires the use of certain critical accounting estimates, judgements and assumptions. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 1(s).

Accounting Policies

a. **Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 26.

b. **Principles of consolidation**

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

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

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

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

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

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

c. **Other revenue and income**

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

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

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CAPRICE RESOURCES LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Income tax

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

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

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

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

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

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

Caprice Resources Limited (the 'head entity') and its wholly-owned Australian subsidiary have formed an income tax consolidated group under the tax consolidation regime. The head entity and its subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

e. Current and non-current classification

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

f. **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown as borrowings in current liabilities on the statement of financial position.

g. **Trade and other receivables**

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade and other 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.

h. **Exploration and evaluation expenditure assets**

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the period in which the decision is made.

Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

i. **Impairment of non-financial assets**

Non-financial 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

j. **Right of use assets**

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

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

l. Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

m. Contributed equity

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit recognised.

n. Share based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

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

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

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

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

o. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners 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, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

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

p. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from financing and investing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers. Commitments and contingencies are disclosed net of GST.

q. Critical accounting estimates and judgements

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r. Critical accounting estimates, judgements and assumptions

(i) *Impairment exploration and evaluation assets*

Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

(ii) *Share-based payment transactions*

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of the options issued are determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed in the notes to the financial statements. The assumptions detailed in the note is also judgemental.

For equity transactions with consultants and other employees, the fair value reflects the value attributable to services where applicable. Where there is no quantifiable value of services the value of options is calculated using the Black-Scholes option pricing model.

For instruments issued with market-based conditions, alternative valuation methodologies would be adopted.

s. Segment reporting

Operating segments are now reported in a manner that is consistent with the internal reporting to the Chief Operating Decision Maker, which has been identified by the Group as the Executive Director and other members of the board of directors.

The Group has identified its operating segment based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. For the current reporting period, the Group's sole activity was mineral exploration and resource development wholly within Australia, which is its only reportable segment.

The reportable segment is represented by the consolidated financial statements forming this financial report.

NOTE 2: SEGMENT INFORMATION

The Group's operations are in one reportable business segment, being the exploration for gold, lead, zinc, copper and rare earth elements. The Group operates in one geographical segment, being Australia.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 3: LOSS BEFORE INCOME TAX

	2023	2022
	\$	\$
a. Income		
Interest income	11,810	1,327
Other income	3,709	-
	<u>15,519</u>	<u>1,327</u>
b. Consultants and management expenses		
Director fees and superannuation	430,950	433,968
Other consultants and management expenses	54,784	186,122
	<u>485,734</u>	<u>620,090</u>
c. Transaction costs – acquisition of Goldview Metals Pty Ltd		
Legal and accounting fees	-	21,476
	<u>-</u>	<u>21,476</u>

NOTE 4: AUDITOR'S REMUNERATION

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Group:

	2023	2022
	\$	\$
Audit services - RSM Australia Partners:		
Audit or review of the financial report of the Company and controlled entity	34,000	31,100

NOTE 5: EXPLORATION COSTS EXPENSED OR WRITTEN OFF

	2023	2022
	\$	\$
Exploration and project evaluation expenses	23,580	54,509

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 6: TAXATION

	2023	2022
	\$	\$
Income tax expense		
Deferred tax	-	-
Under/ (over) provision in respect of prior years	-	-
	-	-
Reconciliation of income tax expense to prima facie tax payable		
Loss before income tax expense	(1,266,891)	(1,366,052)
Tax at the Australian tax rate of 25% (2022: 25%)	(306,723)	(341,513)
Tax effect of expenditure not deductible in calculating taxable income:		
Share based payments	50,231	63,819
Fringe benefits	702	609
Capital raising expenditure	(45,049)	(42,693)
Other amounts not deductible or taxable in calculating taxable income	27	77
Income tax benefit not recognised	300,812	319,701
Income tax expense	-	-
Unrecognised deferred tax assets		
Tax losses	1,732,120	1,098,185
Other timing differences	36,863	23,381
Deferred tax assets not recognised	1,768,983	1,121,566

The Group has not recognised any deferred tax assets or liabilities.

These benefits will only be obtained if:

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

Franking credits

The Group has no franking credits available.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 7: CASH AND CASH EQUIVALENTS

	2023	2022
	\$	\$
Cash at bank and on hand	685,771	1,958,751
	685,771	1,958,751

NOTE 8: TRADE AND OTHER RECEIVABLES

	2023	2022
	\$	\$
GST refundable	35,628	50,750
Supplier refund	3,709	-
	39,337	50,750

NOTE 9: OTHER ASSETS

	2023	2022
	\$	\$
Prepayments	12,055	11,125
Security deposit in relation to office lease	35,524	35,436
Security deposit in relation to tenement	16,811	16,811
	64,390	63,372

NOTE 10: EXPLORATION AND EVALUATION ASSETS

	2023	2022
	\$	\$
Tenement acquisition costs	7,490,853	6,690,416
Capitalised exploration expenditure	6,262,437	4,764,957
	13,753,290	11,455,373
<i>Movements in carrying value</i>		
Balance at the beginning of the year	11,455,373	8,353,592
Tenement acquisition costs	800,437 ²	1,147,978 ¹
Capitalised exploration expenditure at acquisition	-	-
Exploration expenditure capitalised	1,497,480	1,953,803
Balance at the end of the year	13,753,290	11,455,373

1 \$142,872 relates to the Island Gold Project, \$734,153 relates to Cuddingwarra and Big Bell South Gold Projects (Note 11), \$250,000 relates to Yungaro Project (Note 11); \$20,953 relates to 3 additional exploration licences granted at Northampton Project.

2 \$824,249 relates to Mukinbudin Project (Note 11); (\$23,812) relates to stamp duty payable reduction for the Island Gold Project.

The balance carried forward represents the acquisition costs and capitalised exploration expenditure of the Western Australian and Northern Territory tenements which is in the exploration and evaluation phase. Ultimate recoupment of exploration expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of respective areas.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 11: ACQUISITION OF MINING TENEMENTS

In August 2021 (prior year), the Company purchased an 80% interest in the Cuddingwarra and Big Bell South Projects from Golden State Mining Limited (**GSM**). GSM has retained a 20% interest in the Cuddingwarra and Big Bell South Projects and is free-carried to completion of a pre-feasibility study. The projects are located northwest of the Company's Island Gold Project in the Murchison Region.

The consideration for the acquisition of the projects as follows:

- Exclusivity Payment: a non-refundable \$30,000 cash payment;
- Share Issue: 2,500,000 shares in the Company;
- Payment: \$170,000 paid in cash; and
- Options Issue: 250,000 options in the Company.

The following components of the consideration have been capitalised as *Exploration and evaluation costs* in the financial statements:

	\$
Exclusivity fee ⁽¹⁾	30,000
Fair value of 2,500,000 shares in Caprice Resources Ltd	500,000
Cash payment	170,000
250,000 options in Caprice Resources Ltd	27,750
Stamp duty paid on acquisition	36,403
Total consideration paid	764,153

¹ Exclusivity fee paid 19 May 2021 and accounted for as capitalised *Exploration and evaluation costs* during the year ended 30 June 2021.

In December 2021 (prior year), the Company purchased a 100% interest in the Yungaro Project from Belres Pty Ltd. The project is located in the Northampton Region, significantly expanding the area of the Northampton Project.

The consideration for the acquisition of the projects as follows:

- Exclusivity Payment: a non-refundable \$40,000 cash payment; and
- Share Issue: 1,135,136 shares in the Company.

The following components of the consideration have been capitalised as *Exploration and evaluation costs* in the financial statements:

	\$
Exclusivity fee	40,000
Fair value of 1,135,136 shares in Caprice Resources Ltd	210,000
Total consideration paid	250,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 11: ACQUISITION OF MINING TENEMENTS (continued)

In December 2022, the Company purchased a 100% interest in the Mukinbudin Project from Syndicate Minerals Pty Ltd and Curiosity Exploration Pty Ltd consisting of one exploration licence. The Project is located in the northeast of Perth in the Wheatbelt Region.

The consideration for the acquisition of the project as follows:

- Share Issue: 7,777,778 shares in the Company;
- Options Issue: 22,000,000 options in the Company.

The following components of the consideration have been capitalised as *Exploration and evaluation costs* in the financial statements:

	\$
Fair value of 7,777,778 shares in Caprice Resources Ltd	420,000
22,000,000 options in Caprice Resources Ltd	387,919
Stamp duty on acquisition (estimated)	16,330
Total consideration paid	824,249

The acquisition of the projects has been accounted for as an acquisition of an asset on the basis that it does not constitute a business as defined by *AASB 3 Business Combinations*.

NOTE 12: PLANT AND EQUIPMENT

	Furniture & Fixtures \$	Computer Equipment \$	Total \$
At 30 June 2023			
At cost	13,995	7,056	21,051
Accumulated depreciation	(2,615)	(3,907)	(6,522)
	11,380	3,149	14,529
<i>Movements in carrying value</i>			
Balance 1 July 2022	12,780	5,683	18,463
Additions	-	-	-
Disposals	-	-	-
Depreciation expense for the year	(1,400)	(2,534)	(3,934)
Balance at 30 June 2023	11,380	3,149	14,529
At 30 June 2022			
At cost	13,995	11,115	25,110
Accumulated depreciation	(1,215)	(5,432)	(6,647)
	12,780	5,683	18,463
<i>Movements in carrying value</i>			
Balance 1 July 2021	-	8,462	8,462
Additions	13,995	-	13,995
Disposals	-	-	-
Depreciation expense for the year	(1,215)	(2,779)	(3,994)
Balance at 30 June 2022	12,780	5,683	18,463

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 13: TRADE AND OTHER PAYABLES

	2023	2022
	\$	\$
Trade creditors	83,862	53,959
Accrued expenses	71,465	19,600
Other payables	50,259	159,157
	205,586	232,716

NOTE 14: CONTRIBUTED EQUITY

a. Share capital

	2023	2022
	\$	\$
Fully paid ordinary shares – 116,756,931 (2022: 82,223,473)	18,162,148	16,487,929
Total share capital	18,162,148	16,487,929

b. Movements in ordinary share capital:

Date	Details	Number of Shares	Issue Price	\$
1 July 2021	Balance at 1 July 2021	66,088,337		13,914,054
2 August 2021	Shares issued as part consideration for acquisition of Cuddingwarra and Big Bell South Projects	2,500,000	0.20 ⁽¹⁾	500,000
10 December 2021	Shares issued as part consideration for acquisition of Yungaro Project	1,135,136	0.185 ⁽²⁾	210,000
11 February 2022	Shares issued via placement	12,500,000	0.16	2,000,000
	Less Transaction costs	-		(136,125)
30 June 2022	Balance at 30 June 2022	82,223,473		16,487,929
22 December 2022	Shares issued via placement (tranche 1)	20,555,680	0.050	1,027,784
20 March 2023	Shares issued as part consideration for acquisition of Mukinbudin Project	7,777,778	0.054 ⁽³⁾	420,000
14 April 2023	Shares issued via placement (tranche 2)	6,200,000	0.050	310,000
	Less Transaction costs	-		(83,565)
30 June 2023	Balance at 30 June 2023	116,756,931		18,162,148

1 Fair value of shares issued as at 2 August 2021.

2 Fair value of shares issued as at 10 December 2021.

3 Fair value of shares issued as at 20 March 2023.

Ordinary shares

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 14: CONTRIBUTED EQUITY (continued)

Share buy-back

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

Dividends

There were no dividends paid or declared during the year.

Capital risk management

When managing capital, management's objective is to ensure the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group. In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares, enter into joint ventures or sell assets.

The Group is not subject to any externally imposed capital requirements.

NOTE 15: RESERVES

	2023	2022
	\$	\$
Reserves		
Options and performance rights	2,427,525	1,885,275
Movements:		
<i>Options</i>		
Opening balance	1,885,275	1,602,251
Share based payments (Note 16)	200,925	255,274
Expired performance rights transferred to accumulated losses	(46,594)	-
Options issued as consideration for tenement	387,919	27,750
Closing balance	2,427,525	1,885,275

Nature and purpose of reserves – options

The options reserve recognises the grant date fair value of options issued but not exercised.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 16: SHARE BASED PAYMENTS

During the year ended 30 June 2023, the following share-based payments totaling \$588,844 (2022: \$283,024) were made, consisting of \$200,925 (2022: \$255,274) expensed to the Statement of Profit or Loss and Other Comprehensive Income and \$387,919 (2022: \$27,750) capitalised as tenement acquisition costs.

Options

The options have been valued by the Directors using the Black-Scholes option pricing model based on the following:

30 June 2023	Consideration Options¹	Consideration Options¹
Underlying value of the security	\$0.055	\$0.055
Exercise price	\$0.100	\$0.200
Grant date	16/03/2023	16/03/2023
Expiry date	20/03/2026	20/03/2026
Life of Options in years	3.01	3.01
Volatility	85.60%	85.60%
Risk free rate	2.85%	2.85%
Number of Options	7,000,000	15,000,000
Valuation per Option	\$0.02332	\$0.01498
Valuation	\$163,216	\$224,703
Share based payment expense per statement of profit or loss	-	-

1 Consideration for acquisition of tenement (Mukinbudin Project)

30 June 2022	Consideration Options¹	Employee Incentive Options #1	Employee Incentive Options #2	Employee Incentive Options #3
Underlying value of the security	\$0.200	\$0.185	\$0.185	\$0.185
Exercise price	\$0.250	\$0.400	\$0.600	\$0.800
Grant date	02/08/2021	20/12/2021	20/12/2021	02/08/2021
Expiry date	02/08/2024	20/12/2024	20/12/2024	02/08/2024
Life of options/performance rights in years	3.00	3.00	3.00	3.00
Volatility	97%	97%	97%	97%
Risk free rate	0.14%	0.96%	0.96%	0.96%
Number of options/performance rights	250,000	50,000	33,333	25,000
Valuation per options/performance rights	\$0.1110	\$0.0823	\$0.0669	\$0.0564
Valuation	\$27,750	\$4,115	\$2,230	\$1,410
Share based payment expense per statement of profit or loss	-	\$4,115	\$2,230	\$1,410

1 Consideration for acquisition of tenements (Cuddingwarra and Big Bell South Projects)

Shares

During the year ended 30 June 2023, no shares were issued as share based payments (2022: Nil).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 16: SHARE BASED PAYMENTS (continued)

Performance Rights

The performance rights have been valued by the Directors using the Black-Scholes option pricing model based on the fair value for each class of performance right and the discount applied to share price at grant date to reflect market based vesting condition.

During the year ended 30 June 2023, no performance rights were issued. In 2022, 1,750,000 performance rights were issued which lapsed in 2023:

2022	Expiry date	Life of Options in Years	Number of Rights	Barrier Price / Probability applied for Performance Rights with non-market based vesting conditions	Valuation per Right	Total Fair Value
Underlying value of the security	\$0.185					
Exercise price	Nil					
Grant date	20/12/21					
Volatility	97%					
Risk free rate	0.96%					
<i>Performance Right:</i>						
<i>Class H</i> ¹	20/12/24	3	250,000	100%	\$0.185	\$46,250
<i>Class I</i> ¹	20/12/25	4	500,000	100%	\$0.185	\$92,500
<i>Class J</i> ¹	20/12/25	4	750,000	100%	\$0.185	\$138,750
<i>Class K</i> ¹	20/12/24	3	250,000	100%	\$0.185	\$46,250
			1,750,000			\$323,750

¹ Performance rights lapsed as vesting conditions were not satisfied.

Movements in performance rights during the year ended 30 June 2023 are shown in the table below:

Class	Grant date	Expiry date	Balance 1-Jul-22	Granted/ (Cancelled) during the year	Converted during the year	Balance 30-Jun-23
A	27/4/21	27/4/24	150,000	-	-	150,000
B	27/4/21	27/4/24	250,000	-	-	250,000
C	27/4/21	27/4/24	350,000	-	-	350,000
D	27/4/21	27/4/24	250,000	-	-	250,000
E	27/4/21	27/4/25	500,000	-	-	500,000
F	27/4/21	27/4/26	750,000	-	-	750,000
G	27/4/21	27/4/26	1,500,000	-	-	1,500,000
H	20/12/21	20/12/24	250,000	(250,000)	-	-
I	20/12/21	20/12/25	500,000	(500,000)	-	-
J	20/12/21	20/12/25	750,000	(750,000)	-	-
K	20/12/21	20/12/24	250,000	(250,000)	-	-
			5,500,000	(1,750,000)	-	3,750,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 16: SHARE BASED PAYMENTS (continued)

Vesting Conditions are shown in the table below:

Class	Vesting Condition - vesting will occur:	Number
A	30 Day VWAP at any time after the date of issue exceeds \$0.75	150,000
B	30 Day VWAP at any time after the date of issue exceeds \$1.00	250,000
C	30 Day VWAP at any time after the date of issue exceeds \$1.25	350,000
D	The Company announces an Inferred, Indicated or Measured Resource (as defined in the JORC Code) of no less than 250,000(oz) of gold or gold equivalent at a minimum grade of 2.0 g/t of gold or gold equivalent	250,000
E	The Company announces an Inferred, Indicated or Measured Resource (as defined in the JORC Code) of no less than 500,000(oz) of gold or gold equivalent at a minimum grade of 2.0 g/t of gold or gold equivalent	500,000
F	The Company announces an Inferred, Indicated or Measured Resource (as defined in the JORC Code) of no less than 750,000(oz) of gold or gold equivalent at a minimum grade of 2.0 g/t of gold or gold equivalent	750,000
G	The Company announces an Inferred, Indicated or Measured Resource (as defined in the JORC Code) of no less than 1,000,000(oz) of gold or gold equivalent at a minimum grade of 2.0 g/t of gold or gold equivalent	1,500,000
H	The Company announces an Inferred, Indicated or Measured Resource (as defined in the JORC Code) of no less than 250,000(oz) of gold or gold equivalent at a minimum grade of 2.0 g/t of gold or gold equivalent	250,000
I	The Company announces an Inferred, Indicated or Measured Resource (as defined in the JORC Code) of no less than 500,000(oz) of gold or gold equivalent at a minimum grade of 2.0 g/t of gold or gold equivalent	500,000
J	The Company announces an Inferred, Indicated or Measured Resource (as defined in the JORC Code) of no less than 750,000(oz) of gold or gold equivalent at a minimum grade of 2.0 g/t of gold or gold equivalent	750,000
K	Completion 2 years of service	250,000

A summary of the fair value of share-based payments expensed during the year to the Statement of Profit or Loss and Other Comprehensive Income is shown in the table below:

	2023		2022	
	Fair Value	\$	Fair Value	\$
<i>Options</i>				
Employee Incentive Options		-		7,755
		-		7,755
Performance Rights (pro rata expense over vesting period)	200,925		247,519	
	200,925		255,274	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 16: SHARE BASED PAYMENTS (continued)

Class	Grant date	Expiry date	No. of performance rights	Fair value per performance right	Total fair value of performance rights issued	Expense to Statement of Profit or Loss for the year ¹
				(\$)	(\$)	(\$)
A	27/4/21	27/4/24	150,000	0.1726	25,890	8,621
B	27/4/21	27/4/24	250,000	0.1496	37,400	12,457
C	27/4/21	27/4/24	350,000	0.1318	46,130	15,366
D	27/4/21	27/4/24	250,000	0.25	62,500	20,817
E	27/4/21	27/4/25	500,000	0.25	125,000	31,228
F	27/4/21	27/4/26	750,000	0.25	187,500	37,480
G	27/4/21	27/4/26	1,500,000	0.25	375,000	74,956
Total			3,750,000		859,420	200,925

Class	Grant date	Expiry date	No. of performance rights	Fair value per performance right	Total fair value of performance rights issued	Expense to Statement of Profit or Loss for the year ¹
				(\$)	(\$)	(\$)
H ²	20/12/21	20/12/24	250,000	0.185	46,250	-
I ²	20/12/21	20/12/25	500,000	0.185	92,500	-
J ²	20/12/21	20/12/25	750,000	0.185	138,750	-
K ²	20/12/21	20/12/24	250,000	0.185	46,250	-
Total			1,750,000		323,750	-

1 Performance rights are expensed on a straight-line basis over the vesting period.

2 Performance rights lapsed as vesting conditions were not satisfied. Performance rights expensed of \$46,594 during 30 June 2022 has been reversed against accumulated losses.

NOTE 17: COMMITMENTS

a. Mineral exploration expenditure

The Group must meet the following tenement expenditure commitments to maintain its tenements in good standing until they are joint ventured, sold, reduced, relinquished, exemptions from expenditure are applied or are otherwise disposed of. These commitments are not provided for in the financial statements and are as follows.

	2023	2022
	\$	\$
Not later than one year	891,590	720,100
After one year but less than five years	1,839,610	1,930,090
	2,731,200	2,650,190

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 17: COMMITMENTS (continued)

b. Right of use asset

The Company entered into an office lease for an initial term of 3 years commencing from 1 July 2021, and an office equipment lease for a term of 3 years commencing 27 August 2022.

	2023	2022
	\$	\$
Opening balance	71,445	-
Additions	-	106,742
Depreciation	(35,509)	(35,297)
	<u>35,936</u>	<u>71,445</u>

c. Lease liabilities

	2023	2022
	\$	\$
Current liability	38,437	35,471
Non-current liability	467	39,269
	<u>38,904</u>	<u>74,740</u>

	2023	2022
	\$	\$
Opening balance	74,740	-
Initial recognition of new leases	-	106,742
Interest	3,520	5,639
Principal	(39,356)	(37,641)
	<u>38,904</u>	<u>74,740</u>

NOTE 18: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The following components of the consideration of Goldview Metals Pty Ltd are disclosed as contingent liabilities:

- Royalty: Goldview's major shareholder, Michael Caruso, will retain a 1.5% Net Profit After Tax (NPAT) royalty over material processed from the Island Gold Project. The Company has the right to purchase the 1.5% NPAT royalty for \$1,500,000 at any time before the commencement of production; and
- Milestone payment: 5,000,000 shares in the Company to be issued to shareholders of Goldview or their nominees upon reporting to the ASX a mineral resource in accordance with the JORC 2012 Edition Guidelines of a minimum of 250,000 ounces of gold at a minimum grade of 2.0 g/t of gold.

The following components of the consideration for the acquisition of the Yungara Project from Belres Pty Ltd are disclosed as contingent liabilities:

- Royalty: Belres Pty Ltd will retain a 2.5% Net Profit After Tax (NPAT) smelter royalty over any product extracted and sold, removed or disposed of from the Yungara Project.
- Cash Payment: Belres Pty Ltd will receive a cash payment of \$250,000 on completion of a positive Pre-Feasibility Study.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 18: CONTINGENT LIABILITIES AND CONTINGENT ASSETS (continued)

The following components of the consideration for the acquisition of the Cuddingwarra and Big Bell South Gold Projects from Golden State Mining Ltd (GSM) are disclosed as contingent liabilities:

- Royalty: GSM's retained 20% ownership over the projects will be free-carried through to completion of a pre-feasibility study after which point GSM can elect to contribute or dilute. Should GSM elect to dilute below 10% Project ownership their interest will convert into a 2% Net Smelter Royalty (NSR) royalty, with Caprice able to buy-back the royalty for a cash payment of \$5,000,000.
- Caprice has first right of refusal should GSM elect to dispose of its Project ownership.

The Group has no other contingent liabilities or contingent assets as at 30 June 2023 (2022: Nil).

NOTE 19: EVENTS AFTER THE REPORTING PERIOD

On 31 August 2023, the Company announced changes to the Board. Andrew Muir tendered his resignation as Managing Director of the Company with the Board appointing Mr Philip Re as Non-Executive Director effective immediately.

There are no other matters or circumstances that have arisen since the end of the financial year that significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

NOTE 20: LOSS PER SHARE

	2023 \$	2022 \$
Loss per share from continuing operations attributable to the ordinary equity holders of the Company:		
Basic/diluted loss per share in cents from continuing operations	(1.27)	(1.85)
Weighted average number of ordinary shares used in the calculation of basic/diluted loss per share	96,499,763	73,684,043
Basic/diluted loss from continuing operations	(1,266,891)	(1,366,052)

The 33,074,999 options on issue at 30 June 2023 (2022: 13,833,332) were anti-dilutive, and therefore diluted loss per share was the same as basic loss per share.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 21: CASH FLOW INFORMATION

a. Reconciliation of cash flow from operations with loss after income tax

	2023 \$	2022 \$
Loss after income tax	(1,226,891)	(1,366,052)
Non-cash flows in loss:		
Depreciation	39,443	39,291
Share based payments expense	200,925	255,274
Changes in assets and liabilities net of effects of purchase of subsidiaries:		
Movement in trade and other receivables	30,313	81,467
Movement in prepayments	(19,918)	2,290
Movement in provisions	1,893	25,251
Movement in trade and other payables	54,585	38,099
Net cash used in operating activities	(919,650)	(924,380)

b. Non-cash financing and investing activities

The Company issued 7,777,778 (2022: 3,635,136) shares as part consideration for tenement acquisitions as detailed in Note 11.

NOTE 22: DETAILS OF CONTROLLED ENTITY

Information about Subsidiary

	Country of Incorporation	Percentage Owned %	
		2023	2022
Parent Entity:			
Caprice Resources Limited	Australia		
Subsidiary of Caprice Resources Limited:			
Goldview Metals Pty Ltd ¹	Australia	100	100

¹ Goldview Metals Pty Ltd was acquired in October 2020.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 23: FINANCIAL INSTRUMENTS

Financial Risk Management

The Group's principal financial instruments are Cash and cash equivalents, Trade and other receivables, and Trade and other payables.

Overview

The Group has exposure to the following financial risks from their use of financial instruments:

- liquidity risk
- credit risk
- market risk (interest rate risk)

This note presents information about the Group's exposure to each of the above risks. The Group had nominal foreign exchange risk for 2023 and 2022. The Group had insignificant foreign currency transactions or balances.

Financial Risk Management Policies

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established by the Board of Directors to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

	2023	2022
	\$	\$
Financial Assets		
Cash and cash equivalents	685,771	1,958,751
Trade and other receivables	39,337	50,750
	725,108	2,009,501
Financial Liabilities		
Trade and other payables	205,586	232,716
	205,586	232,716

Liquidity Risk and Liquidity Risk Management

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure that it will have sufficient cash to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of credit facilities or other fund-raising initiatives.

The Board frequently reviews budget variance analyses that include working capital projections to monitor working capital requirements and optimise cash utilisation.

The Group continuously monitors forecast and actual cash flows and the maturity profiles of financial assets and financial liabilities to manage its liquidity risk.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 23: FINANCIAL INSTRUMENTS (continued)

The following are the contractual maturities of financial liabilities:

At 30 June 2023						
Non-derivative financial liabilities:	Weighted average interest rate %	Carrying Amount	Under 6 Months	6 – 12 Months	1 - 2 years	2 – 5 years
Trade and other payables (Note 13)	-	205,586	205,586	-	-	-
		205,586	205,586	-	-	-

At 30 June 2022						
Non-derivative financial liabilities:	Weighted average interest rate %	Carrying Amount	Under 6 Months	6 – 12 Months	1 – 2 years	2 – 5 years
Trade and other payables (Note 13)	-	232,716	232,716	-	-	-
		232,716	232,716	-	-	-

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

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

Credit Risk

Credit risk refers to the risk that counterparties will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

Banks and financial institutions are chosen only if they are independently rated parties with a minimum rating of 'A'.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

Market risk- Interest Rate Risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 23: FINANCIAL INSTRUMENTS (continued)

2023	Weighted Average Interest Rate %	Floating Interest Rate \$	Fixed Interest Maturing in 1 Year or Less \$	Fixed Interest Maturing in over 1 Year \$	Non- Interest Bearing \$	Total \$
Financial Asset						
Cash and cash equivalents	1.50%	685,771	-	-	-	685,771
Trade and other receivables	-	-	-	-	39,337	39,337
Financial Liabilities						
Trade and other payables	-	-	-	-	(205,586)	(205,586)
Net Financial Assets		685,771	-	-	(166,249)	519,522

2022	Weighted Average Interest Rate %	Floating Interest Rate \$	Fixed Interest Maturing in 1 Year or Less \$	Fixed Interest Maturing in over 1 Year \$	Non- Interest Bearing \$	Total \$
Financial Asset						
Cash and cash equivalents	0.01%	1,958,751	-	-	-	1,958,751
Trade and other receivables	-	-	-	-	50,750	50,750
Financial Liabilities						
Trade and other payables	-	-	-	-	(232,716)	(232,716)
Net Financial Assets		1,958,751	-	-	(181,966)	1,776,785

The following tables summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate risk:

2023	Carrying Amount \$	-1% Profit \$	Equity \$	+1% Profit \$	Equity \$
Cash and cash equivalents	685,771	(6,858)	(6,858)	6,858	6,858
Total increase/(decrease)		(6,858)	(6,858)	6,858	6,858

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 23: FINANCIAL INSTRUMENTS (continued)

2022	Carrying Amount	-1%		+1%	
		Profit	Equity	Profit	Equity
	\$	\$	\$	\$	\$
Cash and cash equivalents	1,958,751	(19,588)	(19,588)	19,588	19,588
Total increase/(decrease)		(19,588)	(19,588)	19,588	19,588

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, and ageing analysis for credit risk.

Risk management is carried out by the Board of Directors. These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits.

NOTE 24: INTERESTS OF KEY MANAGEMENT PERSONNEL

Refer to the remuneration report contained in the Directors' Report for additional details of the remuneration paid or payable to each member of the Group's key management personnel (**KMP**) for the year ended 30 June 2023.

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

	Short-Term Benefits	Post-Employment Benefits	Share-Based Payments	Total KMP Compensation
	\$	\$	\$	\$
2023	438,000	40,950	200,925	679,875
2022	442,516	39,452	200,925	682,893

Other KMP Transactions

For details of other transactions with KMP, refer to Note 25 Related Party Transactions and Balances.

NOTE 25: RELATED PARTY TRANSACTIONS AND BALANCES

The Group's only related entities are the key management personnel. Key management personnel are any people having authority and responsibility for planning, controlling, and directing the activities of the entity, directly or indirectly, including any director (whether executive or otherwise). The Group has determined that the only key management personnel are the directors and company secretary.

Civil and Mining Earthmoving (director-related entity of Non-Executive Director Michael Caruso), received \$5,400 (2022: \$56,400) for labour and excavator hire in relation to exploration activities at the Island Gold Project.

Discovery Capital Partners (director-related entity of Non-Executive Director Adam Miethke) received \$80,000 (2022: \$150,000) for corporate advisory services and \$63,209 (2022: Nil) for capital raising fees.

All transactions with related parties have been entered into on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

NOTE 26: PARENT ENTITY DISCLOSURES

	2023 \$	2022 \$
Statement of Financial Position		
Assets		
Current assets	789,498	2,037,709
Non-current assets	13,803,755	11,549,279
Total assets	15,082,495	13,586,988
Liabilities		
Current liabilities	280,215	271,320
Non-current liabilities	467	39,269
Total liabilities	280,682	310,589
Equity		
Issued capital	18,162,148	16,487,929
Reserves	2,427,525	1,885,275
Accumulated losses	(6,277,102)	(5,096,805)
Total equity	14,312,571	13,276,399
Statement of Profit or Loss and Other Comprehensive Income		
Loss for the year	(1,226,891)	(1,367,126)
Total comprehensive loss for the year	(1,226,891)	(1,367,126)

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

The parent entity has not entered into any guarantees in the current or previous financial year in relation to the debts of its subsidiary.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

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

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DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Caprice Resources Ltd, the Directors of the Company declare that:

1. the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2.
 - a. the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
 - b. the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2023 and of the performance for the year ended on that date;
3. 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.

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

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



David Church

Non-Executive Chairman

Dated this 28 day of September 2023

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CAPRICE RESOURCES LIMITED**

Opinion

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

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

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

Basis for Opinion

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

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material Uncertainty related to Going Concern

We draw attention to Note 1, which indicates that the Group incurred a loss of \$1,226,891 and had net cash outflows from operating activities of \$919,650 and from investing activities of \$1,571,713 for the year ended 30 June 2023. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty related to Going Concern* section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
<p>Exploration and evaluation assets Refer to Note 10 in the financial report</p>	
<p>The Group has capitalised exploration and evaluation expenditure with a carrying value of \$13,753,290 at the reporting date.</p> <p>We considered this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the asset including:</p> <ul style="list-style-type: none"> • Determining whether the expenditure can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest; • Determining whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be assessed; and • Assessing whether any indicators of impairment are present, and if so, judgments applied to determine and quantify any impairment loss. 	<p>Our audit procedures in relation to the carrying value of exploration and evaluation expenditure included:</p> <ul style="list-style-type: none"> • Assessing the Group’s accounting policy for compliance with Australian Accounting Standards; • Assessing whether the Group’s right to tenure of each relevant area of interest is current; • Agreeing, on a sample basis, additions of capitalised exploration and evaluation expenditure to supporting documentation, including assessing whether amounts are capital in nature and relate to the relevant area of interest; • Assessing and evaluating management’s assessment that no indicators of impairment existed at the reporting date; • Assessing management’s determination that exploration and evaluation activities have not yet reached a stage where the existence or otherwise of economically recoverable reserves may be reasonably determined; • Enquiring with management and reading budgets and other supporting documentation to corroborate that active and significant operations in, or relation to, each relevant area of interest will be continued in the future; and • Assessing the appropriateness of the disclosures in the financial report.

Other Information

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

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

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

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

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Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

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

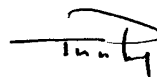
In our opinion, the Remuneration Report of Caprice Resources Limited, for the year ended 30 June 2023, complies with section 300A of the Corporations Act 2001.

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.

A stylized, handwritten-style signature of 'RSM' in black ink.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read 'Tutu Phong'.

TUTU PHONG
Partner

Perth, WA
Dated: 28 September 2023

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ASX Additional Information

Shareholder Information

The following information is based on share registry information processed up to 24 October 2023.

Distribution of Fully Paid Ordinary Shares

The number of holders, by size of holding, for fully paid ordinary shares, including shares subject to voluntary escrow, in the Company is:

Spread of Holders	Number of Holders	Number of Shares
1 – 1,000	32	4,418
1,001 – 5,000	103	341,319
5,001 – 10,000	99	799,068
10,001 – 100,000	333	13,090,859
100,001 and over	146	102,521,267
Total	713	116,756,931

There are 287 holders of unmarketable parcels comprising a total of 1,775,792 ordinary shares amounting to 1.52% of issued capital.

Twenty Largest Holders of Quoted Shares (ungrouped)

	Shareholder	Number Held	%
1	Mr Victor Michael Caruso	9,604,606	8.23
2	Two Tops Pty Ltd	5,000,000	4.28
3	Syndicate Minerals Pty Ltd	4,000,000	3.43
4	Jindabyne Capital Pty Ltd <Providence Equity A/C>	3,500,000	3.00
5	Inyati Fund Pty Ltd	3,129,167	2.68
6	Mr Phillip Richard Perry	3,030,000	2.60
7	Syndicate Minerals Pty Ltd	2,916,667	2.50
8	Highland Company Pty Ltd <Highland A/C>	2,131,017	1.83
9	Mr Victor Michael Caruso <The Island Gold A/C>	1,952,937	1.67
10	6466 Investments Pty Ltd	1,820,170	1.56
11	Mr Dennis Graham Hulse	1,750,000	1.50
12	6466 Investments Pty Ltd	1,692,440	1.45
13	Mandolin Nominees Pty Ltd <TJ Cowcher Family A/C>	1,615,000	1.38
14	BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient>	1,588,737	1.36
15	Mr Scott David Deakin <Deakin Family A/C>	1,574,848	1.35
16	Discovery Services Pty Ltd <Discovery Capt Inv Unit A/C>	1,461,865	1.25
17	Curiosity Exploration Pty Ltd	1,458,334	1.25
18	Curiosity Exploration Pty Ltd	1,458,333	1.25
19	Mr Timothy Douglas Cottee	1,420,000	1.22
20	Atkins Superannuation Fund Pty Ltd <Atkins Super A/C>	1,350,000	1.16
	Total	52,454,121	44.93

There are 116,756,931 ordinary fully paid shares currently listed on the Australian Securities Exchange held by 713 shareholders. There is no current on-market buy back taking place.

Substantial Holders

The Company notes the substantial securityholders are Mr Victor Michael Caruso, who holds 11,757,543 shares representing 10.07% of issued capital and Syndicate Minerals Pty Ltd which holds 6,916,667 shares representing 6.78% of issued capital.

Voting Rights - Fully Paid Ordinary Shares

Every shareholder present in person or by proxy, attorney or representative has one vote on a show of hands, and on a poll, one vote for each fully paid share.

Unquoted Equity Securities

Quantity	Class	Number of Holders
4,250,000	Options exercisable at \$0.3894 each on or before 10 December 2023	5
6,249,999	Options exercisable at \$0.30 each on or before 31 March 2024	72
125,000	Options exercisable at \$0.25 each on or before 2 August 2024	1
125,000	Options exercisable at \$0.25 each on or before 2 August 2024	1
7,000,000	Options exercisable at \$0.10 each on or before 20 March 2026	4
15,000,000	Options exercisable at \$0.20 each on or before 20 March 2026	4

Holdings of Unquoted Securities Holding More than 20% of Each Class

Class	Holder	Number
Options exercisable at \$0.3894 each on or before 10 December 2023	Mr Victor Michael Caruso	1,000,000
	Highland Company Pty Ltd	1,000,000
	Valtellin Pty Ltd	1,000,000
	Horizon Investment Services Pty Ltd	1,000,000
Options exercisable at \$0.25 each on or before 2 August 2024	Golden State Mining Limited	125,000
	Golden State Mining Limited	125,000
Options exercisable at \$0.10 each on or before 20 March 2026	Curiosity Exploration Pty Ltd	2,625,000
	Syndicate Minerals Pty Ltd	2,625,000
Options exercisable at \$0.20 each on or before 20 March 2026	Curiosity Exploration Pty Ltd	5,625,000
	Syndicate Minerals Pty Ltd	5,625,000

Company Secretary

Ms Oonagh Malone

Registered Office

Level 3, 10 Outram Street, West Perth WA 6005

Telephone: +61 8 6142 0987

Share Registry

Automic Registry Services
 126 Phillip Street, Sydney NSW 2000

Telephone: 1300 992 916

Schedule of Mining Tenements

Project	Licence Number	Location	Interest
Island Gold	M 21/66	Western Australia	100%
	M 21/140	Western Australia	100%
	E 21/186	Western Australia	100%
Northampton	E 66/98	Western Australia	100%
	E 66/99	Western Australia	100%
	E 66/111	Western Australia	100%
	E 66/112	Western Australia	100%
	E 66/113	Western Australia	100%
	E 66/106	Western Australia	100%
	E 70/5677	Western Australia	100%
Wild Horse Hill	EL 30951	Northern Territory	100%
	EL 30964	Northern Territory	100%
Big Bell South	E 21/0193	Western Australia	80%
Cuddingwarra	E 21/0192	Western Australia	80%
	P 20/2256	Western Australia	80%
	P 20/2257	Western Australia	80%
	P 20/2258	Western Australia	80%
	P 20/2259	Western Australia	80%
	P 20/2260	Western Australia	80%
	P 20/2261	Western Australia	80%
	P 20/2262	Western Australia	80%
	P 20/2263	Western Australia	80%
	P 20/2264	Western Australia	80%
	P 20/2265	Western Australia	80%
	P 20/2266	Western Australia	80%
	P 20/2267	Western Australia	80%
	P 20/2268	Western Australia	80%
	P 20/2269	Western Australia	80%
	P 20/2272	Western Australia	80%
	P 20/2273	Western Australia	80%
P 20/2274	Western Australia	80%	
P 20/2275	Western Australia	80%	
P 20/2382	Western Australia	80%	
Mukinbudin	E 70/5939	Western Australia	100%
	E 70/6519	Western Australia	Application – 100%
	E 70/6520	Western Australia	Application – 100%

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