



**yari minerals**

**ABN 27 118 554 359**

**ANNUAL REPORT**

**Year ended 31 December 2023**

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## CORPORATE DIRECTORY

**DIRECTORS** Mr Brad Marwood – Non-executive Chairman  
Mr Anthony Italiano – Managing Director  
Mrs Angela Pankhurst – Non-executive Director

**COMPANY SECRETARY** Mr Rudolf Tielman

**PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE** 4/420 Bagot Rd,  
SUBIACO WA 6008

**SHARE REGISTRY** Automic  
Level 5, 191 St Georges Terrace  
PERTH WA 6000

**SECURITIES EXCHANGE (ASX: YAR)** Australian Securities Exchange  
Level 40  
152-158 St George's Terrace  
PERTH WA 6000

**SOLICITORS** AGH Law  
Level 2, 66 Kings Park Road  
WEST PERTH WA 6005

**AUDITORS** HLB Mann Judd (WA Partnership)  
Level 4  
130 Stirling Street  
PERTH WA 6000

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## CHAIRMAN'S LETTER

Dear Fellow Yari Minerals Shareholders,

2023 was a year of significant progress for Yari Minerals Limited, with the completion of the sale of the Plomosas Mine, Mexico on 3 April 2023 realising value of US\$6.0 million plus a future 12.0% net profit income royalty to expand into the battery minerals sector targeting our portfolio of projects highly prospective for lithium and rare earths in the Pilbara region of Western Australia.

I am personally very excited by the exploration prospectivity of the Pilbara Lithium Projects, particularly the South Wodgina projects, which add lithium and rare earths potential to future zinc and lead 12.0% net profit royalty income from the Plomosas Mine, diversifying the portfolio of battery minerals the Company has exposure to.

The key exploration activities completed during the year was the acquisition of Worldview-3 and an Airborne Magnetic and Radiometric Geophysical survey at South Wodgina, pending full land access permits to be issued by the Aboriginal Lands Trust.

This interpretation of the Airborne Magnetic and Radiometric Geophysical survey has been overlaid with the high-resolution Worldview-3 satellite spectral data and existing gravity and soil geochemistry to delineate and prioritise an initial 63 quality targets that require ground inspection during the field phase of the exploration program.

The detailed airborne magnetic and radiometric survey has been very useful in delineating targets, emphasising the prospectivity of the South Wodgina Project, and significantly improving our geological knowledge and understanding of the area. This work positions the Company well to commence on ground exploration activities upon the issue of the required land access permits to South Wodgina by the Aboriginal Lands Trust.

I would like to take this opportunity to thank all of our current employees for their exemplary efforts during the difficulties of operating a mine in Mexico during COVID-19 and to our former colleagues and friends at the Plomosas Mine, Mexico our best wishes for your future under the leadership of Impact Silver Corp.

Your Sincerely



Brad Marwood  
Non-executive Chairman

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**REVIEW OF OPERATIONS**

**PILBARA LITHIUM PROJECTS – PILBARA, WESTERN AUSTRALIA**

The Pilbara Projects are highly prospective for lithium and situated near two of the world's largest producing hard rock lithium deposits/mines (Pilgangoora and Wodgina) and the Archer Project near Marble Bar.

**Marble Bar Projects**

The Marble Bar Project consists of three granted tenements covering a total area of 658 km<sup>2</sup>.

**Licensing**

The Fig Tree exploration license EL45/5972 was granted in February 2023 adding 188km<sup>2</sup> to the Marble Bar Project area. The Figtree licence is located approximately 22km south of Global Lithium Ltd' Archer deposit which has a mineral resource of 18Mt @1.0% Li<sub>2</sub>O.

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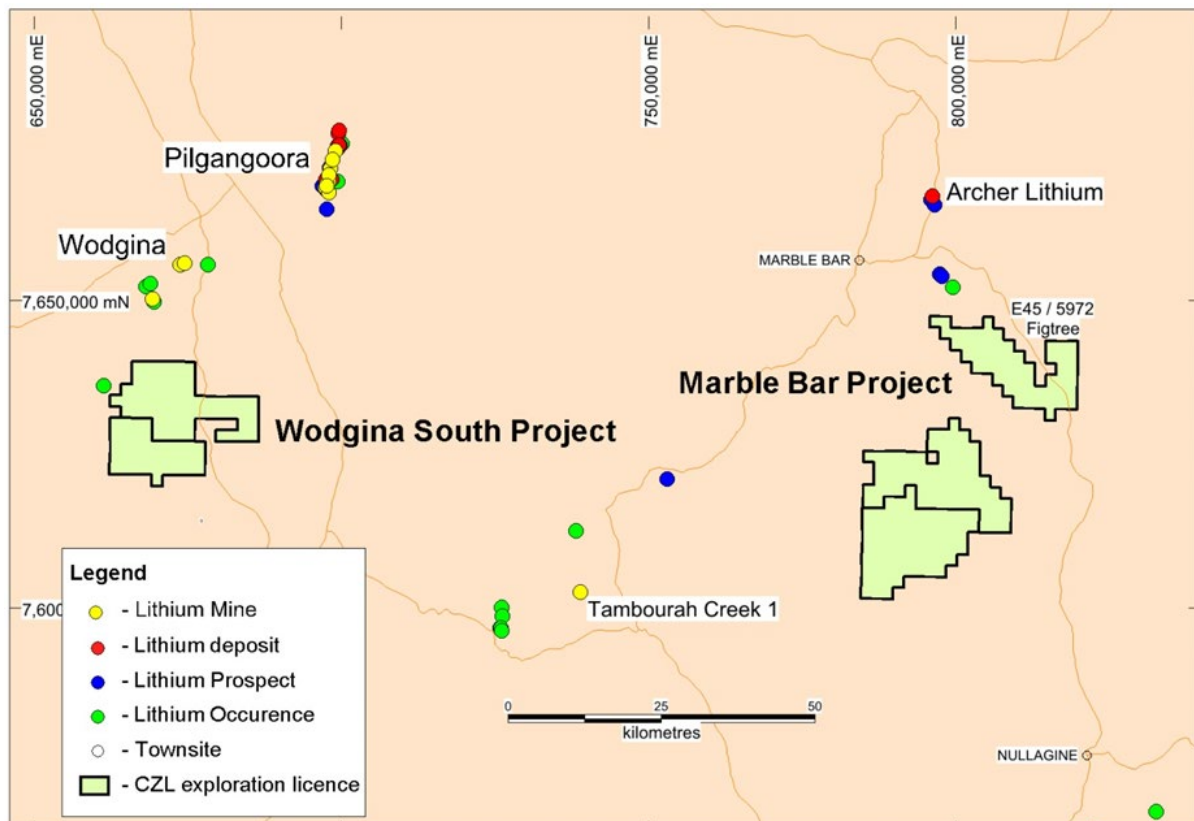


Figure 1. Fig Tree exploration license EL45/5972 location.

**Surface Geochemistry Results**

Geochemical results from Yari Mineral’s reconnaissance program that was completed in the last quarter of 2022 at the Camel Creek, Ant Hill and Fig Tree licenses were received and incorporated into the Yari Geological database.

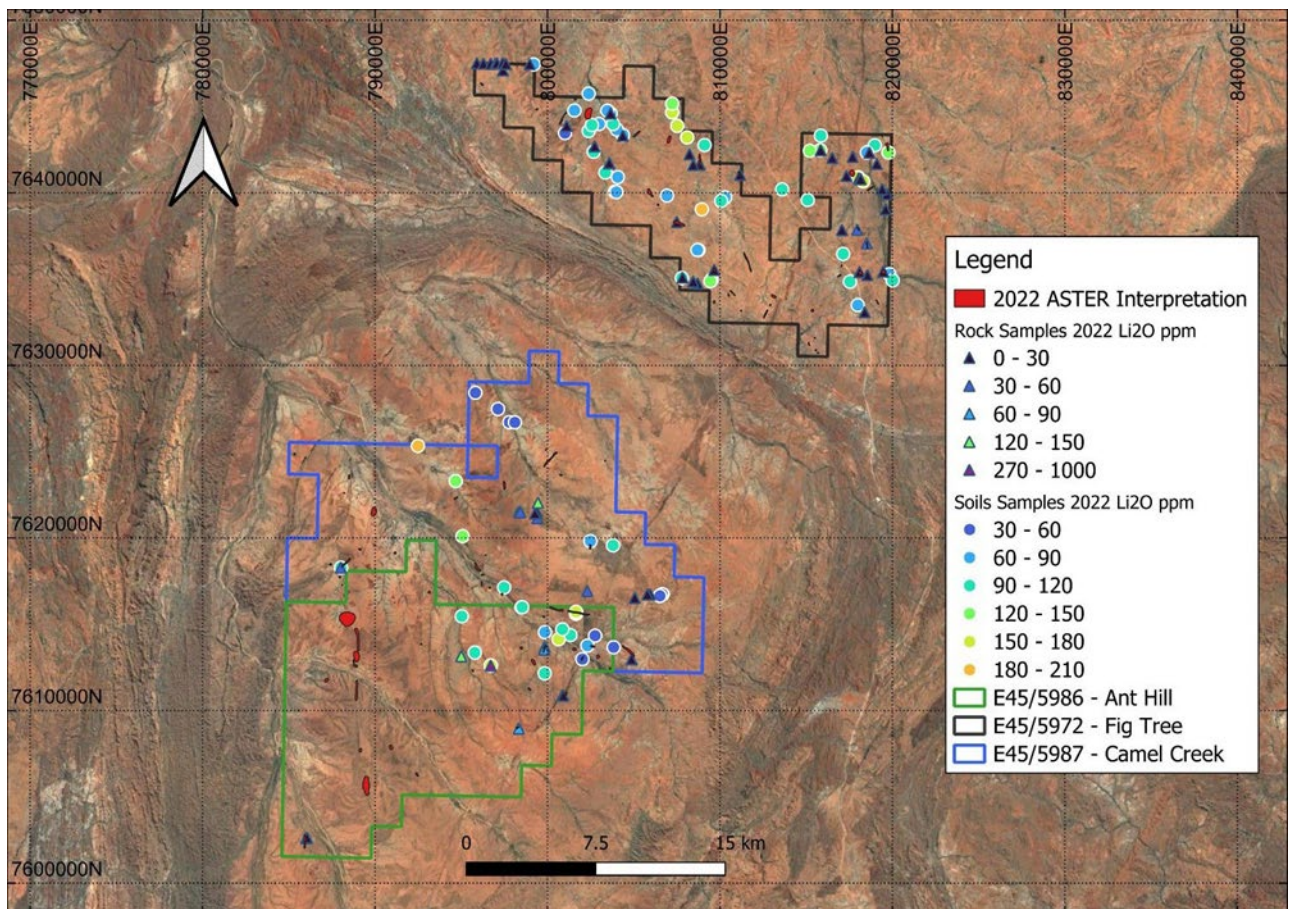


Figure 2. 2022 Geochemistry program results for the East Pilbara Project tenements

### South Wodgina Projects

The South Wodgina exploration licenses are located due south of the Wodgina Lithium mine, with JORC Reserves of 147.0MT @1.20% Li<sub>2</sub>O and a total JORC Resource of 259.0MT @ 1.17% Li<sub>2</sub>O. South Wodgina is directly east of Mount Francisco, where previous drilling has intersected multiple pegmatites up to 30m thick, returning elevated levels of tin, tantalum and lithium within one kilometre of the South Wodgina.

#### Worldview-3 Satellite Imagery

Yari Minerals completed a Worldview-3 hyperspectral survey. This involved sourcing existing data and acquiring new data over the entire South Wodgina block and surrounding area. The total area covered by the survey was 297 km<sup>2</sup>.

The high-resolution WorldView-3 imagery provides valuable ground cover and lithological information for geological mapping and for identifying alteration associated with pegmatite mineralisation. The WorldView-3 spectra are like that of the Aster data acquired in 2022 but, with 16 times the resolution, makes it very useful to refine the search over the area and increases the data selectivity and usefulness in identifying targets likely to be pegmatites.

Over the South Wodgina tenements, the Worldview 3 data has been interpreted, resulting in high-quality target and prioritised generation processes where false signals have been removed, and a total of 204 targets have been identified.

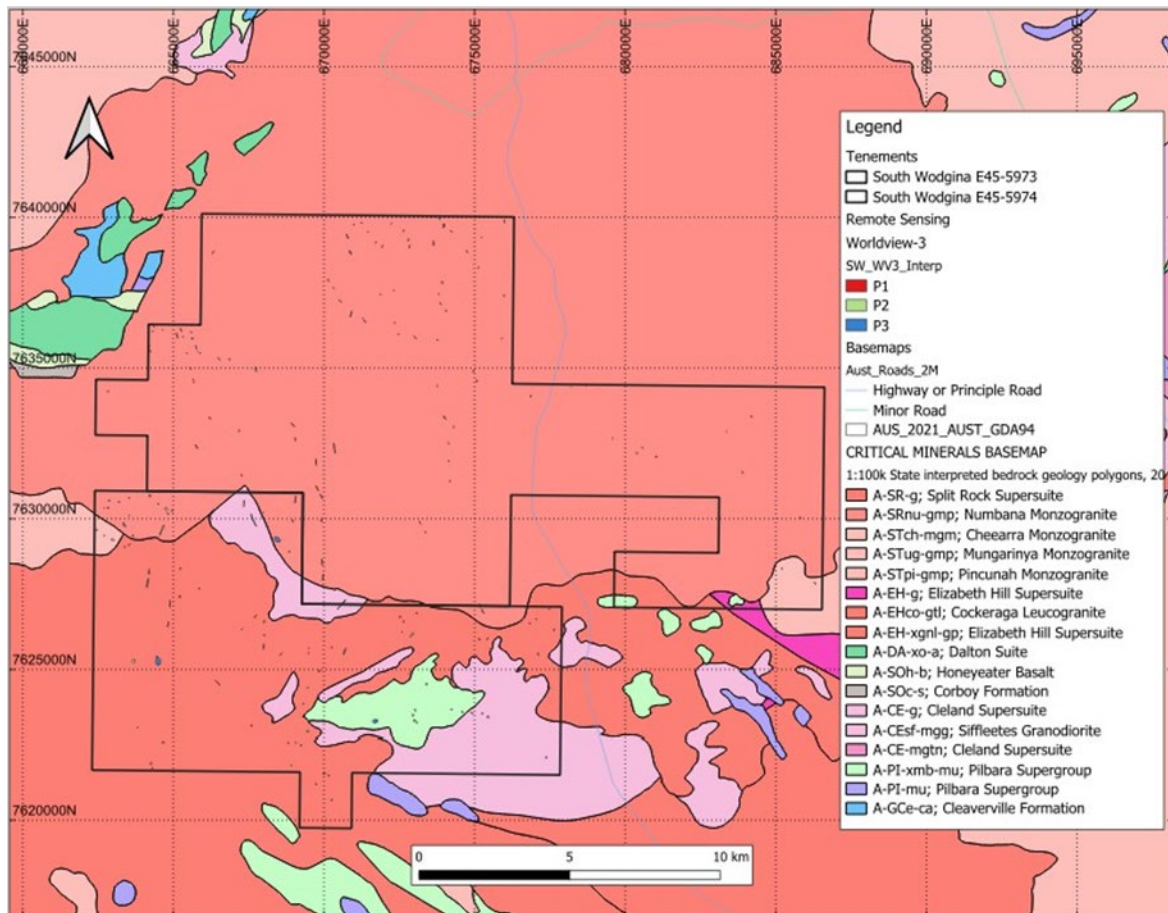


Figure 3. South Wodgina tenement project map

### ***Airborne Magnetic and Radiometric Geophysical Survey***

An Airborne Magnetic and Radiometric Geophysical Survey was flown in August/September 2023. The survey covered the entirety of the South Wodgina exploration licenses (E45/5973 and E45/5974). The airborne survey was flown by Thomson Aviation with a fixed-wing aircraft collecting data on a 50m east-west line spacing, plus north-south tie lines at 500m spacing, for a total of 6,678-line kilometres.

Aeromagnetic surveys measure the Earth's magnetic field variations to highlight detailed subsurface structures. Iron-rich materials, such as those found in faults, are highlighted by magnetics and these may serve as conduits for pegmatite intrusion. Radiometric or Gamma-ray spectrometry estimates radio-elements concentrations such as potassium, uranium, and thorium in the rocks by measuring gamma rays emitted during radioactive decay.

Analysis of the airborne survey magnetic and radiometric results resulted in a detailed structural interpretation, highlighting major lithological terrain boundaries and more subtle faulting structures that can be the conduits for pegmatite emplacement and radiometric anomaly recognition of zones of possible mineralisation.

This interpretation has been overlaid with the recently completed high-resolution Worldview-3 satellite spectral data and existing gravity and soil geochemistry to delineate and prioritise an

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**REVIEW OF OPERATIONS**

initial 63 quality targets that require ground inspection during the field phase of the exploration program.

The detailed airborne magnetic and radiometric survey has been very useful in delineating targets, emphasising the prospectivity of the South Wodgina Project, and significantly improving our geological knowledge and understanding of the area.

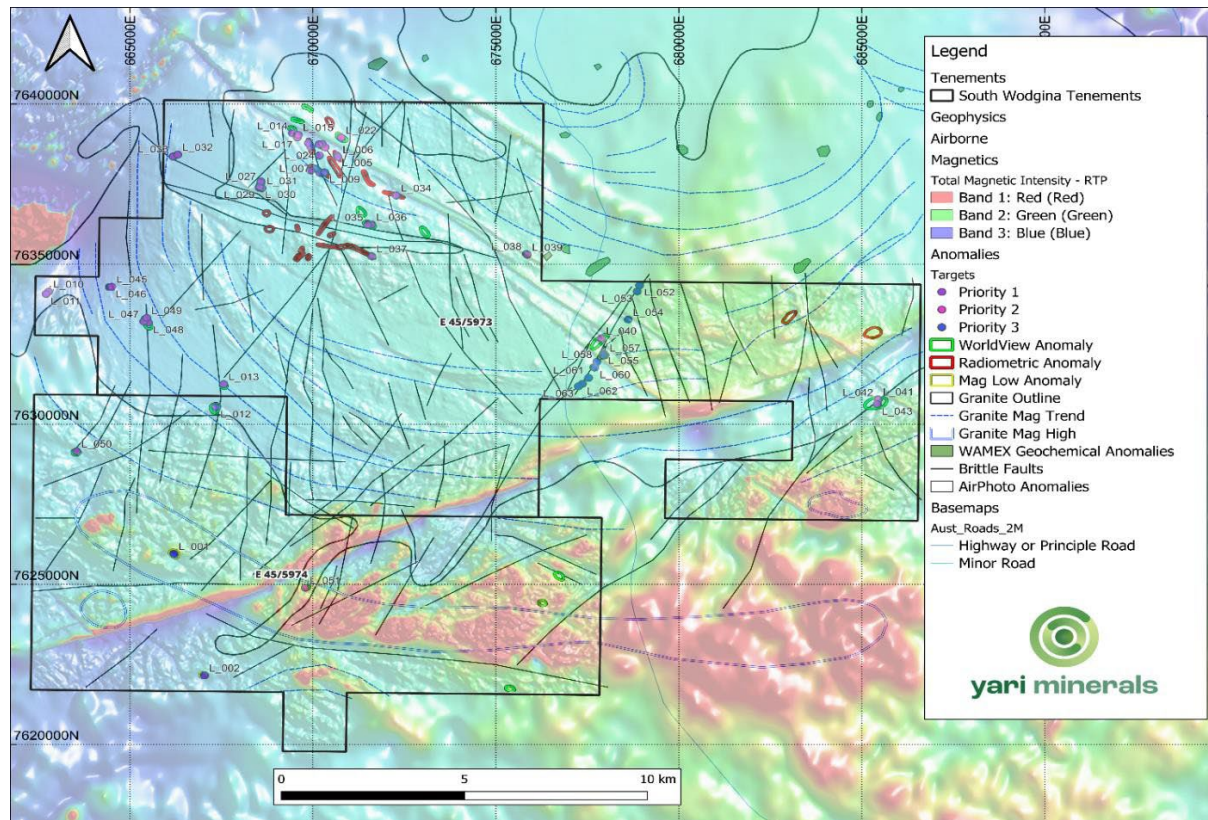


Figure 4. South Wodgina Project tenements results of aero-magnetics and worldview-3

**RARE EARTHS PROJECTS – GASCOYNE, WESTERN AUSTRALIA**

**Wandagee**

The Wandagee Project is located approximately 150km northeast of Carnarvon and 45km east of the Minilya Bridge Roadhouse, in the Gascoyne Region of Western Australia. The Wandagee Project consists of one EL (E09/2499) covering an area of ~400 km<sup>2</sup>. The EL is prospective for Rare-earths, Zinc-Lead-Silver/Copper-Lead-Silver base metals and has limited exploration undertaken in the past.

No field exploration activities were undertaken during the quarter on Wandagee. Document review and development of the historical data for the area with respect to mining has been continued and will be part of the ongoing search for historical mining and exploration in the Licences. Quotes for technical studies, including geophysical surveys, have been received.

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### REVIEW OF OPERATIONS

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#### **MEXICO – The Plomosas Project**

Yari owned 100% of Plomosas through Minera Latin American Zinc S.A.P.I. de C.V. (“MLAZ”), until the sale to Impact Silver Corp. (“Impact Silver”) completed on 3 April 2023.

The Plomosas Project covers 11 mining concessions totalling 3,019ha in area with an extensive history of exploration and development in base metal operations. Plomosas is in the northern Mexican state of Chihuahua, which neighbours Texas, USA, and is accessed by a two-hour flight from Dallas. Records show the Plomosas Project to be in the global zinc industry’s upper quartile for grade, with approx. 2.5 million tonnes of ore having been mined since 1943 with average historical grades of 15-25% Zinc (Zn) + 2-7% Lead (Pb) and 40-60 g/t Silver (Ag), and clean mineralogy.

The Company received the following consideration for the Plomosas Project:

- US\$3,000,000 in cash at completion of the Sale Agreement less a provisional working capital adjustment of US\$728,400;
- 11.4 million in common shares in Impact Silver; and
- 12% of net profits from the Plomosas Project in cash royalty payments , on the terms of which are set out in a net profits interest deed.

**DIRECTORS' REPORT**

The directors present the financial report of Yari Minerals Limited (the "Company") and controlled entities (the "Group") for the year ended 31 December 2023 (the "reporting period").

**DIRECTORS**

**Brad Marwood** – Non-Executive-Chairman (appointed Non-Executive Chairman 1 May 2023, previously Executive Chairman)

**Anthony Italiano** – Managing Director (appointed Managing Director 1 May 2023 previously Executive Director and Company Secretary)

**Angela Pankhurst** – Non-executive Director

All directors were in office for the entire period unless otherwise stated.

**INFORMATION ABOUT THE DIRECTORS**

The names and further details of the Directors of Yari Minerals Limited during the financial period are:

**Brad Marwood, Non-Executive Chairman, Bachelor of Applied Science (Mining Engineering)**

Mr Marwood is a mining engineer and resources industry executive with more than 30 years of experience. He was instrumental in bringing into production the copper mines at Kipoi (DRC) and Rapu (Philippines) completing development of the Svartliden gold mine (Sweden) and has managed numerous feasibility studies and advanced stage resource projects in Australia, Africa, North America and Asia.

He has worked in senior roles for groups such as Normandy Mining Ltd, Dragon Mining Ltd, Lafayette Mining Ltd, Moto Goldmines Ltd and Perseus Mining Ltd before his most recent role as Managing Director of Tiger Resources Ltd. Mr Marwood's involvement has seen growth in several companies with a significant increase in their market capitalisation and protecting investments through restarting suspended mine projects.

Mr Marwood also held directorship with the following listed companies in the 3 years immediately prior to the date of this report.

<b>Name</b>	<b>Date Appointed</b>	<b>Tenure</b>
Middle Island Resources Limited	December 2019	Current
Ionic Rare Earths Limited	December 2020	July 2021

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**DIRECTORS' REPORT**

**Anthony Italiano**, *Managing Director, Bachelor of Commerce, CA, GAICD*

Mr Italiano is a Chartered Accountant with over 20 years of experience in the mining sector, primarily in Australia, Africa and North America. He brings a wealth of expertise in corporate governance, operations, financing, commodity marketing and trading from numerous projects and transactions he has been involved in over the years.

Mr Italiano has not held directorships with any listed companies in the 3 years immediately prior to the date of this report.

**Angela Pankhurst**, *Non-executive Director, Bachelor of Business*

Ms Pankhurst was originally a Chartered Accountant undertaking audit and CFO roles, who increasingly took on non-executive and executive roles in the international resource sector becoming Managing Director of Central Asia Resources Limited in 2011 when she managed the development of that Company's gold project in Kazakhstan.

Ms Pankhurst has worked in both the resource and non-resource sectors in numerous countries, including Australia, Kazakhstan, Nigeria, Dominican Republic and others in Africa and Asia.

Ms Pankhurst also held directorships with the following listed companies in the 3 years immediately prior to the date of this report.

<b>Name</b>	<b>Date Appointed</b>	<b>Tenure</b>
Antilles Gold Limited	April 2012	Current

**PRINCIPAL ACTIVITIES**

The principal activity of the Group during the course of the reporting period was the exploration for lithium at its Pilbara Exploration Projects and the mining of zinc and lead ores at its Plomosas Project until the completion of the sale of the Plomosas Project on 3 April 2023.

**OPERATIONS REVIEW**

For details of operations please see the Review of Operations pages 4 to 8 of this Annual Report.

**FINANCIAL REVIEW**

The functional and presentation currencies of the Group is Australian Dollars, as this is the currency that its revenue and a majority of its costs are denominated in.

*Profit and Loss*

The Group recorded a loss after tax attributable to the owners of the Company for the year ended 31 December 2023 of \$1.463 million (31 December 2022: loss of \$4.805 million), representing a loss per share of 0.30 cents (31 December 2022: loss per share of 1.28 cents).

*Statement of Financial Position*

Total current assets decreased by \$3.351 million, mainly through a \$5.722 million decrease as a result of MLAZ sale, partly offset by an increase in financial assets of \$2.595 million.

Total non-current assets increased by \$0.007 million related to minor property, plant and equipment additions.

Total liabilities decreased by \$3.876 million primarily due to MLAZ sale.

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**Annual Report 31 December 2023**  
**DIRECTORS' REPORT**

Total equity interests attributable to the Company's shareholders increased by \$0.533 million to \$3.290 million, primarily through disposal of MLAZ, partly offset by the net loss attributable to the owners for the year

Cashflow

As at 31 December 2023, the Group held cash on hand and deposit of \$0.908 million (31 December 2022: \$1.058 million).

Net cash outflows from operating activities were \$3.022 million, with cash inflows of \$2.928 million comprising of the proceeds from the disposal of the Plomosas Project. Financing activities had cash outflows of \$0.055 million, comprising of the drawdown and repayment of a short-term working capital facility of \$0.400 million and \$0.015 million of capital raising costs from the placement completed in September 2022.

Financing

In April 2023, the Company repaid a \$0.400 million a short-term working capital facility from an entity associated with Mr Andrew Richards.

**DIVIDENDS PAID OR RECOMMENDED**

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

**LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS**

The primary focus of the Group will be the exploration for lithium and rare earths in Western Australia and exposure to the Plomosas project from the Company's interest in the Plomosas 12% net profit royalty and shareholding in Impact Silver Corp.

In evaluating the likely achievement of these outcomes, the following risk factors should be taken into consideration:

Disposal of Plomosas Mine

The Group completed the sale of the Plomosas Mine, Mexico in early April 2023, with the finalisation of the working capital adjustment to be completed. Refer to notes 8 and 21(iii) for further details.

Exploration risk

The Group will undertake further exploration at its Pilbara Lithium and Gascoyne Rare-Earths Projects.

Exploration is by its nature a high risk undertaking and is affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, land access, changing government regulations and other factors beyond the Group's control.

There can be no assurance of success from any exploration activities.

Title risk and licence conditions

The Pilbara and Gascoyne exploration projects cover 6 granted exploration licenses in Western Australia.

The Group's activities are dependent upon the maintenance of these concessions and any regulatory consents.

The concessions are subject to renewal.

Additionally, the concessions are subject to a number of legislative conditions. The inability to meet these conditions could affect the standing of the concessions or restrict their ability to be renewed.

Loss of any concessions or licences may severely affect the Group.

Land access

The Pilbara and Gascoyne exploration projects cover 6 granted exploration licenses in Western Australia. The company has entered into heritage agreements with the native title custodians.

Environmental

The Pilbara and Gascoyne Projects are subject to laws and regulations regarding environmental matters.

The authorities that administer and enforce environmental laws and regulations determine these requirements. As with all mining and exploration projects, the Group's activities are expected to have an impact on the environment.

The Group intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

Failure to obtain or maintain relevant environmental approvals will prevent the Group from undertaking its activities.

Foreign exchange risk

Exploration activities at the Pilbara and Gascoyne Projects are incurred in Australian Dollars.

Future consideration from the sale of Plomosas in the form of the 12.0% net profit interest and shareholding in Impact Silver Corp is exposed to United States Dollars, Mexican Pesos and the Canadian Dollar.

The Group is exposed to the fluctuations and volatility of these currencies.

Sovereign risk

The Pilbara and Gascoyne Projects are located in Western Australia. Australia is a constitutional monarchy with stable political conditions and minimal sovereign risks.

The Group will retain an interest in the Plomosas project through a 12.0% net profit royalty and shareholding in Impact Silver Corp. These interests have exposure to Mexico, which is a federal presidential democratic republic.

The political conditions in Mexico are generally stable, however, changes may occur in the political, fiscal and legal systems which may affect the ownership or operations of the Group including changes in exchange rates, control or fiscal regulations, regulatory regimes, political insurrection or labour unrest, inflation or economic recession.

Going Concern

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

As at 31 December 2023, the Group had available cash of \$0.908 million and a working capital surplus of \$3.304 million.

Included in the working capital surplus are financial assets of \$2.594 million which is the shareholding in Impact Silver Corp (listed on the TSXV and OTC markets).

The cash flow forecasts which the directors have relied upon for the purposes of the going concern assumptions, makes certain assumptions in relation to future exploration expenditures and a partial sale of the Company's financial assets.

Based on the above, the Directors have reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable. The Directors consider that the going concern basis of preparation to be appropriate for the financial report.

Should the Impact Silver shareholding not be realised at its value recorded in the financial report which is subject to market price movements, liquidity and partial escrow, or any adverse outcome be incurred from the Notice of Arbitration received from Impact Silver, there is a material uncertainty that may cast significant doubt as to whether the Company will continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

#### **ENVIRONMENTAL REGULATION AND PERFORMANCE**

The exploration and mining activities of entities in the consolidated entity are subject to environmental regulations imposed by various regulatory authorities, particularly those relating to ground disturbance and the protection of rare and endangered flora and fauna.

Entities in the consolidated entity have complied with all environmental requirements up to the date of this report.

#### **CORPORATE STRUCTURE**

Yari Minerals Limited (ACN 118 554 359) is a company limited by shares that is incorporated and domiciled in Australia. It listed on the Australian Securities Exchange on 15 June 2006 (ASX: CZL).

#### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

Other than set out below, there have not been any other significant changes in the state of affairs of the Group during the financial year:

- On 10 February 2023, the Company announced it had executed a binding share sale agreement for the sale of the Plomosas Project to Impact Silver Corp. (Impact Silver), a TSX-V and FSE listed company domiciled in British Columbia, Canada and owner of various Mexican mining projects similar to the Plomosas Project.

In accordance with the Share Sale Agreement, the Company was to receive the following consideration for the Plomosas Project:

- US\$3,000,000 in cash at completion of the Sale Agreement, less a provisional working capital adjustment of US\$728,400;
- Up to US\$3,000,000 in common shares in Impact Silver, based on the lower of the price per common share for the Impact Capital Raising or the volume weighted average price for the 20 trading days immediately prior to the date of execution of the Sale Agreement with 11.4 million fully paid shares in Impact Silver subsequently issued; and
- 12% of net profits from the Plomosas Project in cash from completion of the Sale Agreement, the terms of which will be set out in a fulsome net profits interest deed; and

**DIRECTORS' REPORT**

On 21 February 2023, the Company announced it had entered into an unsecured loan facility with an entity related to Mr Andrew Richards for A\$400,000 repayable by 15 May 2023, to fund general working capital. This amount was repaid in April 2023.

**EVENTS AFTER THE REPORTING DATE**

Other than set out below, no matters or circumstances have arisen since end of the year, which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial periods:

- On 21 February 2024, the Company announced it received a notice to initiate arbitration from Impact Silver Under the share sale agreement (“SSA”), Impact Silver purchased 100% of the shares in MLAZ, a Mexican company that owns and operates the Plomosas project located in Chihuahua, Mexico. The Arbitration has only been initiated and is at a very early stage. The Company is working with its Canadian and Mexican legal counsel to conduct a preliminary assessment of the basis and merits of the matters subject to the Arbitration and will take all necessary actions to defend its interests and pursue any counterclaims against Impact Silver. Yari will comprehensively assess its position with a view to resolving the dispute as efficiently and effectively as possible.

**INFORMATION ON DIRECTORS**

The Table below sets out each Director’s relevant interest in shares, performance rights and options over shares of the Company as at the date of this report:

Current Director	Number of ordinary shares	Number of options	Expiry date	Exercise price
<b>Brad Marwood</b>				
- Ordinary Shares	47,417	-	-	-
- Unlisted Options	-	10,000,000	31-Dec-24	\$0.04
<b>Anthony Italiano</b>				
- Ordinary Shares	454,545	-	-	-
- Listed Options (YAROD)	-	454,545	31-Dec-24	\$0.04
- Unlisted Options	-	10,000,000	31-Dec-24	\$0.04
- Unlisted Options	-	10,000,000	30-May-28	\$0.04
<b>Angela Pankhurst</b>				
- Ordinary Shares	46,195	-	-	-
- Unlisted Options	-	6,000,000	31-Dec-24	\$0.04

**DIRECTORS' REPORT**
**MEETINGS OF DIRECTORS**

During the reporting period, 9 formal meetings of Directors (including committees of directors) were held. Attendances by each Director during the period were as follows:

Directors	Directors' Meetings	
	Eligible to attend	Attended
Brad Marwood	9	9
Anthony Italiano	9	9
Angela Pankhurst	9	9

The full Board fulfils the role of remuneration, nomination and audit committees.

**INDEMNITY AND INSURANCE OF OFFICERS**

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial period, the Company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

**INDEMNITY AND INSURANCE OF AUDITOR**

The Company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial period, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.



**DIRECTORS' REPORT**  
**Remuneration Report (Audited)**

The full Board fulfils the roles of remuneration committee and is governed by the Group's adopted remuneration policy.

**Remuneration Policy**

This policy governs the operations of the Board. The Board shall review and reassess the policy at least annually and obtain the approval of the Board.

**General Director Remuneration**

Shareholder approval must be obtained in relation to the overall limit set for non-executive directors' fees. The Directors shall set individual Board fees within the limit approved by shareholders.

Shareholders must also approve the framework for any broad-based equity-based compensation schemes and if a recommendation is made for a director to participate in an equity scheme, that participation must be approved by the shareholders.

**Executive Remuneration**

The Group's remuneration policy for executive directors and senior management is designed to promote superior performance and long-term commitment to the Group. Executives receive a base remuneration which is market related and may be entitled to performance-based remuneration at the ultimate discretion of the Board.

Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive market and business conditions where it is in the interests of the Group and shareholders to do so.

Executive remuneration and other terms of employment are reviewed annually by the Remuneration Committee having regard to performance, relevant comparative information and expert advice.

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

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

The total remuneration of executives and other senior managers consists of the following:

- a) salary - executive directors and senior managers receive a sum payable monthly in cash;
- b) short term incentives - executive directors and nominated employees are eligible to participate in performance employee share option and performance rights schemes and a bonus or profit participation plan if deemed appropriate. Any option or performance right issues generally being made in accordance with thresholds set in plans approved by shareholders. The Board, however, considers it appropriate to retain the flexibility to issue options and performance rights to executives and nominated employees outside of approved employee option and performance right plans in exceptional circumstances;
- c) long term incentives - executive directors may participate in share option and performance right schemes with the prior approval of shareholders. Nominated employees may also participate in employee share option and performance right schemes, with any option or performance right issues generally being made in accordance

**DIRECTORS' REPORT**
**Remuneration Report (Audited)**

with thresholds set in plans approved by shareholders. The Board, however, considers it appropriate to retain the flexibility to issue options and performance rights to executives and nominated employees outside of approved employee option and performance right plans in exceptional circumstances; and

- d) other benefits - executive directors and senior managers are eligible to participate in superannuation schemes and other appropriate additional benefits.

**Non-executive Remuneration**

Shareholders approve the maximum aggregate remuneration for non-executive directors. The Remuneration Committee recommends the actual payments to directors and the Board is responsible for ratifying any recommendations, if appropriate. The maximum aggregate remuneration approved for non-executive directors is currently A\$250,000.

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

All directors are entitled to have their indemnity insurance paid by the Group.

**Bonus or Profit Participation Plan**

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

**Directors and Key Management Personnel**

The following persons acted as Directors and/or Key Management Personnel (KMP) of the Group during or since the end of the financial period:

Directors

Brad Marwood	Non-executive Chairman (appointed 1 May 2023, previously Executive Chairman)
Anthony Italiano	Managing Director (appointed 1 May 2023, previously Executive Director resigned as Company Secretary 1 May 2023)
Angela Pankhurst	Non-executive Director

Key Management Personnel

Rudolf Tielman	Company Secretary (appointed 1 May 2023)
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**DIRECTORS' REPORT**
**Remuneration Report (Audited)**
**Details of Remuneration for the year ended 31 December 2023**

The remuneration for each Director and Executive of Yari Minerals Limited during the year and the previous year was as follows:

Key Management Person	Salary and Fees		Superannuation	Share based Payments	Total Remuneration	Performance-based Remuneration
	Short-term Benefits	Short-term Cash Bonus	Post-employment Benefits			
	AUD	AUD	AUD	AUD	AUD	%
<b>31-Dec-23</b>						
Angela Pankhurst	44,957	-	4,852	20,514	70,323	29
Brad Marwood	265,174	34,052	-	47,865	347,091	14
Anthony Italiano	330,286	34,052	29,216	146,969	540,523	27
Rudolf Tieleman	5,190	-	-	-	5,190	-
	<b>645,607</b>	<b>68,104</b>	<b>34,068</b>	<b>215,348</b>	<b>963,127</b>	
<b>31-Dec-22</b>						
Andrew Richards	43,571	-	4,412	17,956	65,939	27
Angela Pankhurst	37,548	-	3,822	64,475	105,845	61
Brad Marwood	231,754	-	-	119,428	351,182	34
Anthony Italiano	267,286	-	27,189	101,472	395,947	26
	<b>580,159</b>	<b>-</b>	<b>35,423</b>	<b>303,331</b>	<b>918,913</b>	

**Ordinary Shares held by KMP**

Key Management Person	Held at start of year/ on appointment	Granted as compensation	Acquired/ conversion of performance rights	Other changes <sup>1</sup>	Held at year end
<b>31-Dec-23</b>					
Andrew Richards	-	-	-	-	-
Angela Pankhurst	46,195	-	-	-	46,195
Brad Marwood	247,417	-	-	(200,000)	47,417
Anthony Italiano	-	-	454,545	-	454,545
Rudolf Tielman	-	-	-	-	-
	<b>293,612</b>	<b>-</b>	<b>454,545</b>	<b>(200,000)</b>	<b>548,157</b>
<b>31-Dec-22</b>					
Andrew Richards	1,442,423	-	-	(1,442,423)	-
Angela Pankhurst	46,195	-	-	-	46,195
Brad Marwood	247,417	-	-	-	247,417
Anthony Italiano	-	-	-	-	-
	<b>1,736,035</b>	<b>-</b>	<b>-</b>	<b>(1,442,423)</b>	<b>293,612</b>

<sup>1</sup> Other changes include shares: acquired and disposed on market as well as the shares held on the date of a person ceasing to be a KMP.

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**Annual Report 31 December 2023**
**DIRECTORS' REPORT**  
**Remuneration Report (Audited)**
**Listed Options held by KMP**

Key Management Person	Held at start of year/ on appointment	Granted as compensation	Converted	Other changes <sup>1</sup>	Held at year end
<b>31-Dec-23</b>					
Andrew Richards	-	-	-	-	-
Angela Pankhurst	12,373	-	-	(12,373)	-
Brad Marwood	3,387	-	-	(3,387)	-
Anthony Italiano	-	-	-	454,545	454,545
Rudolf Tieleman	-	-	-	-	-
	15,760	-	-	438,785	454,545
<b>31-Dec-22</b>					
Andrew Richards	310,696	-	-	(310,696)	-
Angela Pankhurst	12,373	-	-	-	12,373
Brad Marwood	3,387	-	-	-	3,387
Anthony Italiano	-	-	-	-	-
	326,456	-	-	(310,696)	15,760

<sup>1</sup> Other changes include shares: acquired and disposed on market as well as the shares held on the date of a person ceasing to be a KMP.

**Unlisted Options over ordinary shares held by KMP**

Key Management Person	Held at start of year	Granted as compensation	Lapsed or expired	Held at the end of year	Vested and exercisable at the end of the year
<b>31-Dec-23</b>					
Angela Pankhurst	6,000,000	-	-	6,000,000	6,000,000
Brad Marwood	10,000,000	-	-	10,000,000	10,000,000
Anthony Italiano	10,000,000	10,000,000	-	20,000,000	20,000,000
Rudolf Tielman	-	-	-	-	-
	26,000,000	10,000,000	-	36,000,000	36,000,000
<b>31-Dec-22</b>					
Andrew Richards	-	-	-	-	-
Angela Pankhurst	-	6,000,000	-	6,000,000	6,000,000
Brad Marwood	-	10,000,000	-	10,000,000	10,000,000
Anthony Italiano	-	10,000,000	-	10,000,000	10,000,000
	-	26,000,000	-	26,000,000	26,000,000

Unlisted options granted as remuneration during 2023, were approved at the Annual General Meeting held on 29 May 2023.

**Annual Report 31 December 2023**
**DIRECTORS' REPORT**
**Remuneration Report (Audited)**
**Performance Rights held by KMP**

Key Management Person	Held at start of year	Granted as compensation	Exercised	Lapsed or expired	Other changes <sup>1</sup>	Held at the end of year	Vested and exercisable at the end of year
<b>31-Dec-23</b>							
Andrew Richards	-	-	-	-	-	-	-
Angela Pankhurst	1,500,000	-	-	1,500,000	-	-	-
Brad Marwood	3,500,000	-	-	3,500,000	-	-	-
Anthony Italiano	2,000,000	-	-	2,000,000	-	-	-
Rudolf Tielman	-	-	-	-	-	-	-
	<b>7,000,000</b>	<b>-</b>	<b>-</b>	<b>7,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31-Dec-22</b>							
Andrew Richards	1,500,000	-	-	-	(1,500,000)	-	-
Angela Pankhurst	1,500,000	-	-	-	-	1,500,000	-
Brad Marwood	3,500,000	-	-	-	-	3,500,000	-
Anthony Italiano	2,000,000	-	-	-	-	2,000,000	-
	<b>8,500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,500,000)</b>	<b>7,000,000</b>	<b>-</b>

<sup>1</sup> Other changes include: performance rights held on the date of a person ceasing to be a KMP.

**Compensation Options and Performance Rights**

During the year no performance rights were exercised or converted.

During the year unlisted options were issued to the Managing Director as approved at the Annual General Meeting held on 29 May 2023, with an exercise price of A\$0.04 per option and an expiry date of 30 May 2028.

**Employment contracts of directors and senior executives**

The Group has the following service agreements with directors and senior executives:

***Anthony Italiano***

Fixed remuneration of \$335,000, including statutory superannuation.

The service contract is open ended and can be terminated by either party on 3 months written notice.

***Brad Marwood***

Executive Chairman fixed remuneration of US\$270,000, including statutory superannuation.

The service contract is open ended and can be terminated by either party on 6 months written notice.

Mr Marwood transitioned from Executive Chairman to Non-Executive Chairman effective 1 May 2023, with a revised letter agreement and fee of \$75,000 inclusive of statutory superannuation.

**Annual Report 31 December 2023****DIRECTORS' REPORT****Remuneration Report (Audited)****Group performance and link to remuneration**

There is no director cash remuneration directly linked to performance of the Group, with options and performance rights based remuneration linked to the performance of the Group. A portion of bonus and incentive payments are at the discretion of the Board.

**Voting and comments made at the Company's 2023 Annual General Meeting ("AGM")**

The 31 December 2022 Remuneration Report was voted for without any commentary or discussion at the 2023 AGM, on a poll with proxy votes for of 155,737,206 and votes against of 2,424,202.

*[End of Remuneration Report - Audited]*

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**DIRECTORS' REPORT**
**SHARES UNDER OPTION**

At the date of this report, the unissued ordinary shares of Yari Minerals Limited under option are:

Grant Date	Date of Expiry	Exercise Price (A\$)	Number Under Option
9 December 2022	31 December 2024	\$0.04	34,000,000
6 January 2022	31 December 2024	\$0.04	100,000,000
29 May 2023	30 May 2028	\$0.04	10,000,000
<b>Total options over ordinary shares</b>			<b>144,000,000</b>

**PROCEEDINGS ON BEHALF OF THE COMPANY**

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings. The Company was not a party to any such proceedings during the period.

**NON-AUDIT SERVICES**

No non-audit services were performed during the period.

**OFFICERS OF THE COMPANY WHO ARE FORMER AUDIT PARTNERS OF HLB MANN JUDD**

There are no officers of the company who are former audit partners of HLB Mann Judd.

**AUDITORS**

HLB Mann Judd (WA Partnership) were appointed as auditors of the Company on 23 July 2019 and continue in office in accordance with section 327 of the Corporations Act 2001.

**AUDITOR'S INDEPENDENCE**

Section 307C of the Corporations Act 2001, requires our Auditors, HLB Mann Judd, to provide the Directors with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on page 65 and forms part of the Directors' report for the year ended 31 December 2023.

This report is signed in accordance with a resolution of the Board of Directors pursuant to Section 306(3) of the Corporations Act 2001.



Brad Marwood  
 Non-executive Chairman  
 28 March 2024

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
For the year ended 31 December 2023

	<i>Note</i>	Year ended 31-Dec-23 AUD	Year ended 31-Dec-22 AUD
		\$	\$
Other income/expenses		(18,745)	169,948
Exploration and evaluation expenses		(294,396)	(899,434)
Administrative expenses	5(a)	(659,737)	(595,205)
Personnel expenses	5(a)	(1,148,202)	(1,107,266)
Foreign exchange gain/(loss)		104,875	21,870
Movement in fair value of financial assets		(2,395,376)	-
Interest expense		(31,796)	(15,155)
<b>Loss from continuing operations before income tax expense</b>		<b>(4,443,377)</b>	<b>(2,425,242)</b>
Income tax expense	6	-	-
Loss from continuing operations after income tax expense		(4,443,377)	(2,425,242)
Profit/(Loss) from discontinued operations after income tax expense	8	2,980,586	(2,379,714)
<b>Net loss for the year</b>		<b>(1,462,791)</b>	<b>(4,804,956)</b>
Other comprehensive income, net of tax		-	-
<b>Total comprehensive loss attributed to members of the parent entity</b>		<b>(1,462,791)</b>	<b>(4,804,956)</b>
<b>Earnings/(Loss) per share from continuing operations:</b>			
Basic and diluted earnings/(loss) per share (cents per share)	7(a)	(0.921)	(0.645)
<b>Earnings/(Loss) per share for loss from discontinued operations:</b>			
Basic and diluted earnings/(loss) per share (cents per share)	7(a)	0.618	(0.633)
<b>Earnings/(Loss) per share from loss from continuing and discontinued operations:</b>			
Basic and diluted earnings/(loss) per share (cents per share)	7(a)	(0.303)	(1.278)

*The accompanying notes form part of these financial accounts*



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2023

	<i>Note</i>	As at 31-Dec-23 AUD \$	As at 31-Dec-22 AUD \$
<b>Assets</b>			
<i>Current assets</i>			
Cash & cash equivalents	23	908,944	1,057,925
Trade & other receivables	9	60,605	132,817
Financial assets	10	2,594,857	2,122
Current-assets of disposal group classified as held for sale	8	-	1,624,426
Non-current assets classified as held for sale	8	-	4,098,034
<b>Total current assets</b>		<b>3,564,406</b>	<b>6,915,324</b>
<i>Non-current assets</i>			
Property, plant & equipment	11	8,128	656
<b>Total non-current assets</b>		<b>8,128</b>	<b>656</b>
<b>Total assets</b>		<b>3,572,534</b>	<b>6,915,980</b>
<b>Liabilities</b>			
<i>Current liabilities</i>			
Trade & other payables	12	260,281	396,769
Borrowings	13	-	-
Liabilities directly associated with assets classified as held for sale	8	-	3,730,363
<b>Total current liabilities</b>		<b>260,281</b>	<b>4,127,132</b>
<i>Non-current liabilities</i>			
Provisions	14	22,421	32,016
<b>Total non-current liabilities</b>		<b>22,421</b>	<b>32,016</b>
<b>Total liabilities</b>		<b>282,702</b>	<b>4,159,148</b>
<b>Net assets</b>		<b>3,289,832</b>	<b>2,756,832</b>
<b>Equity</b>			
Issued capital	15	54,486,685	54,505,104
Reserves	16	1,200,968	(9,491,224)
Accumulated losses		(52,397,821)	(42,257,048)
<b>Total equity</b>		<b>3,289,832</b>	<b>2,756,832</b>

*The accompanying notes form part of these financial accounts*

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 December 2023**

	Issued capital	Accumulated losses	Share-based Payments Reserve	Foreign Currency Translation Reserve	NCI Reserve	Total
	AUD	AUD	AUD	AUD	AUD	AUD
<b>For the year ended 31 December 2023</b>	\$	\$	\$	\$	\$	\$
<b>At 31 December 2022</b>	54,505,104	(42,257,050)	753,294	(1,277,759)	(8,966,759)	2,756,830
Loss for the year after income tax from continuing operations	-	(4,443,377)	-	-	-	(4,443,377)
Profit for the year after income tax from discontinued operations	-	2,980,586	-	-	-	2,980,586
<b>Total comprehensive income for the period</b>	-	<b>(1,462,791)</b>	-	-	-	<b>(1,462,791)</b>
<b>Transactions with owners in their capacity as owners:</b>						
Issue of new shares net of issuance costs	(18,419)	-	-	-	-	(18,419)
Disposal of subsidiary	-	(8,949,215)	-	1,762,062	8,966,759	1,779,606
Transfer from SBP Reserve	-	271,235	(271,235)	-	-	-
Share-based payments	-	-	234,606	-	-	234,606
	(18,419)	(8,677,980)	(36,629)	1,762,062	8,966,759	1,995,793
<b>At 31 December 2023</b>	<b>54,486,685</b>	<b>(52,397,821)</b>	<b>716,665</b>	<b>484,303</b>	<b>-</b>	<b>3,289,832</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 December 2023

	Issued capital	Accumulated losses	Share-based Payments Reserve	Foreign Currency Translation Reserve	NCI Reserve	Total
	AUD	AUD	AUD	AUD	AUD	AUD
<b>For the year ended 31 December 2022</b>	\$	\$	\$	\$	\$	\$
<b>At 31 December 2021</b>	50,556,906	(37,452,093)	411,196	(1,387,986)	(8,966,759)	3,161,264
Loss for the year after income tax from continuing operations	-	(2,425,241)	-	55,636	-	(2,369,605)
Loss for the year after income tax from discontinued operations	-	(2,379,714)	-	54,591	-	(2,325,123)
<b>Total comprehensive income for the period</b>	-	(4,804,955)	-	110,227	-	(4,694,728)
<b>Transactions with owners in their capacity as owners:</b>						
Issue of new shares net of issuance costs	3,948,198	-	-	-	-	3,948,198
Share-based payments	-	-	342,098	-	-	342,098
	3,948,198	-	342,098	-	-	4,290,296
<b>At 31 December 2022</b>	<b>54,505,104</b>	<b>(42,257,048)</b>	<b>753,294</b>	<b>(1,277,759)</b>	<b>(8,966,759)</b>	<b>2,756,832</b>

The accompanying notes form part of these financial accounts

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 31 December 2023

	Year ended 31-Dec-23 AUD	Year ended 31-Dec-22 AUD
<b>Cash flows from operating activities</b>		
Receipts from customers	539,744	7,680,987
Payments to suppliers and employees	(3,573,234)	(10,221,115)
Receipts from interest	11,250	-
Payment of interest	-	(38,690)
Refunds of VAT and other indirect taxes	-	318,400
<b>Net cash (outflow) from operating activities</b>	<b>(3,022,240)</b>	<b>(2,260,418)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(6,844)	(81,134)
Proceeds from disposal of entities (net of transaction costs and cash disposed)	2,935,103	(177,054)
<b>Net cash inflow/(outflow) from investing activities</b>	<b>2,928,259</b>	<b>(258,188)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	3,631,618
Proceeds from borrowings	400,000	-
Repayment of borrowings	(440,000)	(103,382)
Payment of capital raising expenses	(15,000)	(237,258)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(55,000)</b>	<b>3,290,978</b>
<b>Reconciliation of cashflow movement for the year</b>		
Cash and cash equivalents at the beginning of the year	1,057,925	435,062
Foreign exchange translation	-	45,546
Cash and cash equivalents held for sale movement	-	(195,055)
Net decrease in cash	(148,981)	772,372
<b>Cash and cash equivalents at the end of the period</b>	<b>908,944</b>	<b>1,057,925</b>

*The accompanying notes form part of these financial accounts*

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Statement of compliance

This financial report includes the financial statements and notes of Yari Minerals Limited (“the Company”) and its controlled entities (the “Consolidated Entity” or “Group”).

The financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

The separate financial statements of the parent entity, Yari Minerals Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 28 March 2024 by the directors of the Company.

#### Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial report is presented in Australian Dollars (AUD) which is considered to be the Group’s functional and presentation currency. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

Except for cash flow information, the financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

#### *Presentation and functional currency*

The Company is domiciled in Australia, the functional and presentation currency of the Group is Australian Dollars, and all amounts are presented in Australian Dollars unless otherwise noted.

#### Change in functional and presentation currency

An entity’s functional currency is the currency of the primary economic environment in which the entity operates. With the Group disposing of its Plomosas Mine in Mexico and change of its primary business to exploration in Australia, the Group’s exposure to Australian Dollars (AUD) increased significantly. The Board recognised the change in the balance of factors that are assessed to determine the functional currency for each of the Group entities, and consequently, determined that the functional currency of all Group entities, including the parent entity, has changed to AUD, effective 30 June 2023. Previously, the functional currency of the Group was United States Dollars (USD). The change is applied prospectively from the date of the change.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Following the change in functional currency, the Company has elected to change its presentation currency from USD to AUD. The presentation in AUD is consistent with internal management reporting.

**Comparative information**

Comparative information is presented for the Annual Report for the year ended 31 December 2023 and as at 31 December 2022. The Company changed its functional and presentation currency from United States dollars (USD) to Australian Dollars (AUD) effective 30 June 2023. Accordingly, the comparatives have been restated in AUD.

Going concern

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

As at 31 December 2023, the Group had available cash of \$0.908 million and a working capital surplus of \$3.304 million.

Included in the working capital surplus are financial assets of \$2.594 million which is the shareholding in Impact Silver Corp (listed on the TSXV and OTC markets).

The cash flow forecasts which the directors have relied upon for the purposes of the going concern assumptions, makes certain assumptions in relation to future exploration expenditures and a partial sale of the Company's financial assets.

Based on the above, the Directors have reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable. The Directors consider that the going concern basis of preparation to be appropriate for the financial report.

Should the Impact Silver shareholding not be realised at its value recorded in the financial report which is subject to market price movements, liquidity and partial escrow, or any adverse outcome be incurred from the Notice of Arbitration received from Impact Silver, there is a material uncertainty that may cast significant doubt as to whether the Company will continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

**a) Principles of Consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Yari Minerals Limited as at 31 December 2023 and the results of all subsidiaries for the period then ended. Yari Minerals Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group 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 Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interests, 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 interests in the results and equity of subsidiaries are shown separately in the statement of comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group 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 Group 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.

**b) Income Tax**

The income tax expense/(benefit) for the period comprises current income tax expense/(benefit) and deferred tax expense/(benefit).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well unused tax losses.

Current and deferred income tax expense/(benefit) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

**c) Plant and Equipment**

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

The carrying amount of plant and equipment is reviewed on each balance date by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

**Depreciation**

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the assets useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Plant and equipment	10% - 33%
Office equipment	10% - 33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to accumulated losses.

**d) Exploration and Evaluation Expenditure**

Exploration and evaluation expenditure is expensed to the consolidated statement of profit or loss and other comprehensive income as and when it is incurred and included as part of cash flows from operating activities.

**e) Mine and Development Properties**

Mine development expenditure incurred is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest, which is expensed in the period it is incurred.

Development expenditure includes pre-commissioning costs, inclusive of costs and revenue incidental to the commissioning efforts. Development expenditure is reclassified to mine properties at the end of the commissioning phase, when the mine is capable of operating in the manner intended by management.

No depreciation is recognised in respect of development expenditure until reclassified as mine properties. Development expenditure is tested for impairment in accordance with the policy in note 1(h).

When further development expenditure is incurred in respect of mine properties after the commencement of production, such expenditure is carried forward as part of the mining property when it is probable that additional future economic benefits associated with the expenditure will flow to the consolidated entity. Otherwise such expenditure is classified as a cost of production.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Depreciation is charged using the units-of-production method, with separate calculations being made for each area of interest. The units-of-production basis results in a depreciation charge proportional to the depletion of mineral resources. Mine properties are tested for impairment in accordance with the policy note 1(h).

**f) Leases**

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise of the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

The Group presents right-of-use assets and lease liabilities as separate line items in the relevant sections of the Statement of Financial Position and additional information is shown in notes to the financial statements.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. Lease payments

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

associated with these leases are recognised as an expense on a straight-line basis over the lease term.

**g) Financial Instruments***(i) Initial measurement*

All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

*(ii) Classification and subsequent measurement of financial assets*

The classification of a financial asset is made at the time it is initially recognised and depends on whether the financial asset is an equity instrument or a debt instrument.

Equity instruments

All equity investments are measured at fair value in the consolidated statement of financial position, with value changes recognised in profit or loss, except for those equity investments for which the Group has elected to present fair value changes in 'other comprehensive income'.

If an equity investment is not held for trading, the Group can make an irrevocable election at initial recognition to measure it at fair value through other comprehensive income (FVTOCI) with only dividend income recognised in profit or loss. Currently all equity instruments are recognised at fair value through profit or loss.

Debt instruments

The Group classifies debt instruments based on the Group's business model and cash flow characteristics of the debt instrument.

If both of the following conditions are met, then the debt instrument is measured at amortised cost:

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

A debt instrument is measured at fair value through other comprehensive income (FVTOCI) if both of the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if a debt instrument meets the two requirements to be measured at amortised cost or FVTOCI, the Group can designate, at initial recognition, a debt instrument as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

*(iii) Recognition and derecognition of financial assets*

Regular way purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

*(iv) Impairment of financial assets carried at amortised cost*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or receivable has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

*(v) Classification and subsequent measurement of financial liabilities*

Financial liabilities held for trading are measured at fair value through profit or loss. All other financial liabilities are measured at amortised cost unless the fair value option is applied.

*(vi) Derivatives*

All derivatives, including those linked to unquoted equity investments, are measured at fair value. Value changes are recognised in profit or loss.

**h) Impairment of Assets**

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed on each balance sheet date for goodwill and intangible assets with indefinite lives.

**i) Current and non-current classification**

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

An asset is classified as current when it is 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.

A liability is classified as 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.

**j) Employee Benefits***Short term employee benefits*

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

*Long term employee benefits*

The liability for long service leave not expected to be settled within 12 months of the reporting date is recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

*Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

**k) Equity-settled compensation**

The Group provides benefits to Directors, employees and consultants in the form of shares, performance rights and option-based payments. The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using an appropriate valuation technique that takes into

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, and the risk free interest rate for the term of the option.

The fair value of options and performance rights granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options or performance rights granted, which includes any market performance conditions but excludes the impact of any service and non-market performance vesting conditions and the impact of any non-vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

**l) Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**m) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

**n) Trade and other receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

**o) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured.

**p) Inventories***Consumables, ore and concentrate stockpiles*

Raw materials, stores, ore and concentrate stockpiles are stated at the lower of cost and net realisable value.

Inventories of ore and concentrate are initially physically measured by estimating the number of tonnes added and removed from the stockpile. At month end, the stockpiles are measured and adjustments are made to reflect the measured quantities. Cost represents weighted average cost encompassing direct costs and an appropriate portion of fixed and variable overhead expenditure, including depreciation and amortisation.

**q) Borrowings**

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

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Compound instruments (convertible notes) issued by the Group are classified as either financial liabilities or equity in accordance with the substance of the arrangements. An option that is converted and that will be settled by the exchange of a fixed amount of cash or another financial asset or a fixed number of the Group's own equity instruments will be classified as equity.

The fair value of the liability component is estimated on the date of issue. This is done by using the prevailing market interest rate of the same kind of instrument. This amount is recognised using the effective interest method as a liability at amortised cost until conversion or the end of the life of the instrument.

The equity portion is calculated by deducting the liability amount from the fair value of the instruction as a whole. The equity portion is not remeasured after initial recognition. Equity will remain as such until the option is exercised. When the option is exercised a corresponding amount will be transferred to share capital. If the option lapses without the option being exercised the balance in equity will be recognised in the profit or loss.

Costs of the transaction of the issue of convertible instruments are proportionally allocated to the equity and liability. Transaction costs in regards to the liability are included in the carrying amount of the liability and are amortised over its life using the effective interest method. Transaction costs in equity is directly recognised in equity.

Where the fixed for fixed test is failed, the option will be classified as a financial liability. In this case, the derivative liability is separated from its host contract on the basis of the stated terms of the option feature. The initial carrying amount for the host instrument is the residual amount after separating the derivative.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

**r) Revenue**

The Group generated sales revenue from the sale of zinc and lead concentrate and sales revenue is based on the concentrates sold to the buyer, based on the commercial terms of the contracts.

Revenue is allocated between the performance obligations and recognised as each performance obligation is met, which for the primary obligation occurs when the concentrates are delivered to the customer's location.

The Group's sale of zinc and lead concentrates incurs customary treatment and refining charges and other commercial costs consistent with industry practice. These items are in essence a deduction from the value of metal contained within the concentrate. These items are generally variable in nature and linked either to an annual benchmark or spot pricing and are accounted for as a deduction to revenue when they are recognised.

As is industry practice, the Group typically makes sales whereby the final sales price for the primary performance obligation is determined based on the market price prevailing at a date in the future.

Revenue for the primary performance obligation is measured based on the fair value of the consideration specified in a contract with the customer at the time of settling the performance obligation and is determined by reference to forward market prices.

Provisional pricing adjustments, which occur between the fair value at the time of settling the primary performance obligation and the final price, are also recorded within revenue.

Gains and losses on hedge instruments related to sales contracts are also recorded in revenue and generally offset the movement as a result of provisional pricing adjustments.

*Interest income*

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

**s) Borrowing costs**

All borrowing costs are recognised in the income statement in the period in which they are incurred when they relate, unless they relate to a qualifying asset that necessarily takes a substantial amount of time to get ready for the intended use or sale. In such case, the borrowing costs will be capitalised.

**t) Issued capital**

Ordinary shares are classified as equity.

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

**u) Dividends**

Dividends are recognised when declared during the financial period and no longer at the discretion of the Company.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

**v) Earnings per share***Basic earnings per share*

Basic earnings per share is calculated by dividing the profit or loss attributable to the owners the parent, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued or capital consolidations completed during the financial period.

*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.

**w) Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

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

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

**x) Goods and Services Tax ("GST") and Value Added Tax ("VAT")**

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

Receivables and payables are stated inclusive of the amount of GST or VAT receivable or payable. The net amount of GST or VAT recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated balance sheet.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

**y) Critical Accounting Estimates and Judgments**

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

*Recoverable amount of Mine Properties and Development*

Balances disclosed in the financial statements and notes thereto related to mine properties and development are based on the best estimates of directors. Mine properties and development are recorded at the lower of cost or recoverable amount. During the previous year, the recoverable amount of mine properties and development was determined based on the fair value less costs of disposal based on the transaction announced on 9 February 2023 for the disposal of Minera Latin American Zinc S.A.P.I de C.V. to Impact Silver Corp.

*Environmental Issues*

Balances disclosed in the financial statements and notes thereto comply with environmental legislation, and the directors understanding thereof.

*Taxation*

Balances disclosed in the financial statements and the notes thereto, related to taxation are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending assessments by the Australian and Mexican Taxation Authorities.

*Key Judgements – Share based payment transactions*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by a combination of internal and external sources using a Black-Scholes option pricing model and independent third-party valuations which comprised of a trinomial barrier option model.

**z) Operating segments**

Identification and measurement of segments under AASB 8 *Operating Segments* requires the 'management approach' to the identification measurement and disclosure of operating segments. The 'management approach' requires that operating segments be identified on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker, for the purpose of allocating resources and assessing performance. This could also include the identification of operating segments which sell primarily or exclusively to other internal operating segments.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

**aa) Foreign Currency Transactions and balances***Functional and presentation currency*

The Company and all entities it controls utilise Australian Dollars (AUD) as the functional currency.

The consolidated financial statements are presented in AUD.

*Transactions and balances*

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

**bb) Non-current assets of disposal group held for sale**

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

**cc) Discontinued operations**

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

**dd) Adoption of New and Revised Standards**

*Amendments to AASBs and the new Interpretations that are mandatorily effective for the current period*

In the year ended 31 December 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting period.

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

*Standards and interpretations in issue not yet adopted*

No other new standards, amendments to standards and interpretations are expected to affect the Group's consolidated financial statements and have not been early adopted.

**2. SIGNIFICANT CHANGES DURING THE YEAR**

Other than set out below, there have not been any other significant changes in the state of affairs of the Group during the financial year:

- On 10 February 2023, the Company announced it had executed a binding share sale agreement for the sale of the Plomosas Project to Impact Silver Corp. (Impact Silver), a TSX-V and FSE listed company domiciled in British Columbia, Canada and owner of various Mexican mining projects similar to the Plomosas Project.

In accordance with the Share Sale Agreement, the Company received the following consideration for the Plomosas Project:

- US\$3,000,000 in cash at completion of the Sale Agreement, less a provisional working capital adjustment of US\$728,400;
- Up to US\$3,000,000 in common shares in Impact Silver, based on the lower of the price per common share for the Impact Capital Raising or the volume weighted average price for the 20 trading days immediately prior to the date of execution of the Sale Agreement with 11.4 million fully paid shares in Impact Silver subsequently issued; and
- 12% of net profits from the Plomosas Project in cash from completion of the Sale Agreement, the terms of which will be set out in a fulsome net profits interest deed; and

- On 21 February 2023, the Company announced it had entered into an unsecured loan facility with an entity related to Mr Andrew Richards for A\$400,000 repayable by 15 May 2023, to fund general working capital. This amount was repaid in April 2023.

**3. OPERATING SEGMENTS**

The Group considers that it has operated in the reportable segments of exploration, mining production and corporate.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the Board, who are responsible for allocating resources and assessing performance of the operating segments.

The details of the operations within each group segment are as follows:

- Exploration - Pilbara Lithium projects in Western Australia;

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

- Mining – Mexican mining and production operations of zinc and lead concentrates at its Plomosas Project in Mexico up until its disposal on 3 April 2023; and
- Corporate – all other expenses not allocated to operating segments as they are not considered part of the core operation of any segment.

		Exploration year ended 31-Dec-23	Mining year ended 31-Dec-23	Corporate year ended 31-Dec-23	Total year ended 31-Dec-23
	<i>Note</i>	\$	\$	\$	\$
Other income		-	-	(18,745)	(18,745)
Exploration and evaluation expenses		(294,396)	-	-	(294,396)
Administrative expenses	5(a)	-	-	(659,737)	(659,737)
Personnel expenses	5(a)	-	-	(1,148,202)	(1,148,202)
Foreign exchange gain/(loss)		-	-	104,875	104,875
Movement in fair value of financial assets		-	-	(2,395,376)	(2,395,376)
Interest expense		-	-	(31,796)	(31,796)
<b>Profit/(Loss) from continuing operations before income tax expense</b>		<b>(294,396)</b>	<b>-</b>	<b>(4,148,981)</b>	<b>(4,443,377)</b>
Income tax expense		-	-	-	-
Profit/(Loss) from continuing operations after income tax expense		(294,396)	-	(4,148,981)	(4,443,377)
Profit/(Loss) from discontinued operations after income tax expense	8	-	2,980,586	-	2,980,586
<b>Net loss for the year</b>		<b>(294,396)</b>	<b>2,980,586</b>	<b>(4,148,981)</b>	<b>(1,462,791)</b>
<b>Segment Assets</b>		<b>-</b>	<b>-</b>	<b>3,572,534</b>	<b>3,572,534</b>
<b>Segment Liabilities</b>		<b>-</b>	<b>-</b>	<b>282,702</b>	<b>282,702</b>

In the prior year, the Company operated in one segment, mining production in Mexico which was disposed of on 3 April 2023.

**4. DIVIDENDS**

The Company did not pay or propose any dividends in the full year ended 31 December 2023.

**5. PROFIT AND LOSS INFORMATION**
**(a) Expenses**

	Year ended 31-Dec-23	Year ended 31-Dec-22
	AUD	AUD
<b>Administrative expenses</b>		
Administration	(214,331)	(171,837)
Consultancy and legal expenses	(186,148)	(28,838)
Compliance and regulatory expenses	(85,736)	(261,832)
Communication	(10,458)	(12,240)
Depreciation and amortisation	(656)	(320)
Occupancy	(39,309)	(9,030)
Travel and accommodation	(35,213)	(45,290)
Audit fees	(87,886)	(65,818)
	<b>(659,737)</b>	<b>(595,205)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

	Year ended 31-Dec-23 AUD	Year ended 31-Dec-22 AUD
<b>Personnel expenses</b>		
Directors' salaries and fees	(299,367)	(311,591)
Employee expenses	(555,753)	(411,506)
Superannuation expenses	(58,476)	(42,071)
Share-based payments	(234,606)	(342,098)
	<b>(1,148,202)</b>	<b>(1,107,266)</b>

**6. INCOME TAX**

	Year ended 31-Dec-23 AUD	Year ended 31-Dec-22 AUD
<b>Profit/(Loss) before income tax</b>	(1,462,791)	(4,804,955)
<b>Tax benefit at the 30% income tax rate</b>	438,837	1,440,047
Non-deductible permanent differences	71,300	102,630
Income tax benefit not brought to account	(510,137)	(1,542,676)
Income tax attributable to operating loss	-	-

Potential deferred tax assets attributable to tax losses and exploration expenditure expensed as incurred, amount to approximately \$15,990,277 (2022: \$15,096,269) and capital losses of \$1,266,754 (2022: \$1,266,754) have not been brought to account at 31 December 2023 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained when:

- i. the Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- ii. the Group has a history of reporting profitability and its financial forecasts indicate it will report future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- iii. the Group continues to comply with conditions for deductibility imposed by law; and
- iv. no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the loss and exploration expenditure

The Group has no imputation credits at 31 December 2023.

Yari Minerals Limited and its wholly owned subsidiaries Arena Exploration Pty Ltd and LAZ Holdings Pty Ltd implemented the tax consolidation regime from 1 July 2018. Westoz Lithium Pty Ltd joined the tax consolidated group on its acquisition as at 1 July 2022. Yari Minerals Limited is the head entity in the tax consolidated group. On adoption of tax consolidation, the entities in the tax consolidated group did not enter into a tax sharing agreement.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

**7. EARNINGS/(LOSS) PER SHARE**

	Year ended 31-Dec-23 AUD	Year ended 31-Dec-22 AUD
a) Basic loss per share attributable to the ordinary equity holders of the Company (cents per share)	(0.303)	(1.278)
Basic loss per share from continuing operations attributable to the ordinary equity holders of the Company (cents per share)	(0.921)	(0.645)
Basic earnings/(loss) per share from discontinued operations attributable to the ordinary equity holders of the Company (cents per share)	0.618	(0.633)
Net loss for the year attributable to the ordinary equity holders of the Company	(1,462,791)	(4,804,956)
b) Loss from continuing operations	(4,443,377)	(2,425,242)
Profit from discontinued operations	2,980,586	(2,379,714)
c) Weighted average number of shares on issue during the financial year used in the calculation of basic loss per share	482,357,813	462,921,450

Potential ordinary shares are not considered dilutive, therefore the same number of weighted average ordinary shares was used in calculating both basic and diluted loss per.

**8. DISCONTINUED OPERATIONS**

On 10 February 2023, the consolidated entity announced the sale of Minera Latin American Zinc S.A.P.I de C.V. (incorporated in Mexico), a subsidiary of Yari Minerals Limited. The Company will receive the following consideration for the Plomosas Project:

- US\$3,000,000 in cash at completion of the Sale Agreement, subject to final working capital adjustment;
- Up to US\$3,000,000 in common shares in Impact Silver, based on the lower of the price per common share for the Impact Capital Raising or the volume weighted average price for the 20 trading days immediately prior to the date of execution of the Sale Agreement with 11.4 million fully paid Impact Silver shares subsequently issued; and
- 12% of net profits from the Plomosas Project in cash from completion of the Sale Agreement, the terms of which will be set out in a fulsome net profits interest deed.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**
Concentrate sales agreements

MLAZ had an offtake agreement for 100% of its zinc concentrate, with Industrias Penoles S.A. de C.V. (Penoles) one of the world's leading zinc refiners. The offtake agreement is to 31 December.

MLAZ also entered into spot volume basis sales agreements with Metco Trading S.A. de C.V. ("Metco") for the sale of lead concentrates.

Revenue from the sale of zinc and lead concentrates are recognised when control of the concentrate passes to the customer, which is generally determined when the concentrate has been delivered to the nominated facility of the customer. Revenue is measured at fair value of the consideration received, net of treatment and refining charges and taking into account the contractually defined payment terms.

MLAZ's sale of zinc and lead concentrates allow for price adjustments based on the market price of the payable metal at the end of the relevant quotational period ("QP"). The period between the provisional invoicing and the end of the QP is one month for zinc concentrates and between one and four months for lead concentrates.

MLAZ was disposed of on 3 April 2023 to Impact Silver.

Financial Performance Information

	Year ended 31-Dec-23	Year ended 31-Dec-22
	AUD	AUD
Zinc revenue	593,093	6,202,521
Lead revenue	64,734	1,028,089
Silver revenue	7,424	110,790
Treatment Charge - Zinc Concentrate	(107,671)	(1,059,687)
Treatment Charge - Lead Concentrate	(13,690)	(155,847)
Other income	121,081	-
<b>Total Revenue</b>	<b>664,971</b>	<b>6,125,866</b>
Cost of goods sold	(728,865)	(8,368,245)
Other expenses	93,152	(137,335)
<b>Total expenses</b>	<b>(635,713)</b>	<b>(8,505,580)</b>
Loss before income tax expense	29,258	(2,379,714)
Income tax expense	-	-
<b>Loss after income tax expense</b>	<b>29,258</b>	<b>(2,379,714)</b>
Profit on disposal before income tax expense	3,351,012	-
Cost of disposal	(399,684)	-
Income tax expense	-	-
<b>Profit on disposal after income tax expense</b>	<b>2,951,328</b>	<b>-</b>
<b>Profit after income tax expense from discontinued operations</b>	<b>2,980,586</b>	<b>(2,379,714)</b>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Cashflow information

	Year ended 31-Dec-23 AUD	Year ended 31-Dec-22 AUD
Net cash from operating activities	(1,096,544)	(77,129)
Net cash used in investing activities	-	(81,134)
Net decrease in cash and cash equivalents from discontinued operations	(1,096,544)	(158,263)

Carrying amounts of assets and liabilities at the date of disposal

	AUD
Cash & cash equivalents	184,429
Trade & other receivables	733,265
Inventory	439,853
Financial assets	-
Property, plant & equipment	3,257,740
Mine, property & development	3,348,861
<b>Total Assets</b>	<b>7,964,148</b>
Trade & other payables	1,809,773
Provisions	752,422
<b>Total Liabilities</b>	<b>2,562,195</b>
<b>Net Assets</b>	<b>5,401,953</b>

Details of the disposal

	AUD
Total sale consideration	8,392,965
Carrying amount of the Net Assets disposed	(5,401,953)
Cost of disposal	(399,684)
Gain on disposal before income tax	2,591,328

Current Assets of the disposal group classified as held for sale

	Year ended 31-Dec-23 AUD	Year ended 31-Dec-22 AUD
Cash & cash equivalents	-	200,007
Trade & other receivables	-	936,953
Inventory	-	486,673
Financial assets	-	793
	-	<b>1,624,426</b>





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

*Non-Current Assets of the disposal group classified as held for sale*

	Year ended 31-Dec-23 AUD	Year ended 31-Dec-22 AUD
Property, plant and equipment	-	2,410,197
Mine property and development	-	1,687,837
	-	<b>4,098,034</b>

*Liabilities directly associated with assets held for sale*

	Year ended 31-Dec-23 AUD	Year ended 31-Dec-22 AUD
Trade payables and accruals	-	3,663,446
Provisions	-	66,916
	-	<b>3,730,362</b>

**9. TRADE AND OTHER RECEIVABLES**

	Year ended 31-Dec-23 AUD	Year ended 31-Dec-22 AUD
<i>Current</i>	-	-
Other receivable	14,835	24,980
Prepayments	45,770	105,965
Receivable from the Plomosas Project former joint venture partner	-	1,872
	60,605	132,817

**10. FINANCIAL ASSETS**

	Year ended 31-Dec-23 AUD	Year ended 31-Dec-22 AUD
<i>Current</i>		
Listed shares – Impact Silver	2,594,857	-
Other	-	2,122
	2,594,857	2,122

The Company holds 11,441,647 fully paid ordinary shares in Impact Silver Corp (TSX-V: IPT). The Impact Silver Corp. shares were issued with an escrow period, which is released from escrow in 4 equal instalments on 4 August 2023, 3 October 2023, 3 April 2024 and 3 October 2024.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement.

The Company utilised the Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date with respect to the fair value of the Impact Silver shareholding.

**11. NON-CURRENT ASSETS**

Property, plant and equipment	31-Dec-23 AUD	31-Dec-22 AUD
<b>Plant and Equipment</b>		
At cost	8,128	3,210,338
Accumulated depreciation	-	(799,486)
Classified as held for sale (note 8)	-	(2,410,196)
	8,128	656
<b>Movement in carrying amount</b>		
Balance at the beginning of the year	656	2,777,176
Additions	8,128	(37,918)
Depreciation	(656)	(328,406)
Classified as held for sale (Note 8)	-	(2,410,196)
Balance at the end of the year	8,128	656

**12. TRADE AND OTHER PAYABLES**

	31-Dec-23 AUD	31-Dec-22 AUD
Trade creditors	81,971	148,359
Other payables and accruals	31,362	64,410
Employee annual and long service leave provisions	146,948	184,000
	260,281	396,769

**13. BORROWINGS**

	31-Dec-23 AUD	31-Dec-22 AUD
<b>Short-term loans from related parties</b>		
Loan principal	-	-
Interest payable	-	-
	-	-
<b>Reconciliation of movement</b>		
<b>Movement in loans from related parties</b>		
Balance at the beginning of the year	-	107,100
Drawdown of loan from related parties	400,000	
Repayment of loan to related parties	(400,000)	(106,008)
Effect of foreign currency translation at period end	-	(1,092)
	-	-
<b>Movement in interest on loans from related parties</b>		
Balance at the beginning of the year	-	37,900
Interest for the period	40,000	1,548
Interest paid for the period	(40,000)	
Interest converted into fully paid shares	-	(39,672)
Effect of foreign currency translation at period end	-	224
	-	-
	-	-

The short-term loan was from an entity related to Mr Andrew Richards, of A\$400,000 principal plus a fixed interest amount of \$40,000, was drawdown and fully repaid during the year.

**14. PROVISIONS**

	31-Dec-23 AUD	31-Dec-22 AUD
Provision for long service leave	22,421	32,016
	22,421	32,016

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

**15. ISSUED CAPITAL**
**a) Share capital**

	31-Dec-23	31-Dec-23	31-Dec-22	31-Dec-22
	Number of shares	AUD	Number of shares	AUD
Ordinary shares paid net of costs	482,357,813	54,486,685	462,921,450	54,505,104

Reconciliation of movement in Issued capital		Issue price (A\$ cents)	Number of shares	AUD
<b>Balance at 1 January 2022</b>			<b>301,357,813</b>	<b>50,556,906</b>
1-Apr-22	Placement shares		50,000,000	1,389,653
3-Jun-22	Placement shares		12,000,000	317,402
31-Jul-22	WestOz share issue cost - Acquisition		24,000,000	471,613
30-Sep-22	Placement shares		75,563,637	1,586,092
	Issuance costs		-	(247,244)
<b>Balance at 31 December 2022</b>			<b>462,921,450</b>	<b>54,074,422</b>
Unissued shares at 31 December 2022			19,436,363	430,682
			<b>482,357,813</b>	<b>54,505,104</b>
<b>Balance at 1 January 2023</b>			<b>482,357,813</b>	<b>54,505,104</b>
Issuance costs			-	(18,419)
<b>Balance at 31 December 2023</b>			<b>482,357,813</b>	<b>54,486,685</b>

**b) Options over ordinary shares**

<i>Options over ordinary shares</i>	31-Dec-23	31-Dec-23	31-Dec-22	31-Dec-22
	Number of options	Exercise price per option (A\$)	Number of options	Exercise price per option (A\$)
Outstanding at the beginning of the period	125,368,997		68,368,987	
Granted – Listed options			31,000,010	0.04
Granted – Unlisted options	118,000,000	0.04	26,000,000	0.04
Expired – listed options	(99,118,998)	0.09	-	-
Expired – unlisted options	(249,999)	0.90	-	-
Outstanding at the end of the period	144,000,000		125,368,997	
<b>Exercisable at the end of the period</b>	<b>144,000,000</b>		<b>125,368,997</b>	

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company.

Weighted average remaining life of options over ordinary shares is 15.0 months (31 December 2022: 17.0 months).

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Weighted average price of the remaining options is A\$0.04 per option (31 December 2022: A\$0.09).

**c) Capital management**

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

	31-Dec-23	31-Dec-22
	AUD	AUD
Cash and cash equivalents	908,944	1,057,925
Financial assets	2,594,857	2,122
Trade and other receivables	60,605	132,817
Current-assets of disposal group classified as held for sale	-	1,624,426
Non-current assets classified as held for sale	-	4,098,034
Trade and other payables	(260,281)	(396,769)
Liabilities directly associated with assets classified as held for sale	-	(3,730,363)
<b>Working capital position</b>	<b>3,304,125</b>	<b>2,788,192</b>

**16. RESERVES**

	31-Dec-23	31-Dec-22
	AUD	AUD
Share-based payments reserve	716,665	753,294
Foreign currency translation reserve	484,303	(1,277,759)
Non-controlling interest reserve	-	(8,966,759)
	<b>1,200,968</b>	<b>(9,491,224)</b>

	31-Dec-23	31-Dec-22
<i>(i) Movement in Share-based payments reserve</i>	AUD	AUD
Balance at the beginning of the period	753,294	411,196
Reclassification to accumulated losses for performance rights lapsed or expired	(271,235)	-
Share-based payment expense	234,606	342,098
Balance at the end of the period	<b>716,665</b>	<b>753,294</b>

The share-based payment reserve is in relation to the recognition of share-based payment expenses.

The foreign currency translation reserve represented the translation of the Groups assets and liabilities held in currencies other than Australian Dolar.

The non-controlling interest reserve represents the former Plomosas joint venture partner's interest. The Group acquired a 100% interest in its Mexican subsidiary on 1 October 2019,

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

eliminating any future non-controlling interest movements. As MLAZ has now been disposed of, the remaining reserve value has been transferred to accumulated losses.

**17. KEY MANAGEMENT PERSONNEL**

Names and positions held of the entity's key management personnel in office at any time during the financial period and the comparative period are:

Mr. Brad Marwood	Non-executive Chairman (appointed 1 May 2023, previously Executive Chairman)
Ms. Angela Pankhurst	Non-executive Director
Mr. Anthony Italiano	Managing Director (appointed 1 May 2023, previously Executive Director and Company Secretary)
Mr. Rudolf Tieleman	Company Secretary (appointed 30 May 2023)

Salary and fees

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

	31-Dec-23	31-Dec-22
	AUD	AUD
Short term benefits	713,711	580,159
Share-based payments	215,348	303,331
Post-employment benefits	34,068	35,422
	963,127	918,912

**Other transactions with key management personnel**

At 31 December 2023, there are other transactions with key management personnel.

**18. SHARE-BASED PAYMENTS**
**a) Non-plan payments**

The Company may at times issue share-based payments to Directors, Employees, consultants and/or service providers from time to time, not under any specific plan. The shares and options are issued for nil consideration and in accordance with the specific guidelines established by the Directors of the Company. Any share-based payment to Directors requires the approval of shareholders at a general meeting. The vesting period and maximum term of shares or options granted vary according to the Board's discretion.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

**b) Performance Rights Plan (PRP)**

Shareholders approved the Yari Minerals Limited PRP at the Annual General Meeting held on 23 May 2019. The PRP is designed to more closely align rewards for performance with the achievement of the Company's growth and strategic objectives. The Board believes that the grant of performance rights under the PRP to eligible participants will underpin the employment strategy of attracting and retaining high calibre staff capable of executing the Company's strategic plans, and will maximise the retention of key management and operational staff; enhance the Company's ability to attract quality staff in the future, link the rewards of key staff with the achievement of strategic goals and the long term performance objectives of the Company, and provide incentives to participants of the PRP to deliver superior performance that creates shareholder value.

The PRP provides for the issue of performance rights which, upon determination by the Board that the performance conditions attached thereto have been met and subject to the terms of the PRP, convert into fully paid ordinary shares. Where the participant is a Director or other related party of the Company, specific shareholder approval will have to be sought under the ASX Listing Rules prior to the grant of performance rights to such an individual.

The exercise price, if any, for performance rights will be determined by the Board in its discretion and set out in the related invitation. The exercise price may be any amount and may be as low as zero, in which case a statement to that effect will be set out in the related terms and conditions of the award of the performance rights.

**c) Expenses arising from share-based payment transactions**

During the period, \$234,606 was recognised as a share-based payment expense (31 December 2022: \$342,098).

**d) Shares granted as compensation**

No shares were granted as compensation during the year.

**e) Performance rights granted**

No performance were granted as compensation during the year.

**f) Options over ordinary shares granted**

During the period, 18,000,000 unlisted options were granted, comprising of two tranches issued on the following terms:

- a) 10,000,000 options issued at an exercise price A\$0.04 per option and have no vesting conditions and an expiry date of 30 May 2028; and
- b) 8,000,000 options issued at an exercise price A\$0.04 per option and have no vesting conditions and an expiry date of 31 December 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

**19. RELATED PARTIES**

The consolidated entity in this report consists of Yari Minerals Limited, a company domiciled in Australia, and the entities it controlled at the end of, or during the year ended 31 December 2023.

**a) Group entities**

Subsidiaries of Yari Minerals Limited	Country of Incorporation	Percentage Owned (%)	
		31-Dec-23	31-Dec-22
Arena Exploration Pty Ltd	Australia	100	100
Minera Latin American Zinc ("MLAZ")	Mexico	-	100
LAZ Holdings Pty Ltd	Australia	100	100
WestOz	Australia	100	100

**20. PARENT INFORMATION**

	31-Dec-23 AUD	31-Dec-22 AUD
<b>Statement of Financial Position</b>		
Current assets	3,558,096	1,190,051
Non-current assets	8,128	656
<b>Total assets</b>	<b>3,566,224</b>	<b>1,190,707</b>
Current liabilities	253,971	396,769
Non-current liabilities	22,421	32,016
<b>Total liabilities</b>	<b>276,392</b>	<b>428,785</b>
<b>Net assets</b>	<b>3,289,832</b>	<b>761,922</b>
Issued capital	54,486,580	58,094,357
Reserves	1,200,918	791,173
Accumulated losses	(52,397,666)	(58,123,608)
<b>Total equity</b>	<b>3,289,832</b>	<b>761,922</b>
<b>Statement of Comprehensive Income</b>		
Total loss	(5,725,942)	(6,685,678)
Total comprehensive loss	(5,725,942)	(6,922,661)

Refer to note 21(b)(iii) for the contingent liability of the parent.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

**21. COMMITMENTS AND CONTINGENCIES**
**a) Commitments**

The group has commitments in respect to its tenement annual rental and licence costs in Australia (Mexican commitments were disposed on 3 April 2023 following the sale of MLAZ to Impact Silver):

	31-Dec-23	31-Dec-22
	AUD	AUD
Not later than 12 months	421,000	230,306
Between 12 months and 5 years	1,319,000	921,224
Greater than 5 years	-	5,759,305
	1,740,000	6,910,835

**b) Contingencies**
Contingent Assets

There are no contingent assets.

Contingent Liabilities

- (i) MLAZ terminated the mining contract with the service provider (“Ganti”) in November 2019. The Group has disputed the cost claims submitted by Ganti, as in the Company’s opinion it is not in accordance with the mining contract. Rather than follow the contractual dispute resolution scheme, Ganti submitted proceedings in the Federal District Court of Mexico claiming Mexican Pesos \$23,632,639 (inclusive of 16% VAT). The Group’s Mexican subsidiary has de-recognised this claim in full with a strong legal opinion received by the Company advised there is a strong probability of success in defending against Ganti’s claims, and a very high likelihood of success in MLAZ’s loss of profits claim against Ganti, with the likely outcome an amount would be payable by Ganti to MLAZ.

Any reimbursements made by Yari Minerals to Impact Silver in relation to the Ganti case are capped at US\$250,000 and will be deducted from the 12% net profit interest royalty payments.

- (ii) Former employees of Ganti are claiming unpaid wages and termination benefits in a legal action against MLAZ and Ganti. Under the Mexican labour laws, MLAZ would only be liable for the Ganti employee costs if the claimants can prove an exclusive labour relationship between the companies. It is the understanding of MLAZ that there was no such relationship between Ganti and MLAZ, as Ganti operated at multiple sites as a contractor within Mexico, however, this will be subject to judgements by the Mexican legal system. The Ganti employees have made an ambit claim against MLAZ and Ganti, which MLAZ is vigorously defending. MLAZ also has indemnity for these costs under the mining contract with Ganti, however, the solvency of Ganti is uncertain.

The Company has agreed to escrow the first Mexican Pesos \$14,639,957 (Approx. A\$1,318,855) of the 12% Net Profit Interest royalty pending the outcome of the legal action brought by a former contractor’s employees, which the Company has been advised is highly unlikely to succeed.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

**21. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

- (iii) The final working capital adjustment on completion of the sale of MLAZ is to be calculated in accordance with IFRS accounting principles. The working capital calculations prepared by Yari Minerals in accordance with IFRS accounting principles indicate there is an amount payable by Impact Silver to Yari Minerals. The parties have not been able to reach an agreement on the final calculation based on IFRS and should the parties not reach an agreement, the matter will be referred to an Independent Expert for determination in accordance with IFRS accounting principles and the sale agreement.

**22. CASH FLOW INFORMATION****a) Reconciliation of loss after income tax to net cash outflow from operating activities**

	31-Dec-23 AUD	31-Dec-22 AUD
<b>Reconciliation of (loss)/profit after income tax to net cash outflow from operating activities</b>	-	-
Loss after income tax	(1,462,791)	(4,804,955)
Share-based payment expense	234,606	342,098
Depreciation and amortisation	656	320,274
Impairment	-	111,906
(Gain)/Loss on foreign currency translation	-	(5,178)
Interest/Finance expense	31,796	12,377
Movement in fair value of financial assets	2,395,376	
Gain on disposal discontinued operation	(2,980,586)	
Change in assets and liabilities	-	-
Decrease/(Increase) in current trade and other receivables	274,203	982,224
Decrease/(Increase) in inventories	-	257,228
Increase/(Decrease) in trade and other payable	(1,515,500)	523,608
<b>Net cash flow used in operating activities</b>	<b>(3,022,240)</b>	<b>(2,260,418)</b>

**Non-cash financing and investing activities**

During the reporting period, the following financing and investing non-cash activities took place:

	31-Dec-23 AUD	31-Dec-22 AUD
Purchase consideration of Westoz Lithium Pty Ltd	-	-
Issue of 24,000,000 shares as part of the purchase consideration	-	459,935
	-	459,935

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

**23. FINANCIAL INSTRUMENTS**
**(a) Financial Risk Management**

The Group is exposed to financial risks through the normal course of its business operations. The key risks impacting the Group's financial instruments are considered to be foreign currency risk, liquidity risk, commodity price risk and credit risk. The Group's financial instruments exposed to these risks are cash and cash equivalents, trade and other receivables, trade payables and borrowings.

The Managing Director and Chief Financial Officer monitor the Group's risks on an ongoing basis and report to the Board. The Group currently does not use derivative financial instruments as part of its risk management process.

*(i) Foreign Currency risk*

The Group operates domestically within Australia and is exposed to foreign exchange risk arising from various currency exposures. The Group's functional currency is Australian Dollars ("AUD or \$"); proceeds from the sale of Impact Silver Corp. shares are denominated in Canadian Dollars ("CAD"), and the 12.0% net profit royalties from the Plomosas Mine, Mexico are paid in United States Dollars but exposed to the Plomosas Mine, Mexico revenues and operating costs, which are denominated in United States Dollars and/ Mexican Peso's.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Management's policy is to manage foreign exchange risk against the functional currency. Management manage foreign exchange risk by continuously monitoring forecasts and spot prices of foreign currency.

The carrying amounts of the Group's financial assets and liabilities are denominated in Australian Dollars except as set out below:

	31-Dec-23	31-Dec-22
	AUD	AUD
Cash and cash equivalents held in MXN	-	69,327
Cash and cash equivalents held in USD	767,684	-
Cash and cash equivalents held in AUD	141,260	973,051
Trade and other receivables in MXN	-	4,162
Trade and other receivables in AUD	60,605	21,480
Indirect taxes receivable in MXN	-	858,006
Financial Assets in CAD	2,594,857	-
Trade and other payables in MXN	-	(3,543,590)
Trade and other payables in USD	-	(154,325)
Trade and other payables in AUD	(260,281)	-
Borrowings in AUD	-	-
	3,304,125	(1,771,889)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

**Group sensitivity**

Based on the financial instruments held at 31 December 2023, had the above currencies strengthened/weakened by 10% against the AUD with all other variables held constant, the Group's post tax loss for the year would have been \$350,380 lower/\$350,380 higher (31 December 2022: \$120,045 higher/\$120,045), mainly as a result of foreign exchange gains/losses on translation of financial instruments denominated in Canadian Dollars and Mexican Peso's. There would have been no impact on other equity had the same currencies weakened/strengthened by 10% against the AUD.

*(i) Interest rate risk*

The Group does not have any debt that may be affected by interest rate risk. Cash balances held by the group are subject to interest rate risk.

**Market risks***(i) Share Price risk*

Share price risk is the risk of financial loss resulting from movements in the price of the Group's financial assets. The Group's primary exposure to share price risk arises from its shareholding in Impact Silver Corp. which is listed on the TSX-V and denominated in Canadian Dollars.

**Liquidity risks**

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who oversee a liquidity risk management framework for the management of the Group's funding and liquidity management requirements. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring there are appropriate plans in place to finance these future cash flows.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

**23. FINANCIAL INSTRUMENTS (CONTINUED)**

The totals for each category of financial instruments at 31 December 2023 were as follows:

<i>Financial assets and liabilities</i>	31-Dec-23 AUD	31-Dec-22 AUD
<b>Financial assets</b>		
Cash and cash equivalents	908,944	1,257,932
Financial assets	2,594,857	2,917
Trade and other receivables - current	60,605	1,069,770
<b>Total Financial Assets</b>	<b>3,564,406</b>	<b>2,330,619</b>
<b>Financial Liabilities</b>		
Trade and other payables	(260,281)	(4,060,215)
Borrowings	-	-
<b>Total Financial Liabilities</b>	<b>(260,281)</b>	<b>(4,060,215)</b>

*(i) Maturities of financial liabilities*

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 6 months AUD	6 - 12 months AUD	Total contractual AUD	Carrying amount of liabilities AUD
<b><i>Financial liabilities</i></b>	<b>AUD</b>	<b>AUD</b>	<b>AUD</b>	<b>AUD</b>
<b><i>As at December 2023</i></b>				
<b><i>Non-derivatives</i></b>				
Non-interest bearing	260,281	-	260,281	260,281
Interest bearing	-	-	-	-
<b>Total non-derivatives</b>	<b>260,281</b>	<b>-</b>	<b>260,281</b>	<b>260,281</b>
<b><i>As at December 2022</i></b>				
<b><i>Non-derivatives</i></b>				
Non-interest bearing	4,060,215	-	4,060,215	4,060,215
Interest bearing	-	-	-	-
<b>Total non-derivatives</b>	<b>4,060,215</b>	<b>-</b>	<b>4,060,215</b>	<b>4,060,215</b>

**Credit risk**

The Group's maximum exposures to credit risk in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of financial position. Credit risk arises from the non-performance by counterparties of contractual financial obligations. Credit risk arises from cash and cash equivalents, deposits with banks, credit exposures to any outstanding receivables and committed transactions.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

**23. FINANCIAL INSTRUMENTS (CONTINUED)**

Management assesses the credit quality by taking into account financial position, past experience and other factors. For banks and financial institutions, management considers independent ratings. If there is no independent rating, risk control assesses the credit quality of the parties, taking into account its financial position, past experience and other factors.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of financial position and notes to the financial statements.

	31-Dec-23	31-Dec-22
<i>Credit risk</i>	AUD	AUD
Indirect taxes receivable in foreign jurisdictions	-	858,006
Trade receivables	-	74,444
	-	932,450

**23. FINANCIAL INSTRUMENTS (CONTINUED)**
**(b) Fair value estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair values of the Group's non-derivative financial assets and financial liabilities approximate their carrying values.

	Floating interest rate	Fixed interest rate 1 year or less	Non-interest bearing	Total	Weighted effective interest rate
	AUD	AUD	AUD	AUD	%
<b>At 31 December 2023</b>					
<b>Financial assets</b>					
Cash	120,338	-	788,606	908,944	-
Investments held for trading	-	-	2,594,857	2,594,857	-
Trade and other receivables - current	-	-	60,605	60,605	-
Trade and other receivables - non-current	-	-	-	-	-
<b>Total non-derivative financial assets</b>	<b>120,338</b>	<b>-</b>	<b>3,444,068</b>	<b>3,564,406</b>	
<b>Financial liabilities</b>					
Trade and other payables	-	-	(260,281)	(260,281)	-
Borrowings	-	-	-	-	-
<b>Total non-derivative financial liabilities</b>	<b>-</b>	<b>-</b>	<b>(260,281)</b>	<b>(260,281)</b>	
<b>At 31 December 2022</b>					
<b>Financial assets</b>					
Cash	-	-	1,257,932	1,257,932	-
Investments held for trading	-	-	2,917	2,917	-
Trade and other receivables - current	-	-	1,069,770	1,069,770	-
Trade and other receivables - non-current	-	-	-	-	-
<b>Total non-derivative financial assets</b>	<b>-</b>	<b>-</b>	<b>2,330,619</b>	<b>2,330,619</b>	
<b>Financial liabilities</b>					
Trade and other payables	-	-	(4,060,215)	(4,060,215)	-
Borrowings	-	-	-	-	-
<b>Total non-derivative financial liabilities</b>	<b>-</b>	<b>-</b>	<b>(4,060,215)</b>	<b>(4,060,215)</b>	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

**24. EVENTS OCCURRING AFTER THE REPORTING PERIOD**

Other than set out below, no matters or circumstances have arisen since end of the year, which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial periods:

- On 21 February 2024, the Company announced it received a notice to initiate arbitration from Impact Silver Under the share sale agreement (“SSA”), Impact Silver purchased 100% of the shares in MLAZ, a Mexican company that owns and operates the Plomosas project located in Chihuahua, Mexico. The Arbitration has only been initiated and is at a very early stage. The Company is working with its Canadian and Mexican legal counsel to conduct a preliminary assessment of the basis and merits of the matters subject to the Arbitration, and will take all necessary actions to defend its interests and pursue any counterclaims against Impact Silver. Yari will comprehensively assess its position with a view to resolving the dispute as efficiently and effectively as possible.



**DIRECTORS' DECLARATION**

In the directors' opinion:

- (a) The financial statements and notes set out on pages 23 to 63 are in accordance with the *Corporations Act 2001*, including:
  - (i) Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
  - (ii) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the year ended on that date and
- (b) There are reasonable grounds to believe that Yari Minerals Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.



Brad Marwood  
Non-executive Chairman  
Perth  
28 March 2024

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the consolidated financial report of Yari Minerals Limited for the year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Perth, Western Australia  
28 March 2024



**M R Ohm**  
**Partner**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Yari Minerals Limited

### Report on the Audit of the Financial Report

#### *Qualified Opinion*

We have audited the financial report of Yari Minerals Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### *Basis for Qualified Opinion*

During the year, the Group disposed of its subsidiary Minera Latin American Zinc S.A.P.I de C.V. ("MLAZ"). We were unable to obtain sufficient, appropriate evidence in relation to the amounts recorded as inventory in the above subsidiary as at disposal date. In addition, we were unable to obtain evidence to verify certain amounts recorded as trade payables in the subsidiary as at disposal date. Furthermore, the Group is currently in arbitration with the purchaser in relation to the working capital adjustment forming part of the consideration. As a consequence of the above factors, we were unable to obtain sufficient, appropriate evidence in relation to the net assets of MLAZ at disposal date, the working capital adjustment and therefore the gain on disposal, related tax implications and the profit from discontinued operations of MLAZ as disclosed in Note 8 to the financial report.

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 company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 in the financial report, which indicates 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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### *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.

No other matters in addition to the matters described in the *Material Uncertainty Related to Going Concern* and *Basis for Qualified Opinion* sections have been identified as a key audit matter.

### *Information Other than the Financial Report and Auditor's Report Thereon*

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

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

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

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

### *Responsibilities of the Directors for the Financial Report*

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

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

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

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

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

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

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

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

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

**REPORT ON THE REMUNERATION REPORT**

*Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the Directors' Report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of Yari Minerals Limited for the year ended 31 December 2023 complies with Section 300A of the *Corporations Act 2001*.

*Responsibilities*

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

*HLB Mann Judd*

**HLB Mann Judd  
Chartered Accountants**

**Perth, Western Australia  
28 March 2024**



**M R Ohm  
Partner**

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**SHAREHOLDERS INFORMATION**

Additional information required by the Australian Securities Exchange Limited Listing Rules, and not disclosed elsewhere in this report.

**CORPORATE GOVERNANCE STATEMENT**

The Company's Corporate Governance Statement can be found on the Company's website at [www.consolidatedzinc.com.au](http://www.consolidatedzinc.com.au).

**SHAREHOLDINGS**

The names of the substantial shareholders listed on the Company's register as 14 March 2024:

Shareholder	Number	Percentage of issued capital held
Copulos Group	130,198,165	26.99%

**CLASS OF SHARES AND VOTING RIGHTS**

The voting rights attached to the Fully Paid Ordinary shares of the Company are:

- At a meeting of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney; and
- On a show of hands every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held.

There are no voting rights attached to any Options on issue.

**SECURITIES EXCHANGE LISTING**

Quotation has been granted for 482,357,813 ordinary shares of Yari Minerals Limited on all member exchanges of the *Australian Securities Exchange* and trade under the symbol YAR.

**RESTRICTED SECURITIES**

There are currently no restricted securities on issue.

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**ON MARKET BUYBACK**

There is currently no on-market buy-back program for any of the Company's securities.

**DISTRIBUTION OF SHAREHOLDERS (as at 14 March 2024)**

Shares Range	No of Holders	Units	%
100,001 and above	247	46,885	0.01%
10,001 - 100,000	235	641,472	0.13%
5,001 - 10,000	143	1,098,746	0.23%
1,001 - 5,000	595	24,599,070	5.10%
1 - 1,000	378	455,971,640	94.53%
<b>Total</b>	<b>1,598</b>	<b>482,357,813</b>	<b>100.00%</b>

There are 1,166 holders of unmarketable parcels comprising a total of 21,110,760 ordinary shares.

**Optionholders (as at 14 March 2024)**

Unlisted Options	Listed/Unlisted	No Holders	of	Units on issue
Exercisable at \$0.04 on or before 31 December 2024	Listed (YAROD)	56		100,000,000
Exercisable at \$0.04 on or before 31 December 2024	Unlisted	3		34,000,000
Exercisable at \$0.04 on or before 30 May 2028	Unlisted	3		10,000,000
<b>Total</b>				<b>144,000,000</b>

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## TWENTY LARGEST ORDINARY SHAREHOLDERS - YAR (as at 14 March 2024)

	Name	Number of Shares	%
1	SUPERMAX PTY LTD <SUPERMAX SUPER FUND A/C>	43,960,416	9.11%
2	COPULOS SUPERANNUATION PTY LTD <COPULOS PROVIDENT FUND A/C>	27,892,428	5.78%
3	FARJOY PTY LTD	24,000,000	4.98%
4	SPACETIME PTY LTD <COPULOS EXEC S/F NO 1 A/C>	17,847,833	3.70%
5	EYEON NO 2 PTY LTD	16,468,315	3.41%
6	OODACHI PTY LTD <P & M KERR FAMILY A/C>	15,000,000	3.11%
7	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	14,992,380	3.11%
8	CITYWEST CORP PTY LTD <COPULOS SUNSHINE UNIT A/C>	13,164,841	2.73%
9	MR JUNLONG LIANG	11,524,000	2.39%
10	GEONOMIK PTY LTD	11,500,000	2.38%
11	WESTPARK OPERATIONS PTY LTD <WESTPARK OPERATIONS UNIT A/C>	10,515,627	2.18%
12	MR PAUL HARTLEY WATTS	10,000,000	2.07%
13	AMRITA CAPITAL PTY LTD	9,045,935	1.88%
14	MR JASON SEIT KADIR & MRS KATE HELEN KADIR	7,000,000	1.45%
15	RETZOS EXECUTIVE PTY LTD <RETZOS EXECUTIVE S/FUND A/C>	6,780,907	1.41%
16	CHRIKIM PTY LTD <GEOFFREY WRIGHT INCOME A/C>	6,713,973	1.39%
17	EYEON INVESTMENTS PTY LTD <EYEON INVESTMENTS FAMILY A/C>	6,250,000	1.30%
18	MS CHUNYAN NIU	5,252,754	1.09%
19	MILLERTECH PTY LTD <MILLER FAMILY A/C>	5,100,000	1.06%
20	INTELLSOFT SERVICES PTY LTD	3,665,000	0.76%
	<b>Total</b>	<b>266,674,409</b>	<b>55.29%</b>

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**TWENTY LARGEST LISTED OPTIONHOLDERS - YAROD (as at 14 March 2024)**

	Name	Number of Shares	%
1	MS CHUNYAN NIU	13,161,677	13.16%
2	MR HARLEY COILS	10,049,410	10.05%
3	MR ANDREW TATE	5,250,000	5.25%
4	SUPER SECRET PTY LIMITED <TKOCZ SF A/C>	5,000,000	5.00%
5	MS MEIXIA CHEN	4,954,700	4.95%
6	CITYWEST CORP PTY LTD <COPULOS SUNSHINE UNIT A/C>	4,545,455	4.55%
7	COPULOS SUPERANNUATION PTY LTD <COPULOS PROVIDENT FUND A/C>	4,545,455	4.55%
8	MR KOSTAS KATOUNAS	4,545,454	4.55%
9	MR AIDAN DANIEL MCAULEY	4,500,000	4.50%
10	LIGUO CAPITAL PTY LTD <BENJO FAMILY A/C>	3,706,725	3.71%
11	MR GLENN DAWSON	3,071,059	3.07%
11	SUPERMAX PTY LTD <SUPERMAX SUPER FUND A/C>	3,000,000	3.00%
12	NORTHROCK CAPITAL PTY LTD <NORTHROCK CAPITAL UNIT A/C>	2,272,727	2.27%
13	INVENET PTY LTD <INVENET SUPER FUND A/C>	2,272,727	2.27%
14	POINTCIANA PTY LTD <IVANHOE INVESTMENTS A/C>	2,193,614	2.19%
15	MR JASON TANG	2,000,000	2.00%
16	MR KIET TUAN PHAM	1,760,988	1.76%
17	LYCD NO 1 PTY LTD <LYCD NO 1 SUPERFUND A/C>	1,250,718	1.25%
18	MR JASON SEIT KADIR & MRS KATE HELEN KADIR	1,247,772	1.25%
19	MR STEVEN ANAGNOSTOU & MRS RIMA ANAGNOSTOU	1,200,000	1.20%
20	MR ALFREDO VARELA	1,150,000	1.15%
	<b>Totals</b>	<b>1,100,000</b>	<b>1.10%</b>

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**TENEMENT INFORMATION**

The schedule of tenements and concessions held by the Company as at 14 March 2024 are summarised in the Table below.

<b>Tenement schedule</b>						
<b>Lease</b>	<b>Project</b>	<b>Name</b>	<b>Type</b>	<b>Lease Status</b>	<b>Expiry Date</b>	<b>CZL Equity</b>
<b>Australia</b>						
EL09/2499	Wandagee	Wandagee	Exploration	Granted	01/06/2027	100%
EL45/5972	Figtree	Figtree	Exploration	Granted	10/03/2028	100%
EL45/5973	South Wodgina	South Wodgina	Exploration	Granted	03/07/2027	100%
EL45/5974	South Wodgina	South Wodgina	Exploration	Granted	03/07/2027	100%
EL45/5986	Ant Hill	Ant Hill	Exploration	Granted	26/05/2027	100%
EL45/5987	Camel Creek	Camel Creek	Exploration	Granted	26/05/2027	100%

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