

Piche Resources Limited

(Formerly known as San Martin Mining Pty Ltd)

ABN 57 659 161 412

Financial Report - 30 June 2023

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Piche Resources Limited
(Formerly known as San Martin Mining Pty Ltd)
Corporate directory
30 June 2023

Directors	John Simpson Stephen Mann Stan Macdonald Clark Beyer Pablo Marcet
Company secretary	Ben Donovan
Registered office	Level 4 225 St Georges Terrace PERTH WA 6000
Principal place of business	Level 4 225 St Georges Terrace PERTH WA 6000
Auditor	BDO Audit Pty Ltd Level 9, Mia Yellagonga Tower 2 5 Spring Street PERTH WA 6000

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Piche Resources Limited
(Formerly known as San Martin Mining Pty Ltd)
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30 June 2023

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Piche Resources Limited
(Formerly known as San Martin Mining Pty Ltd)
Directors' report
30 June 2023

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Company') consisting of Piche Resources Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

Directors

The following persons were Directors of Piche Resources Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

John Simpson
Stephen Mann
Stan Macdonald
Clark Beyer - appointed 5 August 2022
Pablo Marcet - appointed 7 March 2024

Dividends

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

Review of operations

The loss for the Company after providing for income tax amounted to \$1,201,199 (30 June 2022: \$10,000).

Significant changes in the state of affairs

The following shares and options were issued during the year:

- 4,200,000 ordinary shares at an issue price of \$0.0001 each raising \$420 on 31 October 2022.
- 20,970,000 ordinary shares at an issue price of \$0.10 each raising \$2,097,000 before costs on 10 November 2022.
- 10,485,000 options at an exercise price of \$0.25 each expiring on or before 2 May 2027 were issued with the capital raise on 10 November 2022 as free attaching options on the basis of 1 option for every 2 shares.

On 23 June 2023, the Company converted to a public company and changed its name from San Martin Mining Pty Ltd.

During July 2022, Piche Mining and Creekwood Nominees Pty Ltd (an entity associated with director Stan Macdonald) entered into a share sale and purchase agreement pursuant to which Piche Mining acquired 100% of the issued share capital of South Coast Minerals Pty Ltd (**South Coast Minerals**), with completion occurring in February 2023. South Coast Minerals is the holder of five exploration licences located in Western Australia. Consideration of ~\$44,000 (being the cost of the tenements incurred by South Coast Minerals) was paid by the Company.

The Company's wholly owned subsidiary Piche Mining entered into a Facilitators' Royalty Deed with Creekwood Nominees Pty Ltd (an entity associated with Director Stanley Macdonald), Tracy Mann (the spouse of Director Stephen Mann) and Director John Simpson (together, the Facilitators).

Under the Royalty Deed, Piche Mining grants the Facilitators a 1.5% net smelter return royalty (0.5% for each Facilitator) in relation to any metals derived from the tenements owned by South Coast Minerals and a number of the tenements that Piche Argentina holds.

Piche Resources S.A (**Piche Argentina**) was incorporated in Argentina on 30 November 2022 on behalf of the Company by the Company's then Argentine solicitors. The Company and Piche Mining initially held an indirect interest in Piche Argentina, holding a 95% and 5% beneficial interest in the shares of Piche Mining, with legal title held temporarily on trust by the Company's then Argentine solicitors. Full legal title and was transferred to the Company and Piche Mining on 5 December 2023.

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

Matters subsequent to the end of the financial year

Mr Pablo Marcet was appointed as a Director of the Company on 7 March 2024.

On 12 January 2024, 14,125,002 fully paid ordinary shares were issued at \$0.15 each raising \$2,118,750 before costs, together with a 1:2 free attaching option at an exercise price of \$0.25 each expiring on or before 2 May 2027.

Piche Resources Limited
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30 June 2023

On 11 March 2024, 833,333 fully paid ordinary shares, 583,333 Class A, 583,333 Class B, and 583,333 Class C options were issued to incoming director Mr Pablo Marcet and a consultant.

On 2 April 2024, the Company issued 1,500,000 options at an exercise price of \$0.25, \$0.35 and \$0.45 respectively expiring on 2 May 2027 to a number of consultants.

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

Likely developments and expected results of operations

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Company.

Environmental regulation

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Shares under option

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

Grant date	Expiry date	Exercise price	Number under option
3 May 2022	2 May 2027	\$0.2500	15,000,000
3 May 2022	2 May 2027	\$0.3500	15,000,000
3 May 2022	2 May 2027	\$0.4500	15,000,000
10 November 2022	2 May 2027	\$0.2500	10,485,000
			55,485,000

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

Shares issued on the exercise of options

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

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Auditor

BDO Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

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Piche Resources Limited
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Directors' report
30 June 2023

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

On behalf of the Directors



John Simpson
Chairman

18 April 2024

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Piche Resources Limited
(Formerly known as San Martin Mining Pty Ltd)
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	Consolidated 30 June 2023 \$	3 May 2022 - 30 June 2022 \$
Revenue			
Other income	4	23,136	-
Expenses			
Corporate and administration expenses	5	(205,275)	(10,000)
Employee benefits expense	6	(581,645)	-
Exploration and evaluation expenditure	8	(437,415)	-
Loss before income tax expense		(1,201,199)	(10,000)
Income tax expense	7	-	-
Loss after income tax expense for the year attributable to the owners of Piche Resources Limited	13	(1,201,199)	(10,000)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		2,853	-
Other comprehensive income for the year, net of tax		2,853	-
Total comprehensive loss for the year attributable to the owners of Piche Resources Limited		(1,198,346)	(10,000)

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

Piche Resources Limited
(Formerly known as San Martin Mining Pty Ltd)
Consolidated statement of financial position
As at 30 June 2023

	Note	Consolidated	
		30 June 2023	30 June 2022
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	9	1,028,173	-
Trade and other receivables		19,173	3,300
Total current assets		1,047,346	3,300
Total assets		1,047,346	3,300
Liabilities			
Current liabilities			
Trade and other payables	10	224,072	10,000
Total current liabilities		224,072	10,000
Total liabilities		224,072	10,000
Net assets/(liabilities)		823,274	(6,700)
Equity			
Issued capital	11	2,031,620	3,300
Reserves	12	2,853	-
Accumulated losses	13	(1,211,199)	(10,000)
Total equity/(deficiency)		823,274	(6,700)

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

Piche Resources Limited
(Formerly known as San Martin Mining Pty Ltd)
Consolidated statement of changes in equity
For the year ended 30 June 2023

	Issued capital \$	Foreign currency reserve \$	Accumulated losses \$	Total deficiency in equity \$
Consolidated				
Balance at 3 May 2022	-	-	-	-
Loss after income tax expense for the year	-	-	(10,000)	(10,000)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(10,000)	(10,000)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 11)	3,300	-	-	3,300
Balance at 30 June 2022	3,300	-	(10,000)	(6,700)

	Issued capital \$	Foreign currency reserve \$	Accumulated losses \$	Total equity \$
Consolidated				
Balance at 1 July 2022	3,300	-	(10,000)	(6,700)
Loss after income tax expense for the year	-	-	(1,201,199)	(1,201,199)
Other comprehensive income for the year, net of tax	-	2,853	-	2,853
Total comprehensive income for the year	-	2,853	(1,201,199)	(1,198,346)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 11)	2,028,320	-	-	2,028,320
Balance at 30 June 2023	2,031,620	2,853	(1,211,199)	823,274

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

Piche Resources Limited
(Formerly known as San Martin Mining Pty Ltd)
Consolidated statement of cash flows
For the year ended 30 June 2023

		Consolidated	
	Note	30 June 2023	3 May 2022 -
		\$	30 June 2022
			\$
Cash flows from operating activities			
Payments to suppliers and employees for administration activities		(578,424)	-
Payments for exploration activities		(437,416)	-
Interest received		12,840	-
Net cash used in operating activities		(1,003,000)	-
Net cash from investing activities			
		-	-
Cash flows from financing activities			
Proceeds from issue of shares	11	2,097,420	-
Share issue transaction costs		(69,100)	-
Net cash from financing activities		2,028,320	-
Net increase in cash and cash equivalents		1,025,320	-
Cash and cash equivalents at the beginning of the financial year		-	-
Effects of exchange rate changes on cash and cash equivalents		2,853	-
Cash and cash equivalents at the end of the financial year	9	1,028,173	-

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

Piche Resources Limited
(Formerly known as San Martin Mining Pty Ltd)
Notes to the consolidated financial statements
30 June 2023

Note 1. General information

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

Piche Resources Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 4
225 St Georges Terrace
PERTH WA 6000

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

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 18 April 2024. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

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

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

Going concern

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

As disclosed in the financial statements, the Group reported a net loss of \$1,201,199 (2022: net loss \$10,000) and net operating cash outflows of \$1,003,000 (2022: outflow \$nil). As at 30 June 2023, the Group had a cash and cash equivalents balance, of \$1,028,173 (2022: \$nil).

The ability of the Group to maintain continuity of normal business activities and to pay its debts as and when they fall due is dependent on its ability to successfully raise additional capital and/or successful exploration and subsequent exploitation of areas of interest through sale or development. These circumstances give rise to the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Management have prepared a cash flow forecast for the period ending 12 months from the date of this report. Based on the forecast, the directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- there is sufficient cash available at balance date for the Group to continue operating;
- Group do not consider there are any valid reasons as to why future capital funding will not be available and remain confident that sufficient funding will be obtained when required; and
- the Directors can reduce expenditure to manage cash reserves if required.

Should the Group be unable to raise capital to reduce its expenditure, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

Note 2. Significant accounting policies (continued)

Subsequent to 30 June 2023 the Company issued 14,125,002 fully paid ordinary shares @ \$0.15 each raising \$2,118,750 before costs.

The Company is finalising an Initial Public Offering (IPO) to raise a minimum of \$10m, with a proposed prospectus lodged in April 2024.

Basis of preparation

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

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

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

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Company only. Supplementary information about the parent entity is disclosed in note 20.

Principles of consolidation

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

Subsidiaries are all those entities over which the Company has control. The Company controls an entity when the Company 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 Company. They are de-consolidated from the date that control ceases.

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

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

Where the Company 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 Company recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

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

Note 2. Significant accounting policies (continued)

Foreign currency transactions

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

Foreign operations

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

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

Revenue recognition

The Company recognises revenue as follows:

Interest

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

Other revenue

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

Income tax

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

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

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

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

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

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

Current and non-current classification

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

Note 2. Significant accounting policies (continued)

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

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

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

Cash and cash equivalents

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

Trade and other receivables

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

Exploration and evaluation costs

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource.

Exploration and evaluation expenditure is expensed to the profit or loss as incurred.

Fair value measurement

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

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

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.

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

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

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

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

Note 2. Significant accounting policies (continued)

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2023. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

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

Fair value measurement hierarchy

The Company 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, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Income tax

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

Note 4. Other income

	Consolidated	
	30 June 2023	3 May 2022 - 30 June 2022
	\$	\$
Interest received	12,840	-
Foreign exchange gain	10,296	-
Other income	23,136	-

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Piche Resources Limited
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Notes to the consolidated financial statements
30 June 2023

Note 5. Corporate and administration expenses

	Consolidated	3 May 2022 -
	30 June 2023	30 June 2022
	\$	\$
Share registry and compliance	3,981	-
Consultants	106,494	-
Legal fees	13,095	-
Audit fees	20,000	10,000
Insurance	12,806	-
Travel, accommodation and conferences	32,878	-
Other	16,021	-
	205,275	10,000

Note 6. Employee benefits expense

	Consolidated	3 May 2022 -
	30 June 2023	30 June 2022
	\$	\$
Director Fees	495,000	-
Superannuation	44,350	-
Annual leave expense	42,295	-
	581,645	-

Note 7. Income tax

	Consolidated	3 May 2022 -
	30 June 2023	30 June 2022
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(1,201,199)	(10,000)
Tax at the statutory tax rate of 30%	(360,360)	(3,000)
Tax losses for which no deferred tax asset was recognised	330,107	-
Other deferred tax assets and tax liabilities not recognised	30,253	3,000
Income tax expense	-	-

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Note 7. Income tax (continued)

	Consolidated	
	30 June 2023	30 June 2022
	\$	\$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Losses available for offset against future taxable income	330,107	-
Employee benefits	12,688	-
Accrued expenses	17,700	3,000
Total deferred tax assets not recognised	360,495	3,000

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Note 8. Exploration and evaluation expenditure

	Consolidated	
	30 June 2023	3 May 2022 - 30 June 2022
	\$	\$
Australian exploration and evaluation expenditure	93,464	-
Argentina exploration and evaluation expenditure	348,637	-
	442,101	-

Note 9. Current assets - cash and cash equivalents

	Consolidated	
	30 June 2023	30 June 2022
	\$	\$
Cash at bank	1,028,173	-

Note 10. Current liabilities - trade and other payables

	Consolidated	
	30 June 2023	30 June 2022
	\$	\$
Trade payables	13,063	-
Other payables	211,009	10,000
	224,072	10,000

Refer to note 15 for further information on financial instruments.

Piche Resources Limited
(Formerly known as San Martin Mining Pty Ltd)
Notes to the consolidated financial statements
30 June 2023

Note 11. Equity - issued capital

	Consolidated			
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	Shares	Shares	\$	\$
Ordinary shares - fully paid	58,170,000	33,000,000	2,031,620	3,300

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Capital Issued	3 May 2022	33,000,000	\$0.0001	3,300
Balance	30 June 2022	33,000,000		3,300
Capital issued	31 October 2022	4,200,000	\$0.0001	420
Seed Capital	10 November 2022	20,970,000	\$0.1000	2,097,000
Less: Costs of capital raising				(69,100)
Balance	30 June 2023	58,170,000		2,031,620

Ordinary shares

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

Every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

Movements in issued options (number):

	Opening balance 1 July 2022	Granted in period	Exercised in period	Closing balance 30 June 2023
Exercisable at \$0.25 on or before 2 May 2027	15,000,000	10,485,000	-	25,485,000
Exercisable at \$0.35 on or before 2 May 2027	15,000,000	-	-	15,000,000
Exercisable at \$0.45 on or before 2 May 2027	15,000,000	-	-	15,000,000
	45,000,000	10,485,000	-	55,485,000

Options were issued as free attaching options on a 1:2 basis to seed capital investors as part of the November capital raising.

Note 12. Equity - reserves

	Consolidated	
	30 June 2023	30 June 2022
	\$	\$
Foreign currency reserve	2,853	-

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Note 13. Equity - accumulated losses

	Consolidated	
	30 June 2023	30 June 2022
	\$	\$
Accumulated losses at the beginning of the financial year	(10,000)	-
Loss after income tax expense for the year	(1,201,199)	(10,000)
Accumulated losses at the end of the financial year	(1,211,199)	(10,000)

Note 14. Equity - dividends

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

Note 15. Financial instruments

Financial risk management objectives

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk), and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed.

Market risk

Foreign currency risk

The Company undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

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

Liquidity risk

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

The Company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 30 June 2023	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	\$	\$	\$	\$	\$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	9,677	-	-	-	9,677
Other payables	-	150,127	-	-	-	150,127
Total non-derivatives		159,804	-	-	-	159,804

Piche Resources Limited
(Formerly known as San Martin Mining Pty Ltd)
Notes to the consolidated financial statements
30 June 2023

Note 15. Financial instruments (continued)

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

Note 16. Key management personnel disclosures

Directors

The following persons were Directors of Piche Resources Limited during the financial year:

John Simpson
 Stephen Mann
 Stan Macdonald
 Clark Beyer

Compensation

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

	Consolidated	3 May 2022 -
	30 June 2023	30 June 2022
	\$	\$
Short-term employee benefits	486,413	-
Post-employment benefits	44,350	-
	530,763	-

Note 17. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the Company:

	Consolidated	3 May 2022 -
	30 June 2023	30 June 2022
	\$	\$
<i>Audit services - BDO Audit Pty Ltd</i>		
Audit or review of the financial statements	20,000	10,000

Note 18. Contingent liabilities

During July 2022, Piche Mining and Creekwood Nominees Pty Ltd (an entity associated with director Stan Macdonald) entered into a share sale and purchase agreement pursuant to which Piche Mining acquired 100% of the issued share capital of South Coast Minerals Pty Ltd (*South Coast Minerals*), with completion occurring in February 2023. South Coast Minerals is the holder of five exploration licences located in Western Australia.

The Company's wholly owned subsidiary Piche Mining entered into a Facilitators' Royalty Deed with Creekwood Nominees Pty Ltd (an entity associated with Director Stanley Macdonald), Tracy Mann (the spouse of Director Stephen Mann) and Director John Simpson (together, the Facilitators).

Under the Royalty Deed, Piche Mining grants the Facilitators a 1.5% net smelter return royalty (0.5% for each Facilitator) in relation to any metals derived from the tenements owned by South Coast Minerals and a number of the tenements that Piche Argentina holds.

Piche Resources Limited
(Formerly known as San Martin Mining Pty Ltd)
Notes to the consolidated financial statements
30 June 2023

Note 19. Related party transactions

Parent entity

Piche Resources Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 21.

Key management personnel

Disclosures relating to key management personnel are set out in note 16.

Transactions with related parties

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

Receivable from and payable to related parties

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

Loans to/from related parties

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

Note 20. Parent entity information

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

Statement of profit or loss and other comprehensive income

	30 June 2023	3 May 2022 - 30 June 2022
	\$	\$
Loss after income tax	(1,191,357)	(10,000)
Total comprehensive loss	(1,191,357)	(10,000)

Statement of financial position

	30 June 2023	30 June 2022
	\$	\$
Total current assets	1,050,949	3,300
Total assets	1,050,949	3,300
Total current liabilities	220,686	10,000
Total liabilities	220,686	10,000
Equity		
Issued capital	2,031,620	3,300
Accumulated losses	(1,201,357)	(10,000)
Total equity/(deficiency)	830,263	(6,700)

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Piche Resources Limited
(Formerly known as San Martin Mining Pty Ltd)
Notes to the consolidated financial statements
30 June 2023

Note 21. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2023 %	30 June 2022 %
Piche Mining Pty Ltd	Australia	100.00%	-
South Coast Minerals Pty Ltd	Australia	100.00%	-
Piche Resources S.A	Argentina	100.00%	-

Note 22. Events after the reporting period

Mr Pablo Marcet was appointed as a Director of the Company on 7 March 2024.

On 12 January 2024, 14,125,002 fully paid ordinary shares were issued at \$0.15 each raising \$2,118,750 before costs, together with a 1:2 free attaching option at an exercise price of \$0.25 each expiring on or before 2 May 2027.

On 11 March 2024, 833,333 fully paid ordinary shares, 583,333 Class A, 583,333 Class B, and 583,333 Class C options were issued to incoming director Mr Pablo Marcet and a consultant.

On 2 April 2024, the Company issued 1,500,000 options at an exercise price of \$0.25, \$0.35 and \$0.45 respectively expiring on 2 May 2027 to a number of consultants.

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

Note 23. Cash flow information

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

	Consolidated	
	30 June 2023	3 May 2022 - 30 June 2022
	\$	\$
Loss after income tax expense for the year	(1,201,199)	(10,000)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(15,873)	-
Increase in trade and other payables	214,072	10,000
Net cash used in operating activities	(1,003,000)	-

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Piche Resources Limited
(Formerly known as San Martin Mining Pty Ltd)
Directors' declaration
30 June 2023

In the Directors' opinion:

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

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

On behalf of the Directors



John Simpson
Chairman

18 April 2024

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DECLARATION OF INDEPENDENCE BY JACKSON WHEELER TO THE DIRECTORS OF PICHE RESOURCES LIMITED

As lead auditor of Piche Resources Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Piche Resources Limited and the entities it controlled during the year.

Jackson Wheeler

Director

BDO Audit Pty Ltd

Perth

18 April 2024

INDEPENDENT AUDITOR'S REPORT

To the members of Piche Resources Limited

Report on the Audit of the Financial Report

Opinion

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

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

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

Basis for opinion

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

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

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

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's report, 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

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



Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

A handwritten version of the BDO logo in blue ink, consisting of the letters 'BDO' in a cursive style.

A handwritten signature in blue ink, appearing to read 'J Wheeler', written over a horizontal line.

Jackson Wheeler

Director

Perth, 18 April 2024

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