LYCAON RESOURCES LIMITED
ANNUAL REPORT

ABN: 80 647 829 749

30 JUNE 2024

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DIRECTORS

Mr Adrian Di Menna	Non-Executive Chairman
Mr Thomas Langley	Technical Director
Mr Ranko Matic	Non-Executive Director

COMPANY SECRETARIES

Ms Melanie Ross

Ms Anthea Acomb

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Australian Securities Exchange (ASX)

Code: LYN

WEBSITE

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The Directors present their report, together with the financial statements on the consolidated entity (referred to hereafter as the 'the consolidated entity'), consisting of Lycaon Resources Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the financial year ended 30 June 2024.

DIRECTORS

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

NAME OF PERSON	POSITION
Mr Adrian Di Menna	Non-Executive Chairman (appointed 29 November 2023)
Mr Thomas Langley	Technical Director
Mr Ranko Matic	Non-Executive Director
Mr Patrick Burke	Non-Executive Chairman (resigned 29 November 2023)

PRINCIPAL ACTIVITIES

During the financial year, the principal activities of the consolidated entity consisted of mineral exploration in Western Australia.

REVIEW OF OPERATIONS

Operating result

The loss from continuing operations for the consolidated entity after providing for tax amounted to $776,679 (2023: $1,601,068).

Corporate

On 3 August 2023, the consolidated entity successfully completed a $1.5 million placement (before costs), through the issue of 6,000,000 fully paid ordinary shares at $0.25 per share. 600,000 unlisted options exercisable at $0.375, expiring 3 August 2026 were issued to brokers for their services provided for the placement.

On 20 September 2023, the consolidated entity issued 1,000,000 consideration shares at $0.25 per share equating to $250,000 to related party Mr Langley for the acquisition of tenement licence E80/5723 which forms part of the West Arunta Stansmore project. The issue of the consideration shares was approved by shareholders at the Company's General Meeting on 19 September 2023. In addition to the consideration payable, a facilitation fee of 150,000 fully paid ordinary shares at an issue price of $0.25 per share was issued on 20 September 2023.

On 27 October 2023, the consolidated entity announced that Mr Adrian Di Menna will be appointed to the Board as Non-Executive Chairman following the 2023 Annual General Meeting ('AGM') on 29 November 2023. Mr Patrick Burke, resigned as Non-Executive Chairman at the conclusion of the 2023 AGM.

On 9 May 2024, the consolidated entity successfully completed a $2.5 million placement (before costs), through the issue of 8,928,572 fully paid ordinary shares at $0.28 per share. 1,339,285 unlisted options exercisable at $0.42, expiring 9 May 2027 were issued to brokers for their services provided for the placement.

Exploration

Bow River Prospect (Ni/Cu/Co±PGE)

A diamond drilling program was completed at the Bow River Project in the East Kimberley region of Western Australia during Q3 of 2023. The drill program consisted of two diamond drillholes to a depth of 800m and 786m each, with both drillholes intersecting visual Ni-Cu sulphides, Table 1 and 2.

Sulphide mineralisation intersected in both drillholes shows a strong correlation to the upper limit of the modelled gravity anomaly between approximately 330-360m depth, with the remainder of the gravity anomaly untested over the >1km strike extent, Figure 3. Downhole electromagnetic (DHEM) surveys were completed on both diamond drillholes to a depth of 690m (BRDD001) and 760m (BRDD002) during Q4 of 2023.

The DHEM survey results identified weak off-hole anomalies within close proximity of the drillholes. Drill samples were sent to ALS in Perth for priority assay with results showing a clear correlation between nickel and sulphides as well as nickel and copper, supporting nickel copper sulphides are present, Figures 1 and 2.

Approximately one third of the samples show nickel enrichment above background levels of 300ppm, up to a peak of 742ppm Ni however, overall there were no results recording any significant nickel or copper mineralisation >1% Ni or Cu.

Drilling was planned to target the deeper more primitive part of the intrusion thought to be related to the highest density gravity anomaly. The recent drilling stepped out from the historical drilling centred on the nickel-copper gossan, to the west by 1.2km and drilled to a depth of 800m, far exceeding the deepest historical drillhole of 180m, Figures 4 and 5.

DHEM surveys were completed to investigate potential conductors and, together with the assay data results, to assist in building greater geological confidence in the mineralisation model ahead of further drilling.

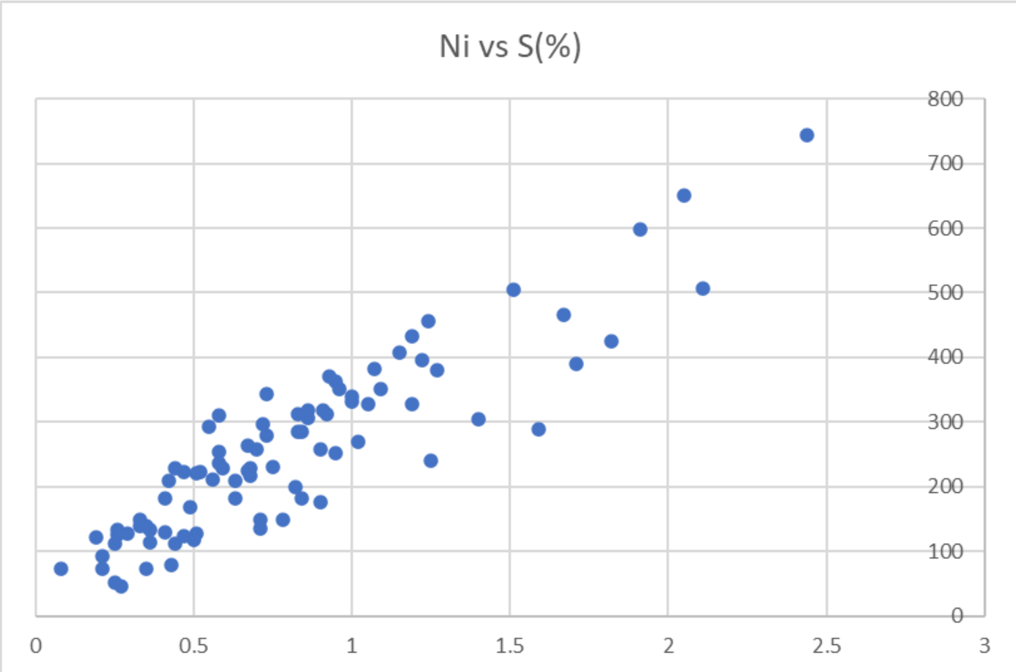

Figure 1. Nickel ppm (y axis) showing strong correlation to Sulphide % (x axis).

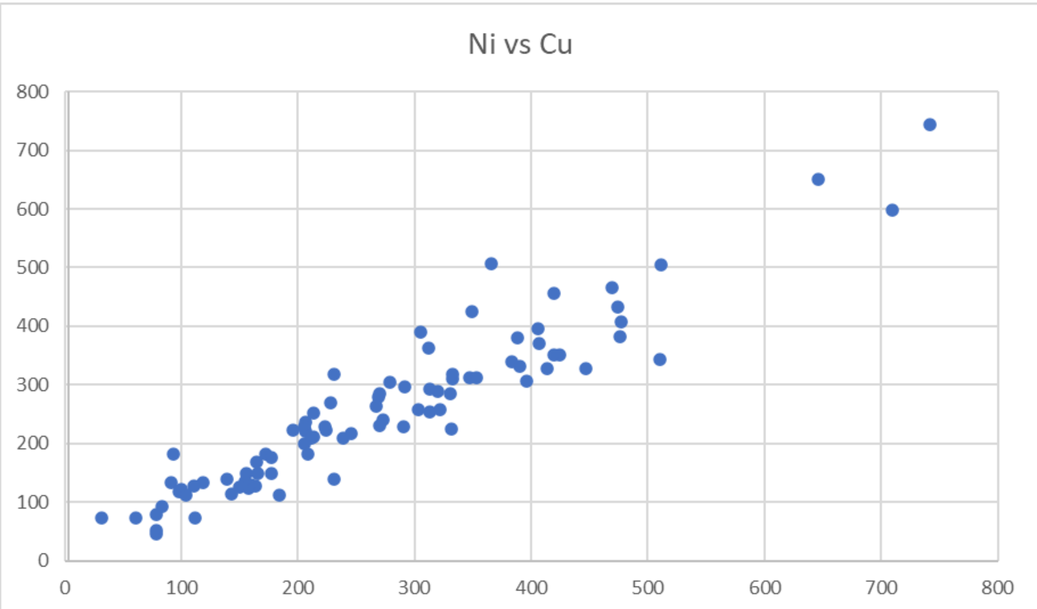

Figure 2. Nickel ppm (y axis) showing strong correlation to Copper % (x axis).

Figure 3. Photos showing examples disseminated and blebby sulphides in hole BRDD002.
(Left) Nickel-Copper sulphides at 348m, (Right) Disseminated sulphides 338 – 342m
Note core is NQ2 being 2 inches or 50mm in diameter

Table 1: Significant Sulphide Intervals – Visual Estimates

Hole ID	From (m)	To (m)	Interval (m)	Mineralisation Style	Sulphide Type	Sulphide %	Prospect
BRDD001	364.7	377.5	12.8	Disseminated/Blebby	Pyrrhotite, Pentlandite, Chalcopyrite	1 -5	Bow River
BRDD001	394.1	402.2	8.1	Disseminated/Blebby	Pyrrhotite, Pentlandite, Chalcopyrite	1 -5	Bow River
BRDD002	330.1	375.3	45.2	Disseminated/Blebby	Pyrrhotite, Pentlandite, Chalcopyrite	1 -5	Bow River

Table 2: Drillhole Collar Data (GDA94 MGAz52)

Hole ID	Easting	Northing	RL	Dip	Azimuth	EOH	Type	Prospect
BRDD001	427597	8134664	170	-70	0	800	Diamond	Bow River
BRDD002	427839	8134722	170	-75	120	786.3	Diamond	Bow River

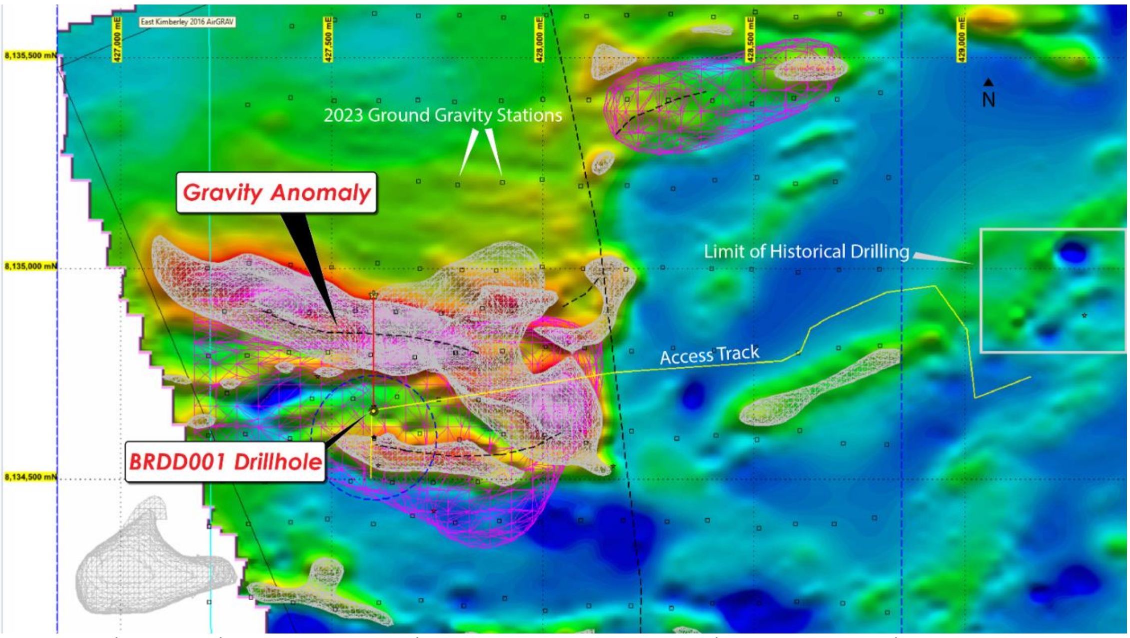

Figure 4. Drillhole BRDD001 (Azimuth 0 degrees) planned to intersect the gravity anomaly, between upper contact at 350m and 750m basal contact.

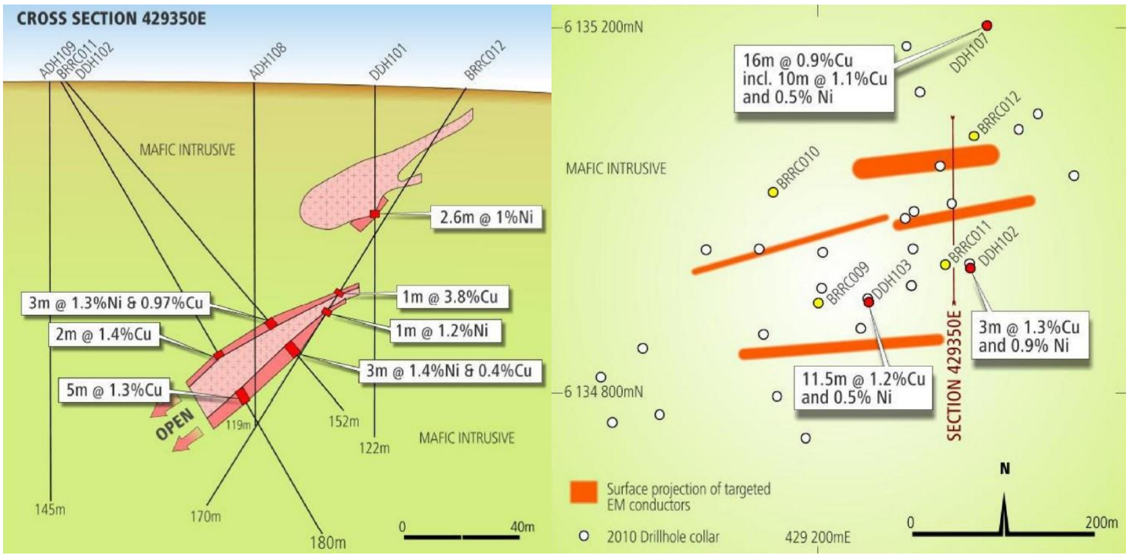

Figure 5. Location of historical drilling at Bow River nickel copper sulphide project.

Stansmore Project *(Niobium/REE/IOCG)*

The Company is currently working through the approvals processes required to enable heritage surveys and drilling to be undertaken at the West Arunta Stansmore Niobium-REE Project as soon as possible. During Q3 of 2023 the Company executed the land access agreement with the Parna Ngururrpa traditional owners at the West Arunta Stansmore Niobium-REE Project at an on-country meeting held in Balgo, Western Australia.

In April 2024, the Company announced receipt of a mining entry permit over portions of the Ngaanyatjarra Central Australia Reserve in relation to E80/5723, E80/5867 and E80/5868 at the Stansmore Project. In pursuance of the provisions of section 31 of the *Aboriginal Affairs Planning Authority Act 1972* (WA) and the regulations made under that Act, the Minister for Aboriginal Affairs has granted West Arunta Resources Pty Ltd, the Company's wholly owned subsidiary, permission to access Reserve 24923, also known as Ngaanyatjarra Central Australia Reserve in the State of Western Australia, for the purpose of carrying out exploration activities in accordance with the terms and conditions of the tenements.

In May 2024, the Company advised that it has been a successful recipient of the government co-funded drilling program of the maximum of $180,000 to drill the Stansmore Project. The proposed EIS drillholes have been designed by Southern Geoscience Consultants ('SGC') to test the centre peak of two different magnetic anomalies being the Stansmore and Volt prospects. The two proposed drillholes are testing beneath cover which is obscuring radiometric responses and will test for iron-oxide alteration, copper, gold, niobium and rare earth mineralisation. In addition to the two proposed drillholes, SGC has planned an additional five drillholes to test the magnetic gradient and other locations of the main magnetic anomalies identified from the aeromagnetics.

The Company recently completed heritage surveys in July 2024 with a view to complete drilling later in 2024, subject to the approvals processes being finalised.

The 100% owned West Arunta Stansmore Niobium-REE Project granted tenure extends over 173km² and is approximately 90km north of WA1 Resources' Luni and P2 discoveries, Figure 6. The project consists of two high priority magnetic anomaly drill targets (Stansmore and Volt), and three secondary drill targets (Edi, Earl and Menlo) that may be prospective for Niobium-REE Carbonatite, or Iron-Oxide Copper Gold (IOCG), Figure 7.

The Stansmore Project drilling will target a regionally prominent 700m long magnetic feature (Stansmore) and a larger ~3km wide magnetic anomaly (Volt). Recent discoveries by WA1 Resources and Encounter Resources have demonstrated the potential for the West Arunta region to host significant Nb-REE mineral systems.

SGC completed a geophysical review which included re-processing magnetic data and a 3D inversion of the magnetic data to assist with targeting of drillholes ahead of a maiden drill program. 3D inversion efforts utilised the best available public domain magnetic data (circa 2010) consisting of 200m line spacing survey data (north-south lines) with a nominal terrain clearance of ~50m.

The 3D inversion results defined the Stansmore magnetic anomaly as an ellipsoid shape approximately 400m wide by 700m long, starting from ~150m depth with an estimated magnetic susceptibility of >0.15SI unit, Figure 8. The Volt prospect is modelled as a ~600m wide by 800m long magnetic anomaly starting at 200m depth with an estimated magnetic susceptibility of 0.025-0.075SI units, Figure 9.

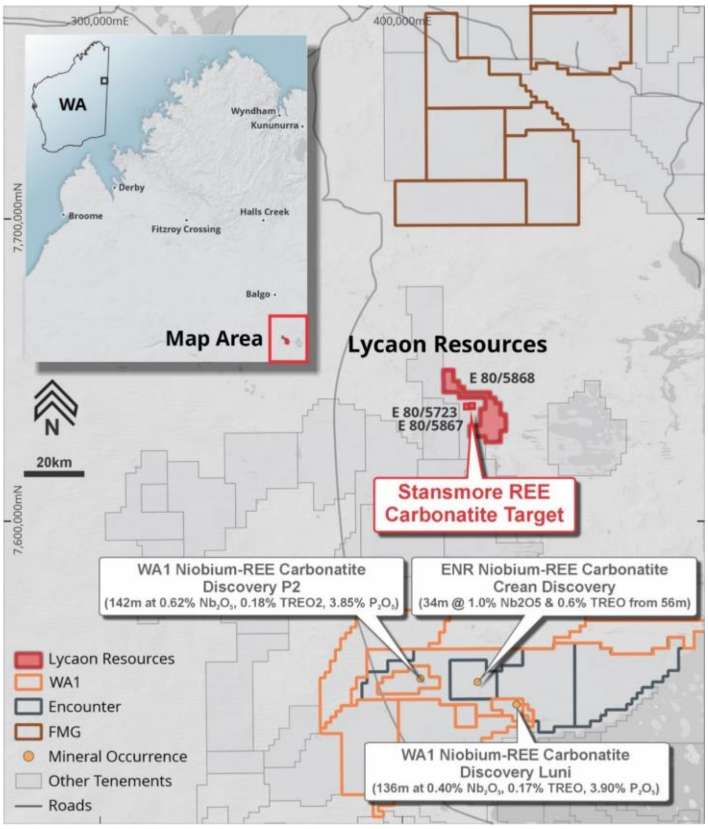

Figure 6. Stansmore Nb-REE Carbonatite ± IOCG Project Location Map.

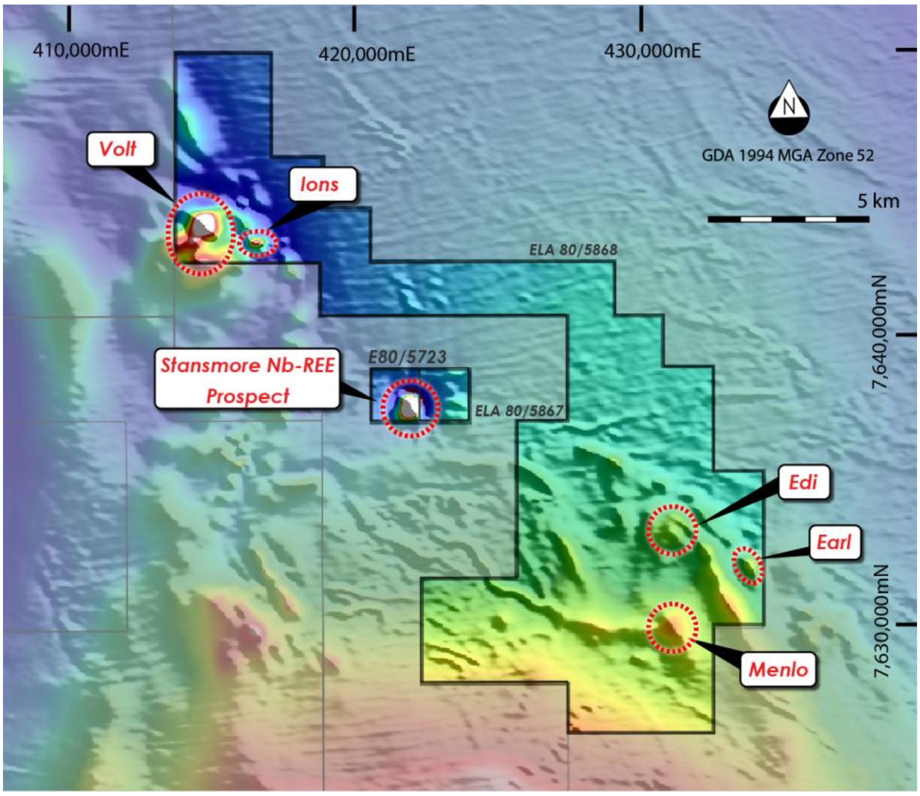

Figure 7. Reduced to Pole Magnetics (TMI grid) highlighting the prominent magnetic anomaly at Stansmore Prospect and other magnetic targets.

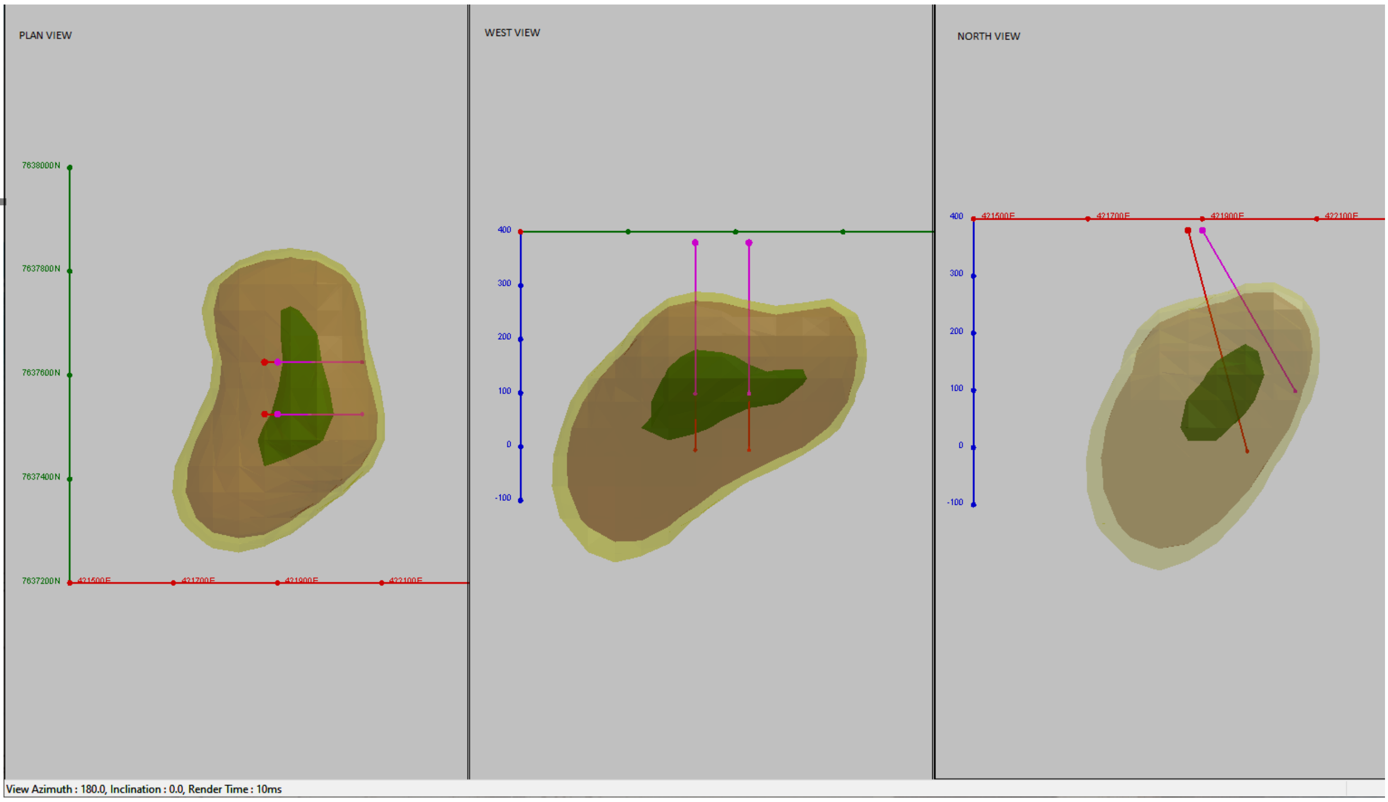

Figure 8. Stansmore Prospect Magnetic Inversion (green shell 0.15SI) with proposed drill traces (red and pink).

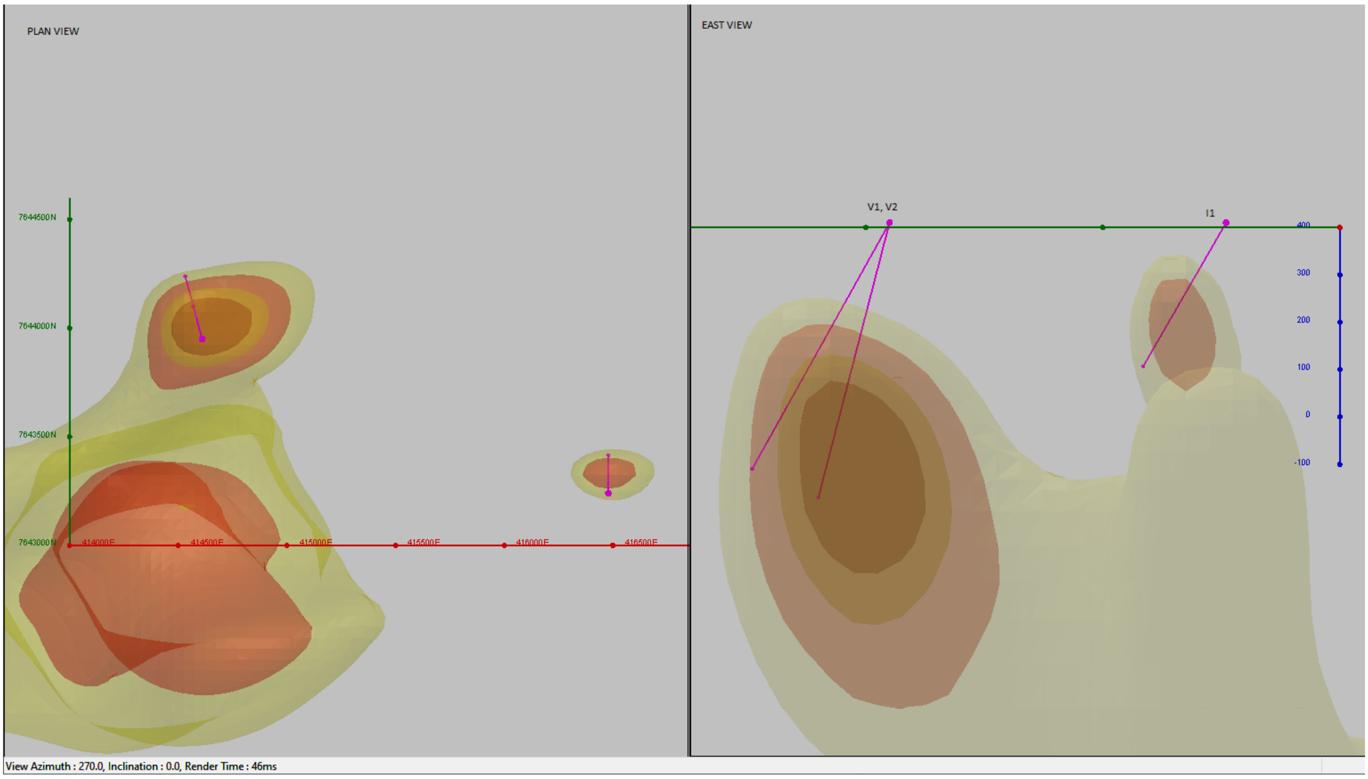

Figure 9. Volt and Ions Prospects Magnetic Inversion (brown shell 0.075SI, red shell 0.025SI) with proposed drill traces (red and pink).

Gnewing Bore Project *(Au/Ag/Cu)*

The Gnewing Bore Project is approximately 28km to the northwest of the Halls Creek townsite, within the Kimberley Region of Western Australia. Halls Creek is situated 350km south of Kununurra and is readily accessible via the sealed Great Northern Highway. The Project has generally good outcrop and easy access via stations tracks on the Moola Bulla pastoral lease.

To date, the Company has experienced delays in progressing necessary heritage approvals to allow it to carry out its proposed drilling program. As a result, the Board determined to surrender E80/5508, which covered the Gnewing Bore Project, on 3 July 2024, subsequent to the financial year end.

Myrnas Hill *(Cu/Au/Lithium)*

Subsequent to the financial year end, the Company was successful in a ballot for exploration licence application E45/6809 (Myrnas Hill) in the Pilbara region of Western Australia, Figure 10.

The tenement is located adjacent to the Marble Bar and DOM's Hill projects held by Kali Metals Limited (KM1) and Sociedad Química y Minera de Chile (SQM), which are subject to an earn-in arrangement under which SQM has the right to earn up to 70% by funding A$12M over four years.

The tenement covers the historic copper-gold prospect, Myrnas Hill, which has returned up to 42.8% Cu, 7.05% Cu and 6.49g/t Au in rock chip samples. The prospectivity for lithium mineralisation will be a priority of exploration work programs, anticipated to commence later in the year following tenement grant.

A detailed geological review will be undertaken to evaluate exploration work programs to be scheduled upon tenement grant.

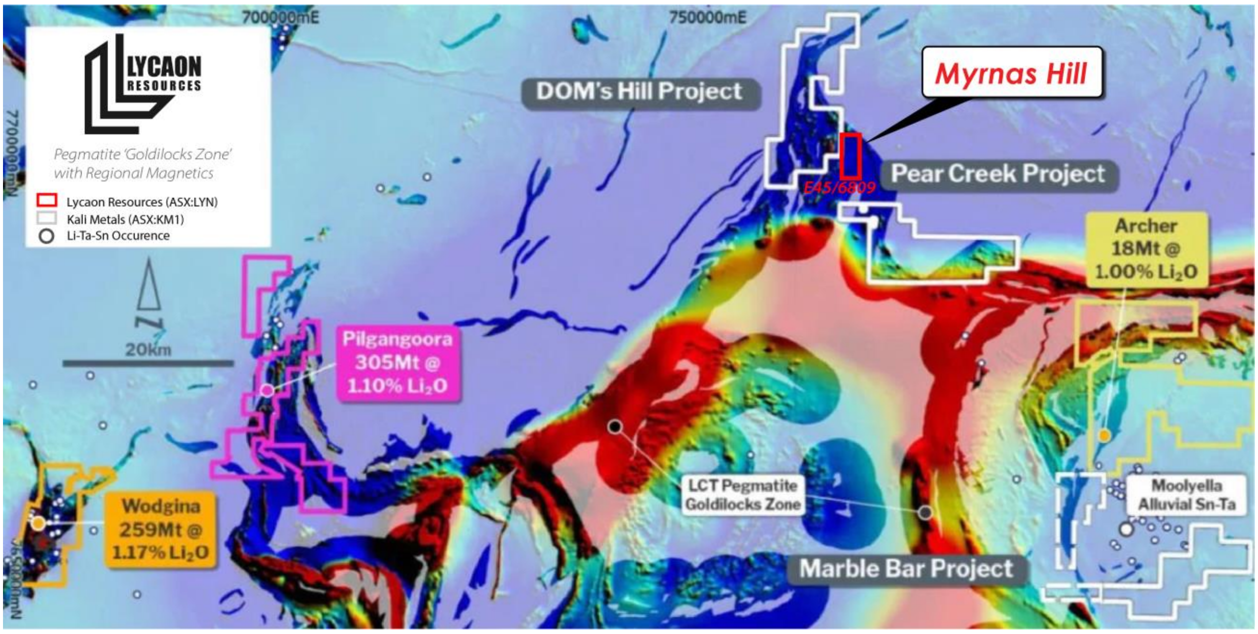

Figure 10. Myrnas Hill prospect on tenement E45/6809 awarded to Lycaon Resources in a ballot.

Competent Person's Statement

The information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Thomas Langley who is a member of the Australian Institute of Geoscientists (MAIG) and a member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Mr. Thomas Langley is a full-time employee of Lycaon Resources Limited, and is a shareholder, however Mr. Thomas Langley believes this shareholding does not create a conflict of interest, and Mr. Langley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Langley consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information in the original reports, and that the form and context in which the Competent Person's findings are presented have not been materially modified from the original reports.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 1 July 2024, it was announced that the Company won the ballot for highly prospective lithium and copper exploration licence application E45/6809 in the Pilbara region of Western Australia.

The Company held its General Meeting on 3 July 2024, where shareholders approved the issue of 600,000 unlisted options exercisable at $0.30 expiring 23 February 2025 to related party, Mr Adrian Di Menna.

On 19 July 2024, the Company announced the appointment of Ms Anthea Acomb as Joint Company Secretary.

Apart from the matters as discussed above, no other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Information on likely developments in the operations of the consolidated entity 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 consolidated entity.

MATERIAL BUSINESS RISKS

The consolidated entity's exploration and evaluation operations will be subject to the normal risks of mineral exploration. The material business risks that may affect the consolidated entity are summarised below.

Future capital raisings

The consolidated entity's ongoing activities may require substantial further financing in the future. The consolidated entity will require additional funding to continue its exploration and evaluation operations on its projects with the aim to identify economically mineable reserves and resources. Any additional equity financing may be dilutive to shareholders, may be undertaken at lower prices than the current market price and debt financing, if available, may involve restrictive covenants which limit the consolidated entity's operations and business strategy. Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the consolidated entity or at all. If the consolidated entity is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on the consolidated entity's activities and could affect the consolidated entity's ability to continue as a going concern.

Exploration risk

The success of the consolidated entity depends on the delineation of economically mineable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the consolidated entity's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Exploration on the consolidated entity's existing tenements may be unsuccessful, resulting in a reduction in the value of those tenements, diminution in the cash reserves of the consolidated entity and possible relinquishment of the tenements. The exploration costs of the consolidated entity are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions.

Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the consolidated entity's viability. If the level of operating expenditure required is higher than expected, the financial position of the consolidated entity may be adversely affected.

Feasibility and development risks

It may not always be possible for the consolidated entity to exploit successful discoveries which may be made in areas in which the consolidated entity has an interest. Such exploitation would involve obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require participation of other companies whose interests and objectives may not be the same as the consolidated entity's.

Regulatory risk

The consolidated entity's operations are subject to various Commonwealth, State and Territory and local laws and plans, including those relating to mining, prospecting, development permit and licence requirements, industrial relations, environment, land use, royalties, water, native title and cultural heritage, mine safety and occupational health. Approvals, licences and permits required to comply with such rules are subject to the discretion of the applicable government officials.

No assurance can be given that the consolidated entity will be successful in maintaining such authorisations in full force and effect without modification or revocation. To the extent such approvals are required and not retained or obtained in a timely manner or at all, the consolidated entity may be limited or prohibited from continuing or proceeding with exploration. The consolidated entity's business and results of operations could be adversely affected if applications lodged for exploration licences are not granted. Mining and exploration tenements are subject to periodic renewal. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements comprising the consolidated entity's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the consolidated entity.

Mineral resource estimate risk

Mineral resource estimates are expressions of judgement based on knowledge, experience and industry practice. These estimates were appropriate when made but may change significantly when new information becomes available.

There are risks associated with such estimates. Mineral resource estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect the consolidated entity's future plans and ultimately its financial performance and value. Nickel, Cobalt, Niobium, Gold, Copper and Lithium price fluctuations, as well as increased production costs or reduced throughput and/or recovery rates, may render resources containing relatively lower grades uneconomic and may materially affect resource estimations.

Environmental risk

The operations and activities of the consolidated entity are subject to the environmental laws and regulations of Australia. As with most exploration projects and mining operations, the consolidated entity's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The consolidated entity attempts to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations. The consolidated entity is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the consolidated entity's cost of doing business or affect its operations in any area. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the consolidated entity to incur significant expenses and undertake significant investments which could have a material adverse effect on the consolidated entity's business, financial condition and performance.

Economic and market risk

General economic conditions such as, laws relating to taxation, new legislation, trade barriers, movement in interest and inflation rates, national and international political circumstances, natural disasters, quarantine restrictions, epidemics and pandemics, may have an adverse effect on the consolidated entity's operations and financial performance, including its exploration activities and the ability to fund those activities.

ENVIRONMENTAL REGULATION

The consolidated entity is subject to and is compliant with all aspects of environmental regulation of its exploration and mining activities. The Directors are not aware of any environmental law that is not being complied with.

INFORMATION ON DIRECTORS

Name:	**Adrian Di Menna**
Title:	Non-Executive Chairman (appointed 29 November 2023)
Qualifications:	LLB, BCom
Experience and expertise:	Mr Di Menna is a corporate lawyer with over 12 years' experience advising private and public companies operating in Australia and overseas, particularly in the mining and resources sector. Mr Di Menna has a wide range of experience in equity capital markets (including initial public offerings and secondary capital raisings), mergers and acquisitions, divestments, joint ventures, corporate governance and general corporate and commercial law. Mr Di Menna holds a Bachelor of Laws and a Bachelor of Commerce from Murdoch University and is currently a lawyer at Steinepreis Paganin, a corporate and commercial law firm.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	125,000 fully paid ordinary shares
Interests in options:	600,000 unlisted options

Name:	**Thomas Langley**
Title:	Technical Director
Qualifications:	BSc Geology, MSc Economic Geology
Experience and expertise:	Mr Langley holds a BSc Geology from the University of Western Australia and a MSc Economic Geology from the University of Tasmania (CODES). He has worked for several resource companies including BHP Nickel West, Northern Star Resources and Creasy Group. Mr Langley has extensive experience in both exploration and mining geology, including overseeing large scale resource definition drill programs, early-stage project evaluation, project generation and grassroots exploration programs across multiple commodities and deposit types in the Proterozoic Albany - Fraser Range, Proterozoic Paterson Province and the Archean Yilgarn Craton. Mr Langley is currently a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM), the Australian Institute of Company Directors (MAICD) and the Australian Institute of Geoscientists (MAIG).
Other current directorships:	Non-Executive Director of Lanthanein Resources Limited (ASX:LNR) (since 26 October 2023)
Former directorships (last 3 years):	Non-Executive Director of Province Resources Limited (ASX:PRL) (resigned 30 April 2021)
Interests in shares:	1,450,000 fully paid ordinary shares
Interests in options:	650,000 unlisted options

Name:	**Ranko Matic**
Title:	Non-Executive Director
Qualifications:	BCom, CA
Experience and expertise:	Mr Matic is a Chartered Accountant with over 30 years' experience in the areas of financial and executive management, accounting, audit, business and corporate advisory. Mr Matic is a director of a corporate advisory company based in Perth, Western Australia and has specialist expertise and exposure in areas of audit, corporate services, due diligence, mergers and acquisitions, and valuations. Through these positions Mr Matic has been involved in an advisory capacity to over 40 initial public offerings and other re-capitalisations and re-listings of ASX companies in the last 20 years. Mr Matic has acted as chief financial officer and company secretary for companies in both the private and public listed sectors and continues to hold various roles in this capacity with publicly listed companies.
Other current directorships:	*Non-Executive Director of:* Panther Metals Limited (ASX: PNT) (since 10 December 2021) Locafy Limited (NASDAQ: LCFY) (since15 July 2022) Cosmo Metals Limited (ASX:CMO) (since 12 August 2024) *Executive Chairman of:* Cavalier Resources Limited (ASX: CVR) (since 24 April 2020)
Former directorships (last 3 years):	*Non-Executive Director of:* Argosy Minerals Limited (ASX:AGY) (resigned on 3 September 2021) Australian Gold and Copper (ASX:AGC) (resigned on 12 August 2022)
Interests in shares:	775,001 fully paid ordinary shares
Interests in options:	612,500 unlisted options

Name:	**Patrick Burke**
Title:	Non-Executive Chairman (resigned 29 November 2023)
Qualifications:	LLB
Experience and expertise:	Mr Burke has extensive legal and corporate advisory experience and over the last 17 years has acted as a director for a large number of ASX companies, as well as NASDAQ and AIM listed companies. His legal expertise is in corporate, commercial and securities law, in particular capital raisings and mergers and acquisitions. Mr Burke's corporate advisory experience includes identification and assessment of acquisition targets, strategic advice, deal negotiation, structuring and pricing, funding, due diligence and execution. Mr Burke is currently Non-Executive Chairman of Province Resources Limited and Torque Metals Limited and Non-Executive Director of Triton Minerals Limited and Western Gold Resources Limited, all companies listed on ASX. Mr Burke holds a Bachelor of Laws from the University of Western Australia.
Other current directorships:	*Non-Executive Director of:* Western Gold Resources Limited (ASX:WGR) (since 22 March 2021)
Former directorships (last 3 years):	*Non-Executive Director of:* Mandrake Resources Limited (ASX:MAN) (resigned on 24 March 2022) Meteoric Resources NL (ASX:MEI)(resigned on 11 April 2023) Triton Minerals Limited (ASX: TON) (resigned 30 November 2023) *Non-Executive Chairman of:* Province Resources Limited (ASX:PRL) (resigned 28 November 2023) Torque Metals Limited (ASX:TOR) (resigned 22 December 2023)
Interests in shares:	Not applicable as no longer a director
Interests in options:	Not applicable as no longer a director

Ms Melanie Ross Chief Financial Officer and Company Secretary

Ms Ross is an accounting and corporate governance professional with over 20 years' experience in financial accounting and analysis, audit, business and corporate advisory services in public practice, commerce and state government. Ms Ross holds a Bachelor of Commerce and is a member of the Institute of Chartered Accountants in Australia and New Zealand and an associate member of the Governance Institute of Australia.

Ms Ross is currently a director of a corporate advisory company based in Perth, Western Australia that provides corporate management and other advisory services to public listed companies. Ms Ross is a director and company secretary for Somerset Minerals Limited (ASX:SMM) and Ragusa Minerals Limited (ASX:RAS) and the company secretary for Balkan Mining and Minerals Limited (ASX:BMM), Bubalus Resources Limited (ASX:BUS), Cosmo Metals Limited (ASX:CMO), Great Boulder Resources Limited (ASX:GBR), NT Minerals Limited (ASX:NTM) and Premier1 Lithium Limited (ASX:PLC).

Ms Anthea Acomb Company Secretary (appointed 19 July 2024)

Ms Acomb is a Chartered Accountant with over 7 years' experience in the areas of accounting, external audit and corporate governance. Ms Acomb has a Bachelor of Commerce and Graduate Diploma in Applied Corporate Governance & Risk Management.

MEETING OF DIRECTORS

The number of meetings of the consolidated entity's Board of Directors ("the Board") held during the financial year ended 30 June 2024, and the number of meetings attended by each director were:

Name	Number eligible to attend	Number attended
Adrian Di Menna	3	3
Thomas Langley	5	5
Ranko Matic	5	5
Patrick Burke	2	2

There were five Directors meetings held during the financial year, however many board matters were dealt with via circular resolutions. The consolidated entity does not have a formally constituted audit committee or remuneration committee as the Board considers that the consolidated entity's size and type of operation do not warrant such committees.

REMUNERATION REPORT (AUDITED)

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

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

The remuneration report is set out under the following headings:

A Principles used to determine the nature and amount of remuneration

B Service agreements

C Details of remuneration

D Share-based compensation

E Related party disclosures

The information provided under the headings A-E includes remuneration disclosures that are required under Accounting Standards AASB 124 *Related Party Disclosures*. These disclosures have been transferred from the financial report and have been audited.

The remuneration arrangements detailed in this report relate to the following Directors and key management personnel as follows:

Mr Adrian Di Menna	Non-Executive Chairman (appointed 29 November 2023)
Mr Thomas Langley	Technical Director
Mr Ranko Matic	Non-Executive Director
Mr Patrick Burke	Non-Executive Chairman (resigned 29 November 2023)

A. Principles used to determine the nature and amount of remuneration

In determining competitive remuneration rates, the Board, acting in its capacity as the remuneration committee, seeks independent advice on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes benefit plans and share plans. Independent advice should be obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices. The Board recognises that Lycaon Resources Limited operates in a global environment. To prosper in this environment we must attract, motivate and retain key executive staff.

Market comparisons

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

Board remuneration

The total maximum remuneration of Non-Executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of shareholders in general meeting in accordance with the Constitution, the *Corporations Act 2001* and the ASX Listing Rules, as applicable. The determination of Non-Executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value of the consolidated entity of the respective contributions by each Non-Executive Director. The current amount has been set an amount not to exceed $300,000 per annum. The Board determines actual payments to Directors and reviews their remuneration annually based on independent external advice with regard to market practice, relativities, and the duties and accountabilities of Directors.

A review of Directors' remuneration is conducted annually to benchmark overall remuneration including retirement benefits. There was no use of external consultants for remuneration advice for the financial year ended 30 June 2024.

Performance based remuneration

The consolidated entity has adopted an employee securities incentive plan ('ESIP') to provide ongoing incentives to Directors, executives and employees of the consolidated entity.
The objective of the ESIP is to provide the consolidated entity with a remuneration mechanism, through the issue of securities in the capital of the consolidated entity, to motivate and reward the performance of the Directors, executives and employees in achieving specified performance milestones within a specified performance period. The Board will ensure that the performance milestones attached to the securities issued pursuant to the ESIP are aligned with the successful growth of the consolidated entity's business activities.

The Directors, executives and employees of the consolidated entity have been, and will continue to be, instrumental in the growth of the consolidated entity. The Directors consider that the ESIP is an appropriate method to:

(a) Reward Directors, executives and employees for their past performance;
(b) Provide long term incentives for participation in the Company's future growth;
(c) Motivate Directors and generate loyalty from senior executives and employees; and
(d) Assist to retain the services of valuable Directors, executives and employees.

Consolidated entity performance, shareholder wealth and directors and executives remuneration

The remuneration policy has been tailored to increase the direct positive relationship between shareholders investment objectives and Directors and executives' performance. Currently, Directors and executives are encouraged to hold shares in the consolidated entity to ensure the alignment of personal and shareholder interests. The consolidated entity provides performance based remuneration via the ESIP.

B. Service agreements

Employment contracts of key management personnel

Each member of the consolidated entity's key management personnel are employed on open-ended employment contracts between the individual person and the consolidated entity.

Non-Executive Directors and the Technical Director have entered into a service agreement with the consolidated entity in the form of a letter of appointment.

The information below is at the date of this financial report:

Key Management Personnel	Appointment	Terms of Agreement	Base Salary (incl. super $p.a.)	Termination Benefit
Adrian Di Menna	Non-Executive Chairman	No fixed term	60,000	Nil
Thomas Langley	Technical Director	No fixed term	140,000	Nil
Ranko Matic	Non-Executive Director	No fixed term	48,000	Nil

C. Details of remuneration

Amounts of remuneration

The remuneration for each key management personnel of the consolidated entity during the financial year was as follows:

2024

Key Management Personnel	Short-term Benefits				Post-employment Benefits	Share based Payments				
	Cash, salary & Commissions	Cash profit Share	Non-Cash Benefit	Other	Super-annuation	Performance Rights	Options	Total	Performance Related	Remuneration Consisting of Options
	$	$	$	$	$	$	$	$	%	%
Adrian Di Menna[(i)]	25,586	-	-	-	2,814	-	-	28,400	-	0%
Thomas Langley[(ii)]	96,847	-	-	-	10,653	-	-	107,500	-	0%
Ranko Matic[(iii),(iv)]	43,000	-	-	-	-	-	-	43,000	-	0%
Patrick Burke[(i)]	25,000	-	-	-	-	-	-	25,000	-	0%
	190,433	-	-	-	13,467	-	-	203,900	-	0%

[(i)] Mr Di Menna was appointed as Non-Executive Chairman, simultaneously with Mr Burke's resignation on 29 November 2023.

(ii) Mr Langley director fee increased from $7,500 per month to $10,000 per month (inclusive of superannuation) effective from 1 December 2023.
(iii) Mr Matic is a director and shareholder of Consilium Corporate Pty Ltd, which provides directorship, corporate secretarial and accounting services to the consolidated entity.
(iv) Mr Matic director fee increased from $3,000 per month to $4,000 per month (exclusive of GST) effective from 1 December 2023.

2023

Key Management Personnel	Short-term Benefits				Post-employment Benefits	Share based Payments				
	Cash, salary & Commissions	Cash profit Share	Non-Cash Benefit	Other	Super-annuation	Performance Rights	Options	Total	Performance Related	Remuneration Consisting of Options
	$	$	$	$	$	$	$	$	%	%
Patrick Burke	60,000	-	-	-	-	-	-	60,000	-	0%
Thomas Langley(ii)	81,448	-	-	-	8,552	-	-	90,000	-	0%
Ranko Matic(i)	36,000	-	-	-	-	-	-	36,000	-	0%
	177,448	-	-	-	8,552	-	-	186,000	-	0%

(i) Mr Matic is a director and shareholder of Consilium Corporate Pty Ltd, which provides directorship, corporate secretarial and accounting services to the consolidated entity.
(ii) Mr Langley fee increase from $5,000 per month to $7,500 per month effective from 1 July 2022.

D. Share-based compensation

Shares

Mr Langley was issued 1,000,000 fully paid ordinary shares at $0.25 per share on 20 September 2023, as consideration to acquire the rights to tenement licence E80/5723 held by Mr Langley, which was approved by shareholders at the Company's General Meeting on 19 September 2023 (2023: Nil).

Options

There were no options issued to the key management personnel during the financial year ended 30 June 2024 (2023: Nil).

Performance rights

There were no performance rights issued to key management personnel during the financial year ended 30 June 2024 (2023: Nil).

Additional disclosures relating to key management personnel

Shareholdings

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

Name	Balance at start of the year	Number granted during the year	Purchased on-market or IPO acquisitions	Other changes during the year(i),(ii)	Balance at the end of the year
Adrian Di Menna(i)	-	-	-	125,000	125,000
Thomas Langley(ii)	450,000	-	-	1,000,000	1,450,000
Ranko Matic	775,001	-	-	-	775,001
Patrick Burke	-	-	-	-	-
	1,225,001	-	-	1,125,000	2,350,001

(i) Mr Di Menna held 125,000 fully paid ordinary shares in the Company prior to his appointment as Non-Executive Chairman on 29 November 2023.
(ii) Mr Langley acquired 1,000,000 fully paid ordinary shares at $0.25 per share on 20 September 2023, as consideration for the rights to the tenement licence E80/5723 held by Mr Langley. The issue of the shares was approved at the Company's General Meeting on 19 September 2023.

Option holding

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

Name	Balance at start of the year	Number granted during the year	Exercised during the year	Other changes during the year[(i)]	Balance at the end of the year
Adrian Di Menna	-	-	-	-	-
Thomas Langley	650,000	-	-	-	650,000
Ranko Matic	612,500	-	-	-	612,500
Patrick Burke	600,000	-	-	(600,000)	-
	1,862,500	-	-	(600,000)	1,262,500

[(i)] Mr Burke resigned as Non-Executive Chairman on 29 November 2023. At the Boards discretion, the options held by Mr Burke were not lapsed/forfeited upon his resignation.

E. Related party disclosures

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

Consilium Corporate Pty Ltd, a company of which Mr Matic is a shareholder and director, is also engaged to perform company secretarial and accounting services at a rate of $7,500 per month (excluding GST) which increased to $8,500 per month (excluding GST) from 1 December 2023. During the financial year ended 30 June 2024, $97,283 (2023: $91,337) (excluding GST) was paid or payable under this agreement.

The Company's wholly owned subsidiary, West Arunta Resources Pty Ltd, entered into a Binding Heads of Agreement with Mr Thomas Langley on 13 November 2022 to acquire 100% of the rights to tenement licence E80/5723. The consideration payable consisted of 1,000,000 fully paid ordinary shares at an issue price of $0.25 per share equating to $250,000. The acquisition and consideration were approved by shareholders at the Company's General Meeting on 19 September 2023. The consideration shares to Mr Langley were issued on 20 September 2023.

(ii) Payables owing to related parties

	2024 $	2023 $
Consilium Corporate Pty Ltd[(i)]	-	7,559
	-	7,559

[(i)] Consilium Corporate Pty Ltd, a company of which Mr Matic is a shareholder and director, is also engaged to provide directorship, company secretarial and accounting services to the consolidated entity, during the financial year ended 30 June 2024.

There are no other transactions with related parties during the financial year ended 30 June 2024.

ADDITIONAL INFORMATION

The loss of the consolidated entity for each year since incorporation to the financial year ended 30 June 2024 is summarised below:

	2024 $	2023 $	2022 $	2021 $
Other income	114,110	41,198	628	5
Loss after income tax	(776,679)	(1,601,068)	(833,376)	(163,627)

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

	2024	2023	2022	2021
Share price at financial year end (dollars per share)	0.255[(i)]	0.245	0.30	-
Total dividends declared (cents per share)	-	-	-	-
Basic loss per share (cents per share)	(1.74)	(4.34)	(3.33)	(2.47)

[(i)]As the financial year end 30 June 2024, fell on a non-business day, the share price at financial year end is the closing share price at 28 June 2024.

During the year ended 30 June 2024, the consolidated entity did not utilise any remuneration consultants.

At the 2023 Annual General Meeting ('AGM'), 99.53% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. The consolidated entity did not receive any specific feedback at the AGM regarding its remuneration practices.

THIS CONCLUDES THE REMUNERATION REPORT, WHICH HAS BEEN AUDITED.

SHARES UNDER OPTION

The number of options over ordinary shares in the consolidated entity as at the date of this report are set out below. Options granted carry no dividend or voting rights.

Grant date	Expiry date	Exercise price $	Number of Options
23/02/2021	23/02/2025	0.30	5,000,000
25/03/2021	23/02/2025	0.30	1,500,000
29/09/2021	23/02/2025	0.30	1,800,000
28/09/2021	23/02/2025	0.30	3,000,000
03/08/2023	03/08/2026	0.375	600,000
09/05/2024	09/05/2027	0.42	1,339,285
03/07/2024	23/02/2025	0.30	600,000
			13,839,285

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares of Lycaon Resources Limited that were issued during the financial year and up to the date of this report on the exercise of options granted (2023: Nil).

INDEMNITY AND INSURANCE OF OFFICERS

The consolidated entity has indemnified the Directors and executives of the consolidated entity for the 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 year, the consolidated entity paid a premium in respect of a contract to insure the Directors and executives of the consolidated entity 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 consolidated entity has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the consolidated entity or any related entity against a liability incurred by the auditor.

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

PROCEEDINGS ON BEHALF OF THE CONSOLIDATED ENTITY

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

OFFICERS OF THE CONSOLIDATED ENTITY WHO ARE FORMER PARTNERS OF CRITERION AUDIT PTY LTD

There are no officers of the consolidated entity who are former partners of Criterion Audit Pty Ltd.

AUDITOR

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

NON-AUDIT SERVICES

There are no payments to the auditor for non-audit services provided during the financial year ended 30 June 2024 (2023: $Nil).

AUDITOR'S INDEPENDENCE DECLARATION

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

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,

Adrian Di Menna
Non-Executive Chairman

Date: 12 August 2024
Perth

CRITERION AUDIT

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 233 LEEDERVILLE WA 6902

Suite 2, 642 Newcastle Street
LEEDERVILLE WA 6007

Phone: 9466 9009

To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the audit of the financial statements of Lycaon Resources Limited and its controlled entities for the financial year ended 30 June 2024 I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

CHRIS WATTS CA
Director

CRITERION AUDIT PTY LTD

DATED at PERTH this 12th day of August 2024

LYCAON RESOURCES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Note	Consolidated 30 June 2024 $	Consolidated 30 June 2023 $
Other income	3	114,110	41,198
Accounting and company secretary fees		(104,000)	(116,200)
Audit fees	16	(26,000)	(24,656)
Directors fees		(96,400)	(96,000)
Exploration and evaluation expenditure		(3,945)	-
Impairment of exploration and evaluation expenditure	7	(199,180)	(938,306)
Professional fees		(60,000)	(75,000)
Marketing fees		(272,894)	(213,361)
Legal fees		(9,615)	(46,245)
Other expenses		(118,755)	(132,498)
Loss before income tax		**(776,679)**	**(1,601,068)**
Income tax expense	4	-	-
Loss for the year		**(776,679)**	**(1,601,068)**
Other comprehensive loss		-	-
Total comprehensive loss for the year		**(776,679)**	**(1,601,068)**
Loss per share			
Basic and diluted loss per share (cents)	23	(1.74)	(4.34)

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

	Note	Consolidated 30 June 2024 $	Consolidated 30 June 2023 $
ASSETS			
Current assets			
Cash and cash equivalents	5	4,655,331	2,477,336
Other assets	6	63,365	240,438
Total current assets		4,718,696	2,717,774
Non-current assets			
Exploration and evaluation	7	2,491,886	1,513,799
Total non-current assets		2,491,886	1,513,799
Total assets		**7,210,582**	**4,231,573**
LIABILITIES			
Current liabilities			
Trade and other payables	8	97,125	81,315
Provisions	9	-	250,000
Total current liabilities		97,125	331,315
Total liabilities		**97,125**	**331,315**
Net assets		**7,113,457**	**3,900,258**
EQUITY			
Issued capital	10	9,703,329	6,041,369
Reserves	11	784,878	456,960
Accumulated losses		(3,374,750)	(2,598,071)
Total equity		**7,113,457**	**3,900,258**

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

Consolidated	Issued capital $	Accumulated losses $	Reserves $	Total $
Balance at 1 July 2022	6,041,369	(997,003)	456,960	5,501,326
Loss for the year	-	(1,601,068)	-	(1,601,068)
Total comprehensive loss for the year	-	(1,601,068)	-	(1,601,068)
Transactions with owners in their capacity as owners				
Balance at 30 June 2023	**6,041,369**	**(2,598,071)**	**456,960**	**3,900,258**

Consolidated				
Balance at 1 July 2023	6,041,369	(2,598,071)	456,960	3,900,258
Loss for the year	-	(776,679)	-	(776,679)
Total comprehensive loss for the year	-	(776,679)	-	(776,679)
Transactions with owners in their capacity as owners				
Issue of capital	4,287,500	-	-	4,287,500
Share issue costs	(625,540)	-	327,918	(297,622)
Balance at 30 June 2024	**9,703,329**	**(3,374,750)**	**784,878**	**7,113,457**

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

	Note	Consolidated 30 June 2024 $	30 June 2023 $
Cash flows from operating activities			
Interest received		104,681	34,039
Interest paid		-	(11)
Payments to suppliers and employees		(508,842)	(483,767)
Payments for exploration and evaluation		(3,939)	(30,478)
Other receipts		-	29,310
Net cash outflow from operating activities	22	**(408,100)**	**(450,907)**
Cash flows from investing activities			
Payments for exploration and evaluation		(1,126,825)	(661,007)
Net cash outflow from investing activities		**(1,126,825)**	**(661,007)**
Cash flows from financing activities			
Proceeds from issue of shares		4,000,000	-
Share issue costs paid		(287,080)	-
Net cash inflow from financing activities		**3,712,920**	**-**
Net increase/(decrease) in cash and cash equivalents		2,177,995	(1,111,914)
Cash and cash equivalents at the beginning of the financial year		2,477,336	3,589,250
Cash and cash equivalents at the end of the financial year	5	**4,655,331**	**2,477,336**

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

1. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

Basis of preparation

These general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and *the Corporations Act 2001*, as appropriate for for-profit 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, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

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

a) Comparatives

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

b) Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 21.

c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Lycaon Resources Limited ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Lycaon Resources Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

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

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

d) Operating segments

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

e) Current and non-current classification

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

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting year; 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 year. All other assets are classified as non-current.

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

f) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

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 the end of the reporting year. 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 year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting year. 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.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future years in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax consolidation
The Company and its wholly owned Australian resident entities have formed a tax-consolidated entity with effect from 1 July 2023 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated entity is Lycaon Resources Limited. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within consolidated entity' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

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

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

g) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method, less any allowances for expected credit losses. Trade and other receivables are generally due for settlement within 120 days.

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists and in any event when the debt is more than 60 days overdue.

h) Exploration and evaluation assets

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

i) Share based payment transactions

Equity-based compensation benefits can be provided to suppliers and employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The fair value of equity instruments granted (including shares, performance rights and options) is recognised as an employee benefit expense with a corresponding increase in contributed equity. The fair value is measured at the grant date and recognised over the period the recipient becomes unconditionally entitled to the options or rights.

The fair value at the grant date is independently determined using an option-pricing model that takes into account the exercise price, the term of the option or right, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option or right, the share price at the grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option or right.

j) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

k) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting year for goods and services received by the consolidated entity during the reporting year which remain unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 – 60 days of recognition.

l) Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

m) 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.

n) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with short years to maturity and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

o) Other income

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

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

p) Finance costs

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

q) 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 wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Equity-settled compensation

The consolidated entity operates equity-settled share based payment employee share and option schemes.

The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting year, with a corresponding increase to an equity account.

Share based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the good or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is shown in the option reserve.
The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using an appropriate valuation model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting year such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

r) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

s) Earnings per share

(i) Basic earnings per share

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the consolidated entity, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) 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.

t) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2024. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

u) Critical accounting judgments, 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.

Exploration and evaluation expenditure
Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

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

2. Segment information

The consolidated entity has identified its operating segments based on the internal reports reviewed and used by the Board of Directors (chief operating decision makers) to assess performance and determine the allocation of resources.

The consolidated entity operates as a single segment which is mineral exploration and in a single geographical location, Australia.

3. Other income

	Consolidated	
	2024 $	2023 $
Interest income	114,110	41,198
	114,110	41,198

4. Income tax expense

	Consolidated	
	2024 $	2023 $
Loss before income tax expense	(776,679)	(1,601,068)
Tax at the Australian tax rate of 30% (2023: 30%)	(233,004)	(480,321)
Amounts not deductible/(taxable) in calculating taxable income	63,822	295,366
Tax effect of exploration expenditure	(189,412)	(189,412)
Tax effect of temporary differences	(28,636)	(35,849)
Tax effect of deferred tax asset not brought to account	387,230	410,216
Income tax expense	-	-
Unused tax losses for which no deferred tax asset has been recognised	4,110,906	2,820,141
Potential tax benefit at the Australian tax rate of 30% (2023: 30%)	1,233,272	846,042

5. Cash and cash equivalents

	Consolidated	
	2024 $	2023 $
Cash at bank	605,331	977,336
Short term deposits	4,050,000	1,500,000
	4,655,331	2,477,336

	Consolidated 2024 $	Consolidated 2023 $
6. Other assets		
Current		
Prepayments	26,592	207,282
GST receivable	20,185	25,998
Interest receivable	16,588	7,158
	63,365	240,438

	Consolidated 2024 $	Consolidated 2023 $
7. Exploration and evaluation		
Exploration and evaluation– at cost	2,491,886	1,513,799
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	1,513,799	1,570,732
Acquisitions during the year(i)	37,500	250,000
Expenditure incurred during the year	1,139,767	631,373
Impairment losses incurred during the year(ii)	(199,180)	(938,306)
Closing balance	2,491,886	1,513,799

WEST ARUNTA RESOURCES PTY LTD

Purchase consideration

The consideration payable consisted of 1,000,000 fully paid ordinary shares at an issue price of $0.25 per share equating to $250,000. The issue of the consideration shares was approved by shareholders at the Company's General Meeting on 19 September 2023. In addition to the consideration payable, a facilitation fee of 150,000 fully paid ordinary shares at an issue price of $0.25 per share was issued on 20 September 2023.

(i)Management has determined that the acquisition of 100% of West Arunta Resources Pty Ltd does not meet the definition of a business under AASB 3 Business Combinations and as such, has been accounted for as an asset acquisition under AASB 116.

(ii)On 3 July 2024, the Company's wholly owned subsidiary Matmetals WA Pty Ltd, surrendered its tenement E80/5508 which covered the Gnewing Bore Project. As a result of no future planned expenditure or activities on the tenement, the expenditure incurred on the tenement has been impaired in accordance with AASB 6 paragraph 20(a).

	Consolidated 2024 $	Consolidated 2023 $
8. Trade and other payables		
Trade creditors	85,858	59,787
Accrued expenses	11,267	21,528
	97,125	81,315

	Consolidated 2024 $	Consolidated 2023 $
9. Provisions		
Provision to acquire exploration tenements/for consideration payable(i)	-	250,000
	-	250,000

(i) At 30 June 2023, the Company had a present obligation to pay the consideration payable, which could be reliably measured and was probable that an outflow was required to settle the obligation. As such at 30 June 2023, the Company had recognised a provision as per AASB 137. On 20 September 2023, the Company settled its obligation to pay the consideration payable. Refer to Note 7 for further details.

10. Issued capital

	Consolidated			
	2024 Shares	**2024 $**	**2023 Shares**	**2023 $**
Ordinary shares – fully paid	52,984,823	9,703,329	36,906,251	6,041,369

Movement in ordinary share capital

Date	**No. of shares**	**Issue price $**	**$**
Opening balance - 1 July 2023	36,906,251		6,041,369
3 August 2023 – Placement(i)	6,000,000	0.25	1,500,000
20 September 2023 – Consideration shares for asset acquisition(ii)	1,000,000	0.25	250,000
20 September 2023 – Facilitation shares for asset acquisition(ii)	150,000	0.25	37,500
9 May 2024 – Placement(iii)	8,928,572	0.28	2,500,000
Capital raising costs	-		(625,540)
Closing balance - 30 June 2024	52,984,823		9,703,329
Opening Balance – 1 July 2022	36,906,251		6,041,369
Closing balance - 30 June 2023	36,906,251		6,041,369

(i) On 3 August 2023, the consolidated entity completed a $1.5m placement through the issue of 6,000,000 fully paid ordinary shares at an issue price of $0.25 per share.
(ii) On 20 September 2023, the consolidated entity issued 1,000,000 fully paid ordinary shares at an issue price of $0.25 per share to related party Mr Langley, as consideration for the tenement licence E80/5723 which is part of the West Arunta Stansmore Project. In addition to the consideration shares, the consolidated entity issued 150,000 fully paid ordinary shares at an issue price of $0.25 per share to the facilitators of the asset acquisition.
(iii) On 9 May 2024, the consolidated entity completed a $2.5 million placement through the issue of 8,928,572 fully paid ordinary shares at an issue price of $0.28 per share.

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

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

Capital management
The objectives of management when managing capital is to safeguard the consolidated entity's ability to continue as a going concern, so that the consolidated entity maintains a strong capital base sufficient to maintain future exploration and development of its projects.

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

	Consolidated 2024 $	Consolidated 2023 $
11. Reserves		
Reserves		
Option reserve	784,878	456,960
	784,878	456,960
Movements		
Balance at beginning of year	456,960	456,960
Options issued for share issue costs (Note 12)	327,918	-
Balance at end of year	784,878	456,960

Movements in reserves
Set out below is a summary of the movements in options on issue during the financial year:

Consolidated

Grant date	Expiry date	Exercise price $	Balance at the start of the year	Granted	Exercised	Expired/ forfeited	Balance at the end of the year
23/02/2021	23/02/2025	0.30	5,000,000	-	-	-	5,000,000
25/03/2021	23/02/2025	0.30	1,500,000	-	-	-	1,500,000
29/09/2021	23/02/2025	0.30	1,800,000	-	-	-	1,800,000
28/09/2021	23/02/2025	0.30	3,000,000	-	-	-	3,000,000
03/08/2023	03/08/2026	0.375	-	600,000	-	-	600,000
09/05/2024	09/05/2027	0.42	-	1,339,285	-	-	1,339,285
			11,300,000	1,939,285	-	-	13,239,285
Weighted average exercise price			$0.30	$0.41	-	-	$0.32

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

Grant date	Expiry date	Exercise price $	2024 #	2023 #
23 February 2021	23 February 2025	0.30	5,000,000	5,000,000
25 March 2021	23 February 2025	0.30	1,500,000	1,500,000
29 September 2021	23 February 2025	0.30	1,800,000	1,800,000
28 September 2021	23 February 2025	0.30	3,000,000	3,000,000
3 August 2023	3 August 2026	0.375	600,000	-
9 May 2024	9 May 2027	0.42	1,339,285	-
			13,239,285	11,300,000

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.94 years (2023: 1.65 years).

	Consolidated 2024 $	Consolidated 2023 $
12. Share based payment transactions		
Opening balance	456,960	456,960
Options – recognised in equity (share issue costs)	327,918	-
Closing balance	784,878	456,960

Options

During the financial year, the consolidated entity issued 600,000 options to brokers for the services provided as part of the August 2023 placement with a total fair value of $83,303 and 1,339,285 options to brokers for the services provided as part of the May 2024 placement with a total fair value of $244,615. These options were granted and recognised as share issue costs (2023: Nil).

For the options issued during the financial year, a Black Scholes valuation model was used with the valuation model inputs used to determine the fair value at the grant date as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Risk free rate	Dividend yield	Number of Options	Value per Option	Total Value	Vesting terms
		$	$	%	%	%	#	$	$	
3/08/2023	3/08/2026	0.25	0.375	100	3.78	-	600,000	0.1388	83,303	Immediately
9/05/2024	9/05/2027	0.315	0.42	100	3.94	-	1,339,285	0.1826	244,615	Immediately
							1,939,285		327,918	

13. Financial management

The consolidated entity's principal financial instruments comprise cash, short-term deposits, receivables and payables. The consolidated entity manages its exposure to key financial risks in accordance with the consolidated entity's financial risk management policy. The policy's objective is to support the delivery of the consolidated entity's financial targets while protecting future financial security.

The main risks arising from the consolidated entity's financial instruments are interest rate risk, credit risk and liquidity risk. The consolidated entity uses different methods to measure and manage various types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates. Ageing analysis of and monitoring of receivables are undertaken to manage credit risk; liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees on policies for managing each of these risks as summarised below.

Primary responsibility for identifying and controlling financial risks rests with the Board. The Board reviews and agrees on policies for managing each of the risks identified below, including interest rate risk, credit allowances and cash flow forecast projections.

(a) Market risk

(i) Interest rate risk

The consolidated entity is not materially exposed to interest rate risk.

(b) Credit risk

Credit risk arises from the financial assets of the consolidated entity, which comprise deposits with banks and trade and other receivables. The consolidated entity's exposure to credit risk arises from the potential default of the counterparty, with the maximum exposure equal to the carrying amount of these instruments. The carrying amount of financial assets included in the statement of financial position represents the consolidated entity's maximum exposure to credit risk in relation to those assets.

The consolidated entity does not hold any credit derivatives to offset its credit exposure.

The consolidated entity trades only with recognised, creditworthy third parties and as such collateral is not requested nor is it the consolidated entity's policy to securities it trades and other receivables.

Receivable balances are monitored on an ongoing basis with the result that the consolidated entity does not have significant exposure to bad debts.

There are no significant concentrations of credit risk within the consolidated entity.

(c) Liquidity risk

Liquidity risk arises from the consolidated entity's financial liabilities and the consolidated entity's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

Prudent liquidity risk management requires the consolidated entity to maintain sufficient cash, marketable securities and the availability of funding through the ability to raise further equity or through related party entities.

Due to the dynamic nature of the underlying businesses, the Board aims to maintain flexibility in funding through the management of its cash resources. The consolidated entity has no material financial liabilities at the financial year end other than normal trade and other payables incurred in the general course of business.

Maturity analysis of financial assets and liabilities based on management's expectations

Financial liabilities of the consolidated entity comprise of trade and other payables. As at 30 June 2024, all financial liabilities are contractually maturing within 60 days.

Consolidated 2024	Weighted average effective interest rate %	<6 months $	6-12 months $	1-5 years $	>5 years $	Total $
Cash and cash equivalents	3.70	4,655,331	-	-	-	4,655,331
Other assets	-	36,773	-	-	-	36,773
		4,692,104	-	-	-	4,692,104
Trade and other payables	-	(97,125)	-	-	-	(97,125)
		(97,125)	-	-	-	(97,125)
Net maturity		4,594,979	-	-	-	4,594,979

Consolidated 2023	Weighted average effective interest rate %	<6 months $	6-12 months $	1-5 years $	>5 years $	Total $
Cash and cash equivalents	1.51	2,477,336	-	-	-	2,477,336
Other assets	-	33,156	-	-	-	33,156
		2,510,492	-	-	-	2,510,492
Trade and other payables	-	(81,315)	-	-	-	(81,315)
		(81,315)	-	-	-	(81,315)
Net maturity		2,429,177	-	-	-	2,429,177

(d) Foreign exchange risk

The consolidated entity is not exposed to any foreign exchange risk.

(e) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the consolidated entity at the reporting date are recorded at amounts approximating their carrying amount.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

14. Key management personnel disclosures

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

	Consolidated	
	2024	2023
	$	$
Short-term employee benefits	190,433	177,448
Post-employment benefits	13,467	8,552
	203,900	186,000

15. Related party transactions

Consilium Corporate Pty Ltd, a company of which Mr Matic is a shareholder and director, is also engaged to perform company secretarial and accounting services at a rate of $7,500 per month (excluding GST) which increased to $8,500 per month (excluding GST) from 1 December 2023. During the financial year ended 30 June 2024, $97,283 (2023: $91,337) (excluding GST) was paid or payable under this agreement.

The Company's wholly owned subsidiary, West Arunta Resources Pty Ltd entered into a Binding Heads of Agreement with Mr Thomas Langley on 13 November 2022 to acquire 100% of the rights to tenement licence E80/5723. The consideration payable consisted of 1,000,000 fully paid ordinary shares at an issue price of $0.25 per share equating to $250,000. The acquisition and consideration were approved by shareholders at the Company's General Meeting on 19 September 2023. The consideration shares to Mr Langley were issued on 20 September 2023.

16. Remuneration of auditors

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

	Consolidated	
	2024	2023
	$	$
Audit services – Criterion Audit Pty Ltd		
Audit and review of the financial statements	26,000	24,656
	26,000	24,656

17. Commitments for expenditure

Capital

There are no capital commitments at 30 June 2024 (2023: Nil).

Exploration and evaluation

In order to maintain current rights of tenure, the consolidated entity is required to perform minimum exploration work to meet the minimum expenditure requirements specified by the relevant State Governments. These obligations are not provided for in the financial report and are payable as follows:

	Consolidated	
	2024	2023
	$	$
The consolidated entity has tenement rental and expenditure commitments payable of:		
- Not later than 12 months	142,000	162,000
- Between 12 months and 5 years	222,500	270,000
- Over 5 years	450,000	570,000
	814,500	1,002,000

The above represents commitments over the tenure of the tenements held by the consolidated entity.

18. Contingent assets

The consolidated entity had no contingent assets as at 30 June 2024 and 30 June 2023.

19. Contingent liabilities

On 10 June 2022, the consolidated entity entered into a royalty deed with Uramin Pty Ltd (Uramin). As part of the deed, the consolidated entity has agreed to pay Uramin a 0.5% Net Smelter Return Royalty (NSRR) on gross revenue arising from all minerals produced from the tenement area E80/4955. (2023: 0.5%).

20. Dividends

The consolidated entity has not declared nor paid a dividend for the financial year (2023: Nil).

21. Parent entity information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same of those applied in the consolidated financial statements except as set out below. Refer to Note 1 for a summary of the material accounting policies of the consolidated entity.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment.

Financial position

	Parent	
	2024	**2023**
	$	**$**
Assets		
Current assets	4,718,695	2,717,282
Non- current assets	2,484,745	1,506,733
Total assets	7,203,440	4,224,015
Liabilities		
Current liabilities	89,983	323,757
Total liabilities	89,983	323,757
Net assets	7,113,457	3,900,258
Equity		
Issued capital	9,703,329	6,041,369
Reserves	784,878	456,960
Accumulated losses	(3,374,750)	(2,598,071)
Total equity	7,113,457	3,900,258
Financial performance		
Loss for the year	807,276	1,604,715
Other comprehensive loss	-	-
Total comprehensive loss	807,276	1,604,715

Contingent assets

The parent entity had no contingent assets as at 30 June 2024 and 30 June 2023.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Capital commitments

The parent entity had no capital commitments as at 30 June 2024 and 30 June 2023.

Material accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 1, except for the following: Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Interest in subsidiaries
The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries.

			Percentage Owned	
Name of entity	**Country of Incorporation**	**Class of Shares**	**2024**	**2023**
Matmetals WA Pty Ltd	Australia	Ordinary	100%	100%
East Kimberley Resources Pty Ltd	Australia	Ordinary	100%	100%
West Arunta Resources Pty Ltd	Australia	Ordinary	100%	100%

	Consolidated	
	2024	**2023**
	$	**$**
22. Reconciliation of loss after income tax to net cash from operating activities		
Operating loss after income tax for the financial year	(776,679)	(1,601,068)
Non-cash items:		
- Impairment of exploration and evaluation expenditure	199,180	938,306
Changes in assets and liabilities:		
- Decrease/(increase) in other assets	165,012	193,839
- Decrease/ (increase) in exploration and evaluation	5	29,186
- Increase/(decrease) in trade and other payables	4,382	(11,170)
Net cash from operating activities	(408,100)	(450,907)

Non-cash investing and financing activities

During the financial year, as disclosed in Note 7, the consolidated entity issued 1,150,000 fully paid ordinary shares at an issue price of $0.25 per share as part of the consideration payable and facilitation fee for the acquisition of the tenement licence E80/5723, with a fair value of $287,500.

During the financial year, as disclosed in Note 12, the consolidated entity issued 600,000 options to brokers for the services provided as part of the placement completed in August 2023, with a fair value of $83,303 and issued 1,339,285 options to brokers for the services provided as part of the placement completed in May 2024, with a fair value of $244,615.

	Consolidated	
	2024	**2023**
	$	**$**
23. Loss per share		
(a) Reconciliation of earnings/loss to profit or loss:		
Loss used to calculate basic and diluted EPS	(776,679)	(1,601,068)
(b) Weighted average number of ordinary shares:	**Number**	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	44,553,694	36,906,251
	Cents	**Cents**
(c) Basic and diluted loss per share	(1.74)	(4.34)

24. Events after the reporting period

On 1 July 2024, it was announced that the Company won the ballot for highly prospective lithium and copper exploration licence application E45/6809 in the Pilbara region of Western Australia.

The Company held its General Meeting on 3 July 2024, where shareholders approved the issue of 600,000 unlisted options exercisable at $0.30 expiring 23 February 2025 to related party, Mr Adrian Di Menna.

On 19 July 2024, the Company announced the appointment of Ms Anthea Acomb as Joint Company Secretary.

Apart from the matters as discussed above, no other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Entity Name	Entity Type	Place formed / Country of Incorporation	Ownership Interest	Tax Residency
Lycaon Resources Limited (the Company)	Body Corporate	Australia	N/A	Australia *
Matmetals WA Pty Ltd	Body Corporate	Australia	100%	Australia *
East Kimberley Resources Pty Ltd	Body Corporate	Australia	100%	Australia *
West Arunta Resources Pty Ltd	Body Corporate	Australia	100%	Australia *

*Lycaon Resources Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime for the 30 June 2024 financial year.

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 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable; and

- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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

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

On behalf of the Directors

Adrian Di Menna
Non-Executive Chairman

Date: 12 August 2024
Perth

CRITERION AUDIT

Criterion Audit Pty Ltd

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Independent Auditor's Report

To the Members of Lycaon Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Lycaon Resources Limited ("the Company") and its controlled entities ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2024, 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, the consolidated entity disclosure statement and the directors' declaration.

In our opinion:

a. the accompanying financial report of Lycaon Resources Limited is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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.

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. 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.

Key audit matter	**How our audit addressed the key audit matter**

Exploration and Evaluation Expenditure – $2,491,886
(Refer to Note 7)
 	
Exploration and evaluation is a key audit matter due to:
• The significance of the balance to the Consolidated Entity's financial position.
• The level of judgement required in evaluating management's application of the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources*. AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset.
• The assessment of impairment of exploration and evaluation expenditure being inherently difficult.
	Our procedures included, amongst others:
	
	• Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Consolidated Entity holds an interest and the exploration programmes planned for those tenements.
	• For each area of interest, we assessed the Consolidated Entity's rights to tenure by corroborating to government registries and evaluating agreements in place with other parties as applicable;
	• We tested the additions to capitalised expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB 6;
	• We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets for each area of interest.
	• We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure:
	    • the licenses for the right to explore expiring in the near future or are not expected to be renewed;
	    • substantive expenditure for further exploration in the specific

	area is neither budgeted or planned • decision or intent by the Consolidated Entity to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and • data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale. • We assessed the completeness and adequacy of the related disclosures in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2024, 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:

a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Consolidated Entity 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 Consolidated Entity 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.

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 Consolidated Entity'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 Consolidated Entity'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 Consolidated Entity 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.

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, related safeguards.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Lycaon Resources Limited, for the year ended 30 June 2024, 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 s 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.

Criterion Audit

CRITERION AUDIT PTY LTD

CHRIS WATTS CA
Director

DATED at PERTH this 12th day of August 2024

Additional information required by Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The shareholder information set out below was applicable as at 23 July 2024.

(a) Corporate governance statement

The Company's 2024 Corporate Governance Statement has been released as a separate document and is located on our website at https://www.lycaonresources.com/corporate-governance.

(b) Distribution of fully paid ordinary shares

Analysis of number of fully paid ordinary shareholders by size of holding:

Range	Total Holders	Units	% of Issued Capital
1 – 1,000	37	12,442	0.02
1,001 – 5,000	327	916,332	1.73
5,001 – 10,000	219	1,775,792	3.35
10,001 – 100,000	501	17,853,351	33.70
100,001 and above	107	32,426,906	61.20
Total	**1,191**	**52,984,823**	**100**

(c) Unmarketable parcels

Minimum $500.00 parcel at $0.310 per unit is 94 holders with 90,336 shares.

(d) Twenty largest shareholders

The names of the twenty largest holders of quoted ordinary shares are:

Rank	Name	Units	% of Units
1	Inyati Fund Pty Ltd <Inyati Fund No2 Unit A/C>	1,400,000	2.64
2	MR THOMAS EDWARD LANGLEY <LANGLEY MINERAL HOLDINGS A/C>	1,350,000	2.55
3	Reco Holdings Pty Ltd <Reco Super Fund A/C>	1,343,000	2.53
4	GREENSEA INVESTMENTS PTY LTD	1,000,000	1.89
5	Peter & Tanya-Lee Wall <Wall Family Super Fund A/C>	904,879	1.71
6	MR JOHN KEITH SADLER <THE SADLER FAMILY A/C>	850,000	1.60
7	UPSKY EQUITY PTY LTD <UPSKY INVESTMENT A/C>	800,000	1.51
8	S3 Consortium Holdings Pty Ltd <NextInvestors Dot Com A/C>	780,000	1.47
9	CONSILIUM CORPORATE ADVISORY PTY LTD	775,000	1.46
10	BOND STREET CUSTODIANS LIMITED <TRYLAN - D83486 A/C>	750,000	1.42
11	JRW INVESTMENTS (WA) PTY LTD <THE SHERRY FAMILY A/C>	618,000	1.17
12	Julian Rodney Stephens <One Way A/C>	600,000	1.13
13	MELBOR PTY LTD <RJW FAMILY A/C>	562,500	1.06
14	MR BUNYAMIN YAVUZ	502,000	0.95
15	"MR JOHN HARDING &	500,000	0.94
16	AMBERGATE NOMINESS PTY LTD <AMBERGATE SUPER FUND A/C>	500,000	0.94
17	THE J K SADLER SUPERANNUATION COMPANY PTY LTD <THE J K SADLER S/F A/C>	500,000	0.94
18	WINDELL HOLDINGS PTY LTD <THOMPSON SUPER FUND A/C>	500,000	0.94
19	TALEX INVESTMENTS PTY LTD <A F WYLIE SUPER FUND A/C>	486,000	0.92
20	NP & PA PTY LTD <ON THE MOVE S/F A/C>	476,956	0.90
Total		**15,198,335**	**28.67**

(e) Substantial shareholders

There are no substantial shareholders.

(f) Voting rights

On a show of hands, holders of ordinary shares have one vote. On a poll, holders of fully paid ordinary shares have one vote per share, whilst holders of partly paid shares have such number of votes equivalent to the proportion paid up in respect of their shares. The holders of listed options, unlisted options and performance rights do not have voting rights attached to those securities.

(g) The number of restricted equity securities / securities subject to voluntary escrow

There is no restricted equity securities or securities subject to voluntary escrow.

(h) Unlisted securities

The following options are on issue:

- 2 optionholders holding 1,250,000 unlisted options with an exercise price of $0.30 expiring 23 February 2025
- 19 optionholders holding 1,387,500 unlisted options with an exercise price of $0.30 expiring 23 February 2025
- 9 optionholders holding 9,262,500 unlisted options with an exercise price of $0.30 expiring 23 February 2025
- 2 optionholders holding 600,000 unlisted options with an exercise price of $0.375 expiring 3 August 2026
- 1 optionholder holding 1,339,285 unlisted options with an exercise price of $0.42 expiring 9 May 2027

Inyati Fund Pty Ltd holds 5,639,285 unlisted options which equates to 41% of the unlisted options on issue.

(i) On Market Buy Back

There is no current on market buy back of Lycaon Resources Limited shares.

(j) Interests in Tenements

Project	Tenement	Location	Percentage Ownership	Status	Registered Holder[1]
Bow River and Salt Lick	E80/4955	WA	100%	Granted	East Kimberley Resources Pty Ltd
Stansmore	E80/5723	WA	100%	Granted	West Arunta Resources Pty Ltd
	E80/5867	WA	100%	Granted	West Arunta Resources Pty Ltd
	E80/5868	WA	100%	Granted	West Arunta Resources Pty Ltd
Myrnas Hill [2]	E45/6809	WA	100%	Application	Lycaon Resources Ltd

[1]*East Kimberley Resources Pty Ltd and West Arunta Resources Pty Ltd are 100% owned subsidiaries of Lycaon Resources Limited.*

[2]*Lycaon Resources Limited applied for the tenement licence application E45/6809 and was successfully drawn first in a ballot.*