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ANNUAL REPORT

For the year ended 30 June 2024

ABN 33 150 026 850

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CORPORATE DIRECTORY

DIRECTORS AND MANAGEMENT

| | |
|-----------------|-------------------------|
| Luke Reinehr | Executive Chairman |
| Angus Middleton | Non-Executive Director |
| Paul Adams | Non-Executive Director |
| Luke Mortimer | Chief Executive Officer |

COMPANY SECRETARY

Carly Terzanidis

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Perth WA 6000

SHARE REGISTRY

Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000

SECURITIES EXCHANGE LISTING

The Company is listed on the Australian Securities Exchange Ltd ("ASX") and the Frankfurt Stock Exchange ("FRA")

| | |
|----------------|--------------------------|
| Home Exchange: | Perth, Western Australia |
| ASX Code: | KZR |
| FRA Code: | KR1 |

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CHAIRMAN'S LETTER

Dear Shareholders,

Welcome to Kalamazoo Resources Limited's ("Kalamazoo") 2024 Annual Report, following a transformational year which has positioned us for future growth.

The 2023-24 Financial Year was highlighted by two major milestones – the successful spin-out of our Australian lithium projects via the demerger and Initial Public Offering ("IPO") of Kali Metals Limited (ASX: KM1, "Kali"), and the signing of an exclusive Option Agreement for De Grey Mining Limited (ASX: DEG, "De Grey") to acquire our Ashburton Gold Project in the Pilbara, Western Australia.

The IPO of Kali combined our lithium projects in WA, Victoria and New South Wales with TSX-listed Karora Resources' (TSX: KRR, "Karora") lithium mineral rights across a range of projects south of Kalgoorlie, WA. Despite a challenging global lithium market, the Kali IPO raised the maximum subscription amount of \$15 million following considerable interest from Kalamazoo shareholders and new investors, a testament to Kali's highly prospective lithium landholding.

Our collaboration with Karora in establishing Kali as a leading Australian critical minerals exploration company is consistent with our strategy and ongoing commitment to delivering value for our shareholders. Kalamazoo has maintained a 20.2% shareholding in Kali and our shareholders were provided ongoing exposure to its exploration projects via an in-specie distribution of shares in Kali at the time of the IPO.

In early 2024, we further strengthened our position with the signing of an Option Agreement with De Grey, granting an option to acquire our 1.44Moz Ashburton Gold Project for \$33 million. This agreement, which included a non-refundable \$3 million Option Fee, typifies our successful project development strategy which aims to add significant value to our assets. On exercise of the option, Kalamazoo will be well-positioned to reinvest in new opportunities, accelerate our exploration initiatives and/or provide a financial return to shareholders.

This agreement also highlights the synergy between the Ashburton Gold Project and De Grey's proposed Hemi Gold Project in the Pilbara, which has the makings of a natural regional processing hub for the Ashburton Gold Project's high-grade sulphide gold. The potential sale of the project will be a win-win, benefiting both companies and enhancing value for our shareholders.

The IPO of Kali and the agreement to sell the Ashburton Gold Project have enabled Kalamazoo to focus on its gold exploration projects in WA and Victoria, with activities progressing at the Mallina West Gold Project (WA) in proximity to De Grey's Hemi Gold Project and the Mt Piper Gold Project (Victoria). Concurrently, Kalamazoo has been actively seeking new project development opportunities similar to our strategy which has proven successful at the Ashburton Gold Project.

We also ushered in a new chapter of leadership with the appointment of Luke Mortimer as our Chief Executive Officer ("CEO"). Previously our Exploration Manager, Dr Mortimer has been instrumental in our progress since joining in 2019, and his elevation to CEO reflects our confidence in his ability to steer Kalamazoo towards continued success.

In conclusion, I would like to express my appreciation to our employees whose hard work and commitment has been integral to our achievements over the past year. A special thanks to our corporate team for their exceptional efforts in finalising both the Kali IPO and the Ashburton Gold Project agreement with De Grey.

To our valued shareholders, I would like to thank you for your ongoing support and confidence in the Company. As we embark on the next phase of our growth, we remain committed to creating long-term value and look forward to keeping you updated on our progress.

Yours sincerely,



Luke Reinehr
Executive Chairman

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The 2023/24 financial year was significant for Kalamazoo as the Company continued to deliver on its project generator model strategy, to create value for shareholders.

During the last 12 months Kalamazoo achieved two key milestones. Firstly, the completion of the highly successful IPO of the wholly owned subsidiary Kali in early 2024, with Kalamazoo vending its lithium assets in Western Australia, Victoria and New South Wales together with TSX-listed Karora’s Higginsville lithium rights into Kali¹. Secondly, the execution of an Option to Acquire Agreement with De Grey which gave De Grey the option to acquire the 100% owned 1.44m oz Ashburton Gold Project located in Western Australia for a total consideration of \$33 million².

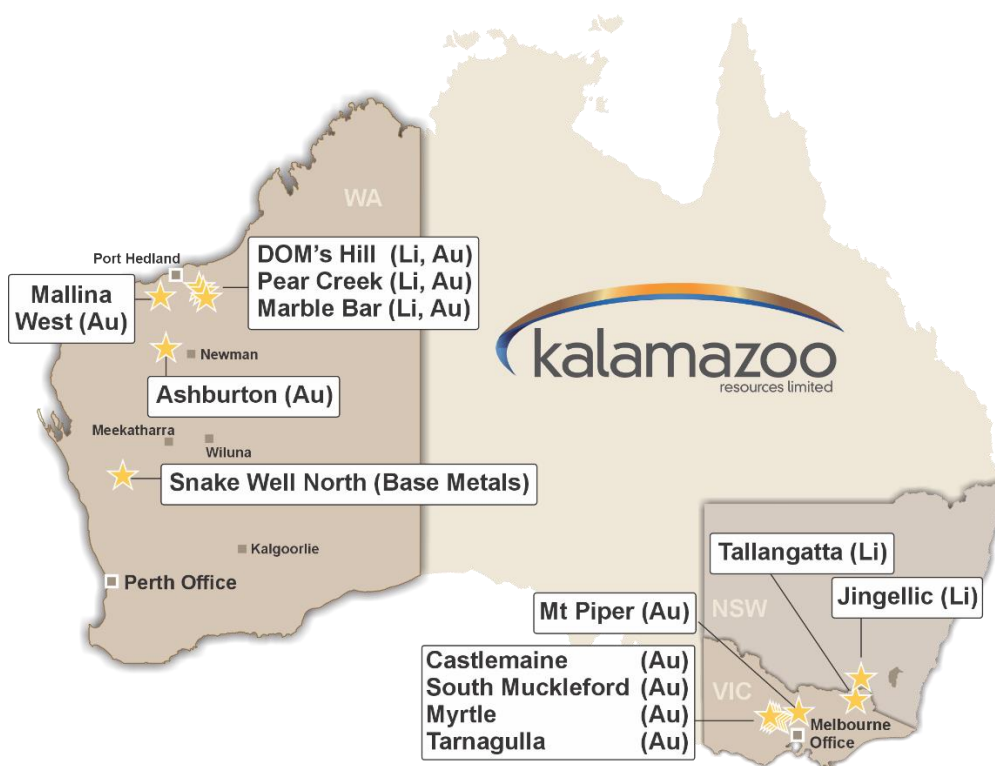


Figure 1: Kalamazoo Project locations (prior to spin out of Kali Metals)

KALI METALS LIMITED IPO

Following an extensive process, Kali (**ASX: KM1**) listed on the ASX on 8 January 2024¹. Kali was established from the spin out of Kalamazoo’s portfolio of Australian lithium assets located in the Pilbara region of Western Australia and the Lachlan Fold Belt, northeast Victoria and southern New South Wales. This included Kalamazoo assigning its interests to Kali of the Earn-in Agreement with Sociedad Quimica y Minera de Chile S.A. (“SQM”), which operates in respect of the DOM’s Hill and Marble Bar Projects in the Pilbara, Western Australia. Kalamazoo’s lithium projects were combined with the highly prospective lithium mineral rights of TSX-listed Canadian gold miner Karora encompassing an extensive range of projects located at Higginsville, Western Australia. This combined entity incorporated a strong portfolio of lithium exploration assets which were attractive to prospective stakeholders.

¹ ASX: KZR 8 January 2024

² ASX: KZR 6 February 2024

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Kali lodged its prospectus with the Australian Securities and Investment Commission (“ASIC”) on 3 November 2023. The IPO was jointly managed by Bell Potter Securities Limited and Canaccord Genuity (Australia) Limited, who conducted a bookbuild for the Retail Offer on 14 November 2023. The bookbuild, which included the Broker Firm Offer, Institutional Offer, Chair’s List Offer and Priority Offer, was heavily oversubscribed closing in a few short hours following opening. The IPO was completed in December 2023 successfully raising the maximum \$15 million at \$0.25 per share with strong support from not only institutional investors but also several high-profile individuals that are connected to the Western Australian lithium sector.

Following Kali’s listing Kalamazoo retained 29,147,250 shares in Kali, representing 20.2% of Kali’s issued capital. As part of Kalamazoo’s commitment to creating value for its shareholders, eligible Kalamazoo shareholders received 1 ordinary Kali share for every 17.64 ordinary Kalamazoo shares (“Shares”) (1 for 17.64) via an in-specie distribution of 9,715,750 ordinary shares (representing 6.7% of Kali’s issued capital).

Additionally, Kalamazoo shareholders also received a Priority Offer entitlement, which closed on 4 December 2023, to participate in the Kali IPO, resulting in Kalamazoo shareholders receiving a further 8,000,000 ordinary shares in Kali, representing 5.5% of Kali’s issued capital.

Upon listing on the ASX, Kali’s portfolio comprised ~3,854km² of highly prospective lithium assets, including:

- **Pilbara Region, WA** – DOM’s Hill, Marble Bar, and Pear Creek Lithium Projects
- **Eastern Yilgarn Region, WA** – Lithium Rights across the entire Higginsville Lithium Project tenements
- **NSW / Victoria** – Jingellic and Tallangatta Lithium Projects, including the option to earn a 100% interest in the Mining and Energy Group Pty Ltd (MEG) Lithium Rights at EL8958, located adjacent to the Jingellic Project

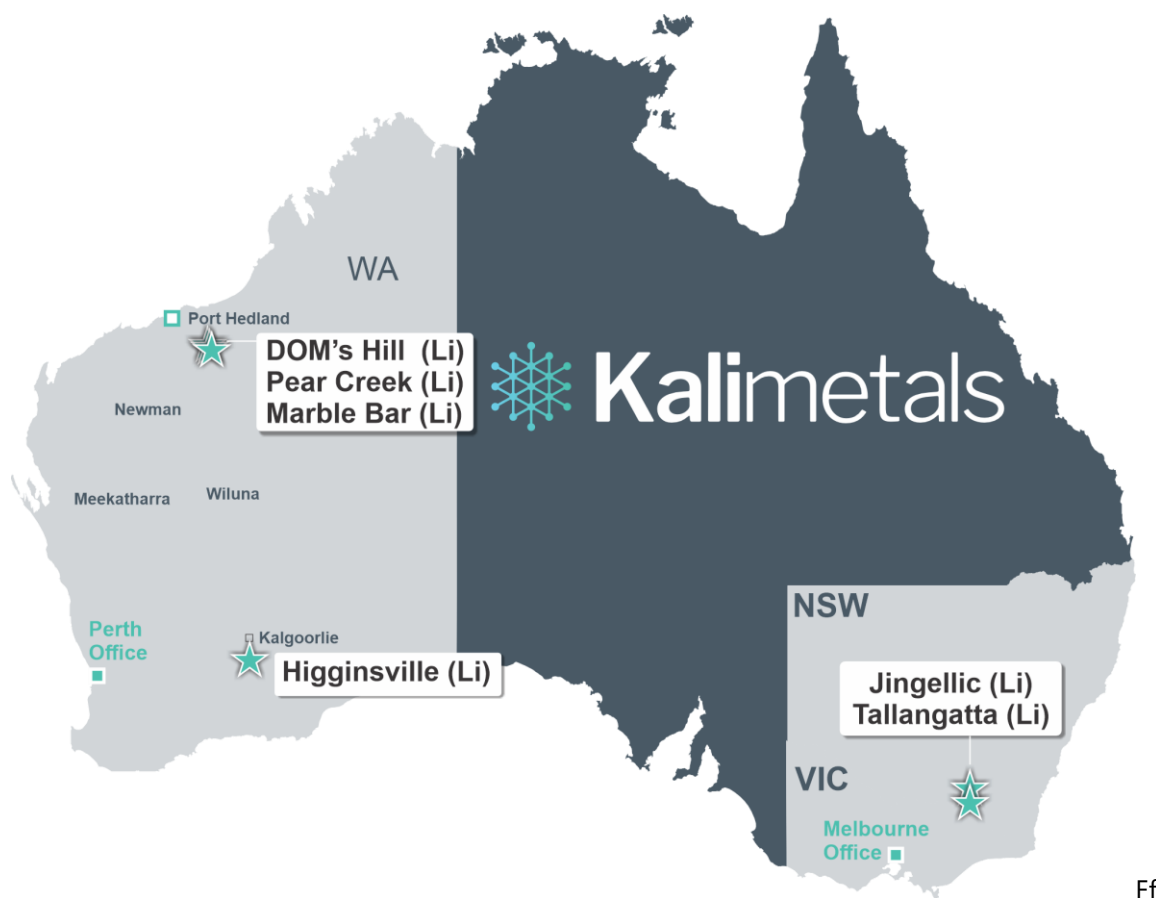


Figure 2: Kali projects

During the IPO and upon listing, Kali was led by an experienced management team and Board with Graeme Sloan as Managing Director and Kalamazoo’s Chairman/CEO Luke Reinehr as Non-Executive Chairman. Kali’s Non-Executive Director, Paul Adams was appointed incoming Managing Director of Kali³ as of 1 July 2024 following which his board position at Kalamazoo changing to Non-Executive Director.

³ ASX: KZR 23 May 2024

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REVIEW OF OPERATIONS

PILBARA LITHIUM PROJECTS

During the year Kalamazoo and SQM continued to work closely with a significant Phase 2 drilling program at the DOM's Hill Lithium Project conducted 2H 2023⁴ as well as further field reconnaissance and targeting work at the Marble Bar Project.

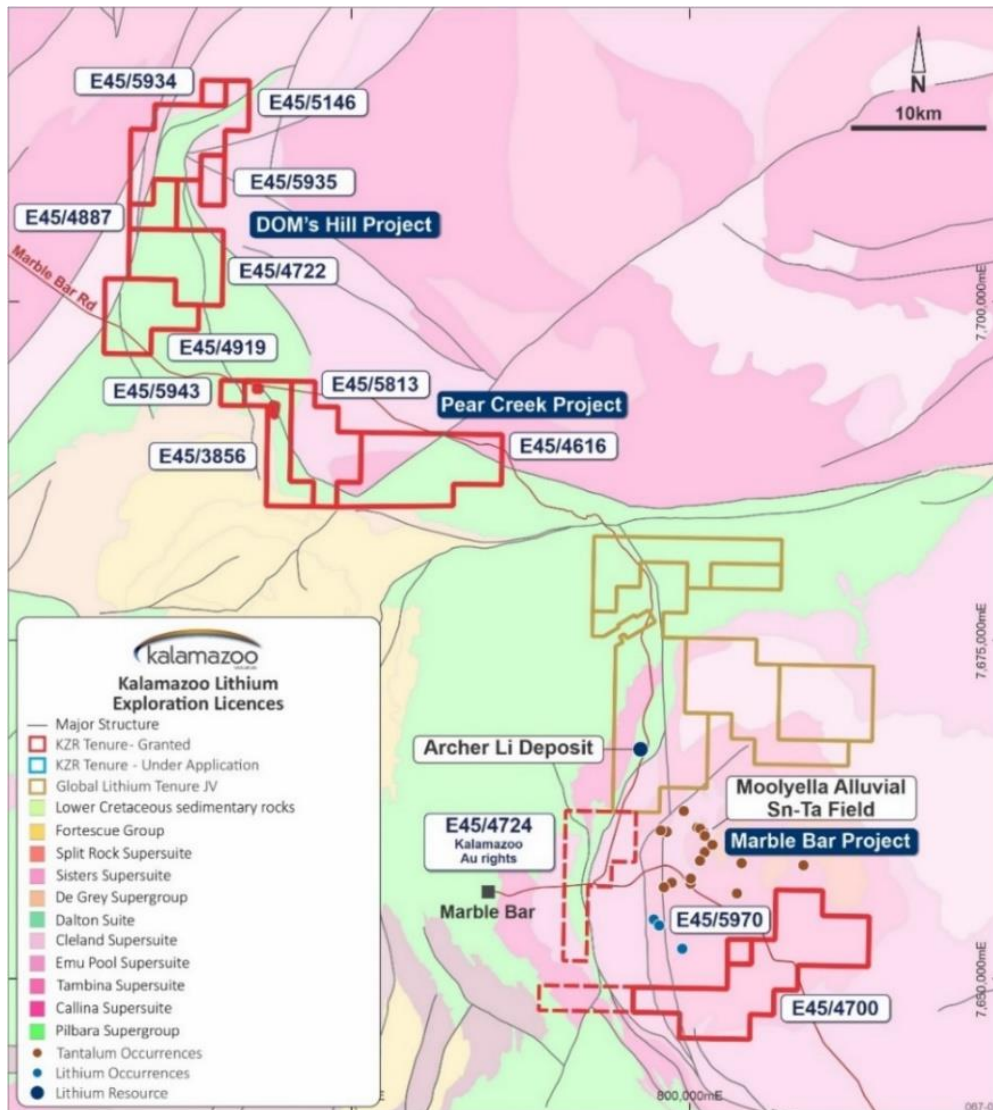


Figure 3: Kalamazoo Lithium Exploration Licences

ASHBURTON GOLD PROJECT, WA

The Ashburton Gold Project ("AGP") is located 35km southeast of Paraburdoo, Western Australia within the prospective Nanjilgardy Fault Zone along the southern margin of the Pilbara Craton (Figure 4). The project covers 222km² and consists of Mining Leases M52/639, M52/640, M52/734 and M52/735 which collectively produced 350,000oz Au between 1998 and 2004. Additionally, the AGP comprises Exploration Licences 52/1941, 52/3024, 52/3025 and 52/4052. The project also has two tenement applications ELA47/4714 and ELA47/4913.

⁴ ASX: KZR 1 August 2023

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In February 2023⁵, after preliminary metallurgical studies and a complete re-interpretation of the geology and mineralisation at all deposits within the project area, Kalamazoo announced an updated Mineral Resource Estimate (“MRE”). The MRE now stands at 16.2Mt at 2.8g/t Au for 1.44Moz, detailed in Table 1 below, estimated to the nearest 10,000 tonnes and 1,000 ounces.

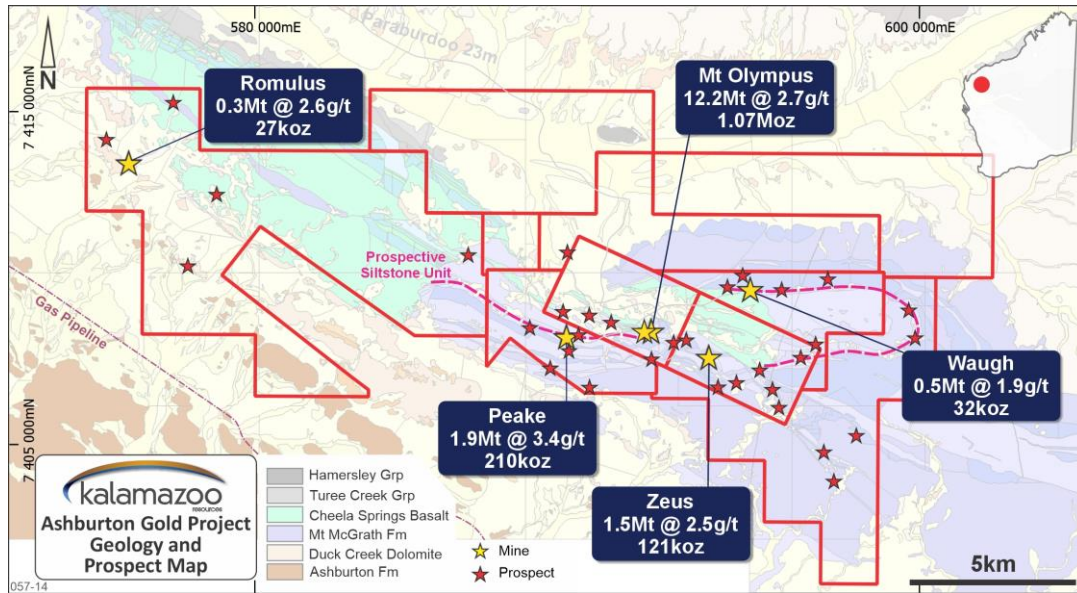


Figure 4: Mineral Resources and exploration targets at Kalamazoo’s Ashburton Gold Project⁶

Table 1: Mineral Resource Estimate for the Ashburton Gold Project⁶

| ASHBURTON GOLD PROJECT MINERAL RESOURCES | | | | | | | | | | |
|--|--------------|------------|------------|--------------|------------|------------|---------------|------------|--------------|-----------|
| | INDICATED | | | INFERRED | | | TOTAL | | | Cut off |
| | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces | Tonnes | Grade | Ounces | |
| | (000’s) | (g/t) | (000’s) | (000’s) | (g/t) | (000’s) | (000’s) | (g/t) | (000’s) | |
| Mt Olympus ¹⁻³ | 8,896 | 2.9 | 821 | 3,346 | 2.3 | 252 | 12,242 | 2.7 | 1,073 | 0.5 - 1.5 |
| Peake ⁴ | 349 | 5.3 | 60 | 1,571 | 3.0 | 150 | 1,920 | 3.4 | 210 | 1.5 |
| Waugh ⁵ | 218 | 2.0 | 14 | 292 | 1.9 | 18 | 510 | 1.9 | 32 | 0.5 |
| Zeus ^{6,7} | 236 | 2.0 | 15 | 1,282 | 2.6 | 106 | 1,518 | 2.5 | 121 | 0.5 - 1.5 |
| TOTAL RESOURCES⁸ | 9,699 | 2.9 | 911 | 6,491 | 2.5 | 525 | 16,190 | 2.8 | 1,436 | |

- OP (Open Pit) resource: >0.5 g/t, inside optimised pit Rev factor = 1.2
- UG (Underground) resource: >1.5g/t below Rev factor = 1.2 pit, inside domain wireframes
- West Olympus OP: >0.5 g/t, inside optimised pit Rev factor = 1.2
- UG: >1.5g/t below Rev factor = 1.2 pit, inside domain wireframes
- OP: >0.5g/t above 395mRL (equivalent to base of current pit)
- OP: Optimised Pit 11 with Indicated + Inferred, > 0.5g/t
- UG: Below Optimised pit >1.5g/t
- The previous inferred resource at Romulus remains unchanged at 329kt @ 2.6g/t for 27koz Au⁶. Romulus was not included in this update and is therefore in addition to the total Resource quoted in the above table

⁵ ASX: KZR 7 February 2023

⁶ ASX: KZR 6 February 2024

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The resource includes mineralised material from four deposits, with the largest Mt Olympus deposit importantly accounting for 75% of the total resource base ounces.

In February 2024, Kalamazoo signed an Option to Acquire Agreement ("**Option Agreement**") with De Grey to acquire the AGP by the payment of a non-refundable Option Fee of \$3 million⁶, granting De Grey exclusivity for 12 months, with the right to extend for a further 6 months ("**Option Period**") to complete development and due diligence studies.

At any time during the Option Period, De Grey may exercise the option to acquire the AGP for a further \$30 million, payable in cash and/or De Grey shares, structured as below:

- \$15 million on exercise of the Option; and then
- \$15 million on the date 18 months from the exercise of the Option

De Grey plans to conduct the following activities during the Option Period:

- Conduct metallurgical drilling and test-work to determine the nature and recovery of the sulphide ores at the AGP's Mt Olympus resource
- Complete multi-element geo-chemical analysis on retained samples/drill chips/drill core within the Mt Olympus resource area
- Remodel the geological mineralisation, alteration, weathering and geotechnical domains for processing and mining purposes
- Execute open pit optimisations
- Engage Kalamazoo personnel where necessary on a cost plus 10% basis

De Grey is required to spend a minimum of \$1 million on exploration and assessment activities at the AGP during the Option Period and share all results with Kalamazoo as well as being responsible for keeping all tenements in good standing at its sole cost.

Following the signing of the Option Agreement, De Grey representatives commenced on-site due diligence studies including, for example, the drilling of ten metallurgical drill holes and other geotechnical studies that are ongoing and progressing well.

Upon exercising the option and acquiring the AGP, De Grey will assume all of Kalamazoo's deferred consideration and royalty obligations in respect to the AGP.

The Board considered the Option Agreement signed with De Grey as the best deal to realise value for the AGP and the most beneficial for Kalamazoo shareholders.

Activities Post Reporting Period

Post reporting period end Kalamazoo was pleased to provide an update on the progress of the Ashburton Gold Project undertaken by De Grey Mining⁷, who have personnel on site undertaking due-diligence studies. These studies include a range of activities such as a metallurgical drilling program, analyses of historical drill core and sample pulps as well as other geotechnical studies.

Recent activity reported by De Grey since the AGP Option Agreement was signed in February 2024 includes:

- Drill core and sample pulps from previous drilling have been retrieved from storage for incorporation into the due diligence and data review at Mt Olympus. Historical pulps have been dispatched for laboratory multi-element analysis
- The De Grey exploration team mobilised to site at Mt Olympus to prepare for the metallurgical drilling in May 2024. Prior to the commencement of drilling, detailed drone-based aerial photography and mine surveys were completed in May 2024 to assist with geological and geotechnical models
- The diamond drilling campaign designed to obtain metallurgical samples across the Mt Olympus deposit has been progressing steadily since commencement in June 2024. A total of seven PQ diameter holes have been completed for 1,144m and the rig is currently on the eighth hole. The planned drilling program comprises ten holes, with provision for an additional two holes if warranted
- Holes are being logged and sampled on site. Samples are being dispatched to the lab for broad spectrum multi-element analysis. The residual core is being stored in refrigerated containers ahead of bulk despatches to ALS Metallurgy in Perth where the holes will have intervals for metallurgical sampling determined based on the character and setting of mineralisation ahead of the commencement of the metallurgical testing program
- Digital photography of RC chip trays and Terraspec data collection from the library of previous drilling on site will commence in August 2024

MALLINA WEST GOLD PROJECT, WA

The Mallina West Gold Project (E47/2983, E47/4489, E47/4490 and E47/4491) covers an area of 118 km². The region has been identified for intrusion-related and other styles of gold mineralisation associated with the Wohler Shear Zone, a prospective splay of the Tabba Tabba, Mallina, Withnell and Berghaus Shear Zone complex (Figure 5). Recent exploration success in the Pilbara region, notably the world-class >10Moz Hemi Project gold discovery by De Grey has highlighted the economic potential of these gold mineralised intrusions in this area⁸. The Mallina West Gold Project is also located 15km from De Grey's highly prospective intrusion style Toweranna prospect.

⁷ ASX: KZR 15 August 2024

⁸ ASX: DEG 28 September 2023

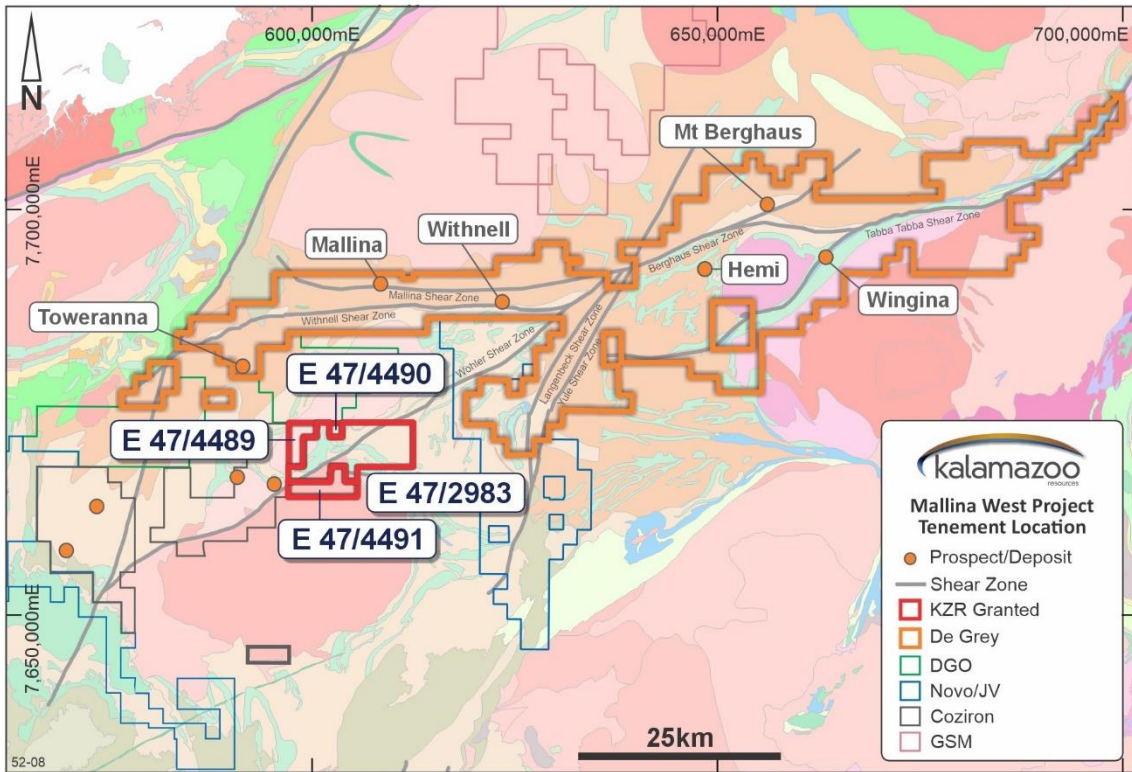


Figure 5: Mallina West Gold Project Tenement Location

Kalamazoo initially identified five high priority prospect areas at the Mallina West Gold Project based on its soil geochemistry surveys as well as existing aeromagnetic data⁹. In 2022 Kalamazoo completed a maiden reconnaissance reverse circulation (“RC”) drilling program at the Wattle Plains, Hockey, and a portion of its “Intrusion Target Area” Prospects. This program consisted of 23 x RC drill holes, totalling 2,434m, before it was halted early due to unseasonal rain and flooding (Figure 6)¹⁰:

The drilling program intersected several gold anomalous intervals including a significant high-grade intercept at the Wattle Plains Prospect of **1m @ 10.35 g/t Au** from 99-100m (KAMRC0016)¹¹ (Figure 7). Notably, this high-grade intercept occurred at the end of the final hole of a particular reconnaissance drill traverse and remains open in all directions. At the time, the relationship to the magnetic anomaly spatially associated with this drill hole was unknown. However, given the reconnaissance nature of the drilling, Kalamazoo considered this result to be highly encouraging and warranted further investigation.

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⁹ ASX: KZR 5 November 2020

¹⁰ ASX: KZR 9 May 2022

¹¹ ASX: KZR 16 November 2022

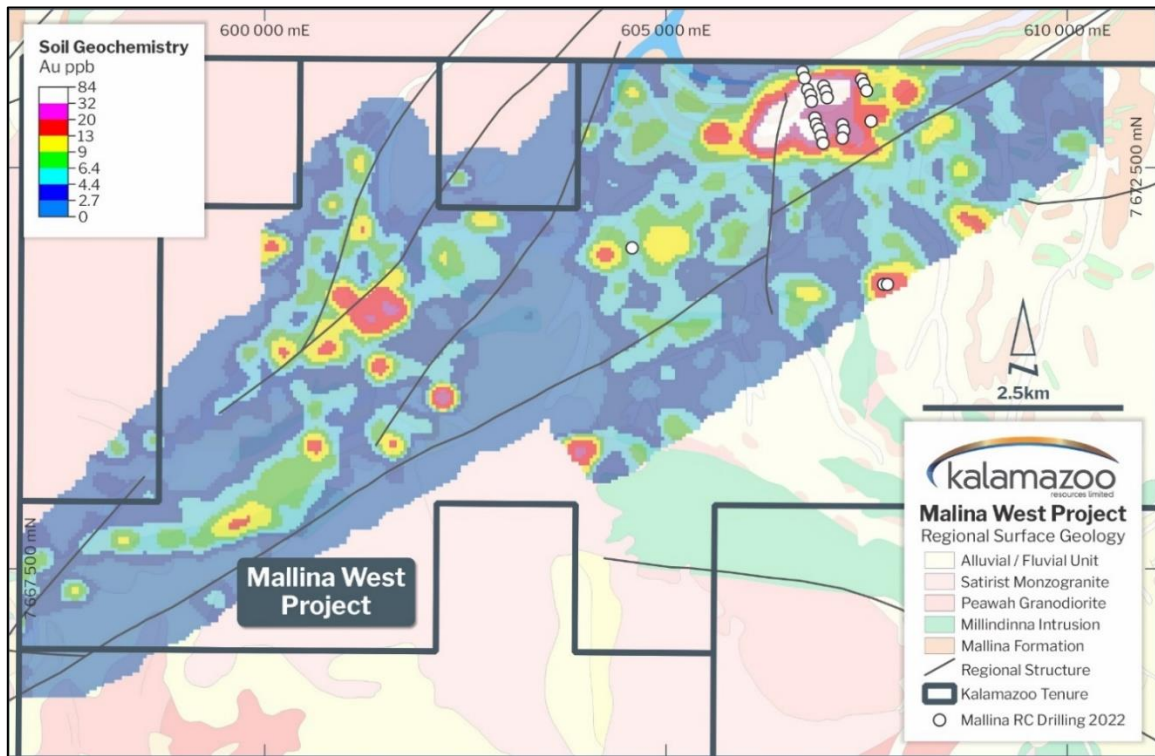


Figure 6: Malina West gold prospects and gold in soil geochemistry¹²

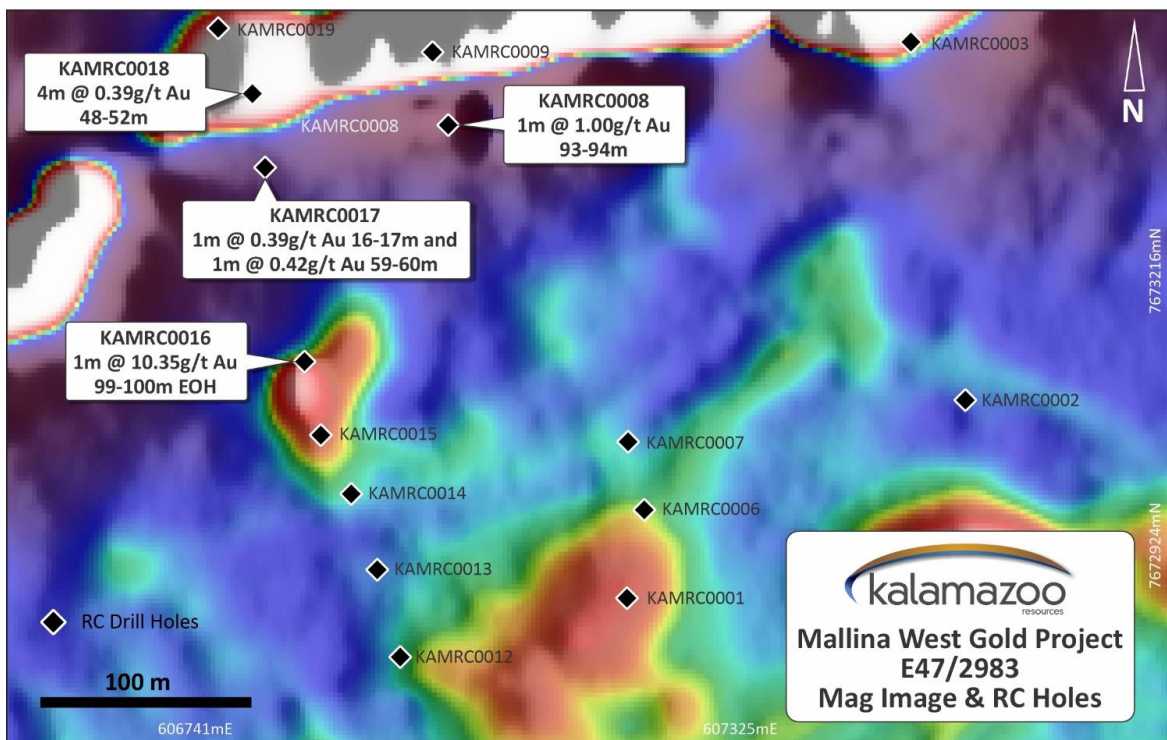


Figure 7: Wattle Plains Prospect – location of gold anomalous RC drill holes on background aeromagnetic (TMI) image. Note the location of the high-grade intersection in KAMRC0016¹¹

¹² ASX: KZR 22 July 2024

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VICTORIAN GOLD PROJECTS

Kalamazoo’s landholding in the Central Victorian Goldfields covers 1,992km² consisting of the Castlemaine Goldfield, the southern extensions to the Maldon/South Muckleford Goldfield, a central tenement position in the Tarnagulla Goldfield, the Myrtle Gold Project and the 1,522km² Mt Piper Gold Project.

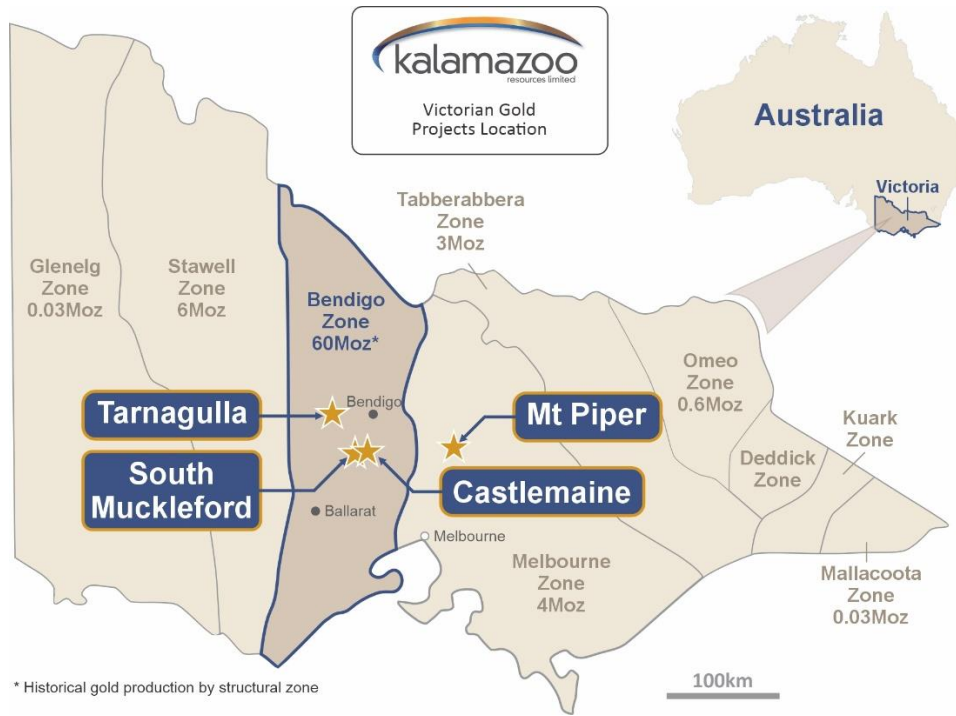


Figure 8: Location of the Central Victorian Gold Projects

MT PIPER GOLD PROJECT

The Mt Piper Gold Project (“Mt Piper”) was acquired from Coda Minerals Limited (**ASX: COD**) in July 2022¹³, with the acquisition aligning with Kalamazoo’s strategy of acquiring and exploring high-quality gold projects in Victoria with an exploration target of 1Moz at grades over 10 g/t Au. The project is located approximately 75km north of Melbourne, with access to local infrastructure.

The project is strategically located adjacent to Agnico Eagle Mine’s (**NYSE: AEM**) large exploration land tenure and is 30km from its world-class Fosterville gold mine in Central Victoria. The Mt Piper Gold Project is also situated between Mandalay Resources’ (**TSX: MND**) high-grade Costerfield gold-antimony mine and Southern Cross Gold’s (**ASX: SXG**) Sunday Creek Project, which recently announced significant drilling intersections including **455.3m @ 7.2g/t Au**¹⁴.

Positioned along the western margin of the Melbourne Zone and adjacent to the Bendigo Zone in the Central Victorian Goldfields, the Mt Piper Gold Project is considered highly prospective for epizonal, high-grade gold and antimony deposits (i.e. Fosterville-style). Despite its potential, the tenements have been underexplored, with only a limited amount of shallow drilling, and limited application of modern exploration techniques.

¹³ ASX: KZR 4 July 2022

¹⁴ ASX: SXG 5 March 2024

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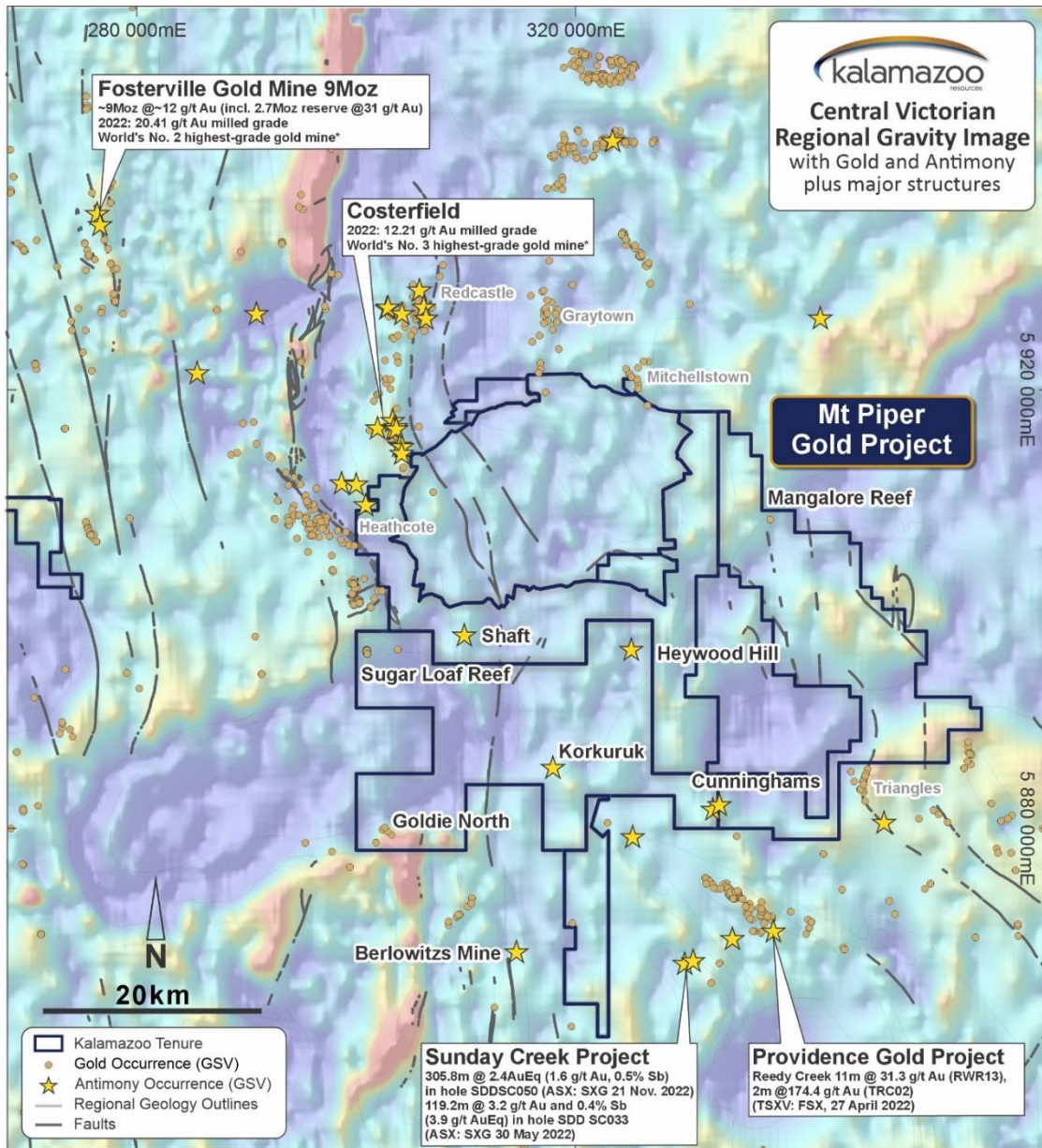


Figure 9: Mt Piper Gold Project tenements and gold and antimony occurrences on background regional gravity image¹⁵

At the “Goldie North” prospect, located in the southwest portion of EL6775, previous rock chip sampling by Torrens Mining Ltd, had encouraging results that included assays of **31.1 g/t and 30.4 g/t Au**¹⁶.

As part of the initial follow-up field investigations Kalamazoo collected 17 rock chip samples from mine waste rocks located adjacent to historical reef workings (Figure 9)¹⁷. Three samples reported exceptional high-grade assay results of **74 g/t, 72 g/t (incl. visible gold) and 42 g/t Au** (Table 3). An additional eight rock chip samples returned high-grade assay results ranging from **16.8g/t to 8.4g/t Au**.

¹⁵ ASX: KZR 28 March 2024

¹⁶ ASX: TRN 13 December 2021

¹⁷ ASX: KZR 3 August 2023

Subsequently, the Company completed a detailed grid soil sampling program across the prospect area, consisting of 996 soil samples (plus QAQC samples) collected along east-west oriented 20m to 80m spaced lines with 20m sample spacings over an ~0.7 km² area (Figure 10).

The gold-in-soil results defined strong anomalism at several sites within the prospect with 13 samples reporting >250 ppb Au of which 5 samples were >1 ppm Au up to a best result of 8.3 ppm Au (Figure 10). Notably, a strong coherent gold-in-soil anomaly occurs coincident with the previously reported high-grade rock chip samples from mine waste rocks located adjacent to the Goldie North historical reef workings, extending over a strike length of more than 200m.

Based on these encouraging results, Kalamazoo planned and completed a reconnaissance diamond drilling program at the "Goldie North" prospect, consisting of four drill holes totalling 464m (Table 2). The program was designed to test the structural setting of gold mineralisation identified in a strong gold-in-soil anomaly coincident with the previously reported exceptional high-grade gold rock chip sample assay results from historical gold workings.

All holes intercepted the Pyalong Granite with variable alteration and quartz veining. Significant quartz veining was intersected within the top 12m of GN23DD01, coinciding with 41% core loss, leaving this zone yet to be effectively tested. Logging of the drill holes identified two shear vein sets and a tension vein set together indicating a shallow plunge to the northwest. GN23DD03 was drilled to test part of this target area, however, was the only hole not to intersect gold mineralisation and is currently interpreted to have overshot the target position.

The best drill hole gold assay result was **0.15m @ 13.9 g/t Au** from 17.48m in GN23DD04 (Table 3; Figure 10)¹⁸, with several other narrow intervals between 0.1m and 0.32m returning between 1 and 5 g/t Au.

Ongoing 3D structural modelling and interpretation of the Goldie North Prospect gold mineralised structures is ongoing, alongside planning for a potential GAIP survey and further reconnaissance RC drilling program.

Exploration activities are ongoing at several other prospects within the Mt Piper Project with results pending.

Table 2: Drill collar details

| Hole ID | GDA94 z55 Easting (m) | GDA94 z55 Northing (m) | RL | Depth (m) | Dip (deg) | Azi (Deg) |
|----------|-----------------------|------------------------|-----|-----------|-----------|-----------|
| GN23DD01 | 302456 | 5879078 | 575 | 120 | -60 | 90 |
| GN23DD02 | 302544 | 5879058 | 581 | 124 | -50 | 270 |
| GN23DD03 | 302440 | 5879108 | 577 | 100 | -60 | 45 |
| GN23DD04 | 302400 | 5879036 | 573 | 120 | -60 | 85 |

¹⁸ ASX: KZR 28 March 2024

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Table 3: Gold results >0.5 g/t¹⁵

| Hole ID | From | To | Down Hole interval (m) | Estimated true thickness (m) | Au g/t |
|----------|--------|--------|------------------------|------------------------------|--------|
| GN23DD01 | 1.2 | 1.6 | 0.4 | 0.4 | 0.6 |
| GN23DD01 | 20.64 | 20.75 | 0.11 | 0.11 | 1.1 |
| GN23DD01 | 44.52 | 44.62 | 0.1 | 0.09 | 1.3 |
| GN23DD01 | 76.41 | 76.53 | 0.12 | 0.12 | 5.0 |
| GN23DD01 | 94.3 | 94.53 | 0.23 | 0.22 | 4.3 |
| GN23DD02 | 63.96 | 64.28 | 0.32 | 0.21 | 3.0 |
| GN23DD02 | 95.94 | 96.1 | 0.16 | 0.10 | 1.5 |
| GN23DD02 | 103.62 | 103.87 | 0.25 | 0.11 | 1.4 |
| GN23DD02 | 113.25 | 113.42 | 0.17 | 0.05 | 1.0 |
| GN23DD04 | 17.48 | 17.63 | 0.15 | 0.14 | 13.9 |
| GN23DD04 | 20.72 | 20.95 | 0.23 | 0.22 | 1.1 |
| GN23DD04 | 57.86 | 58 | 0.14 | 0.13 | 4.7 |
| GN23DD04 | 86.75 | 87.32 | 0.57 | 0.44 | 0.6 |
| GN23DD04 | 94.86 | 95.01 | 0.15 | 0.14 | 2.7 |
| GN23DD04 | 96.43 | 96.54 | 0.11 | 0.11 | 1.1 |

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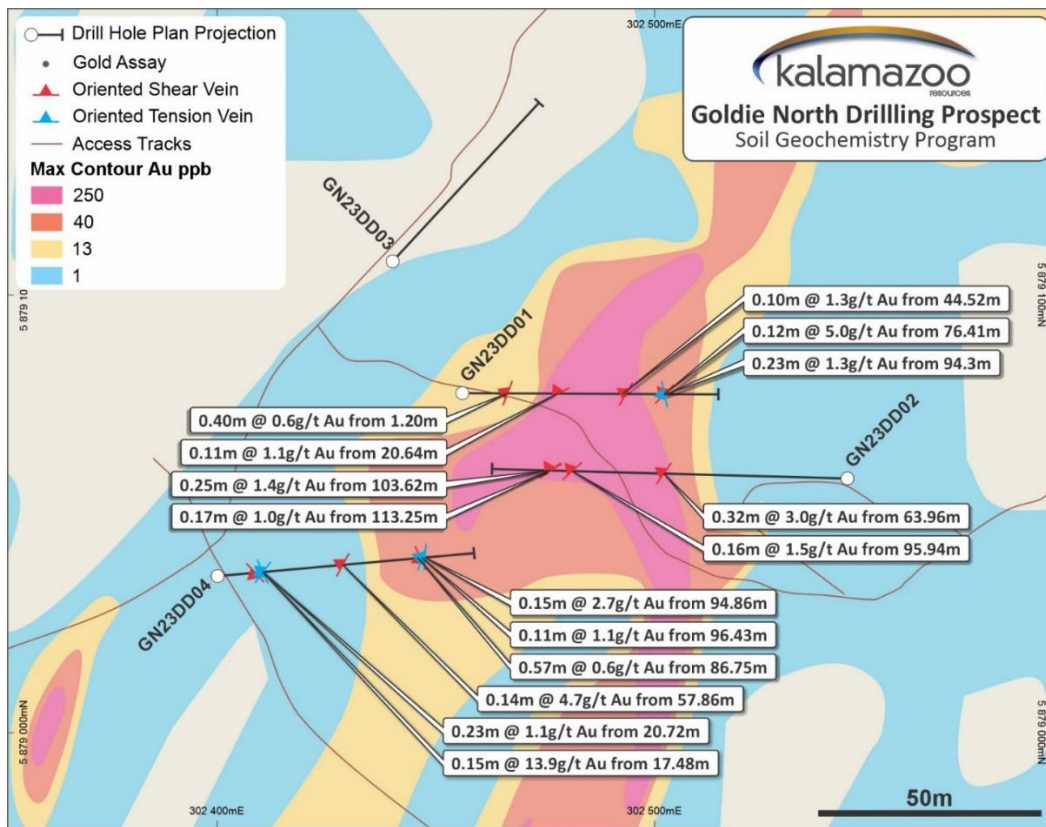


Figure 10: Goldie North Prospect drill hole location plan on background gold in soil anomalism¹⁵. Drill traces show oriented structures and associated gold grades for results > 1g/t Au

CASTLEMAINE GOLD PROJECT

The Castlemaine Gold Project is located in the Bendigo Zone of Central Victoria and comprises two exploration tenements, EL6679 ("Wattle Gully", ~70km²) and EL6752 ("Wattle Gully South", ~218km²) for a total area of 288 km² (Figure 11). As part of its regional-scale soil sampling program Kalamazoo discovered an encouraging significant ~800m long Au and As in soil anomaly within the hanging-wall of the regional-scale Taradale Fault in EL6752¹⁹. This significant linear Au (peak assay 68ppb) and As (peak assay 560ppm) in soil anomaly is along the strike of historical mine workings.

SOUTH MUCKLEFORD GOLD PROJECT

The South Muckleford Gold Project (161km²; Figure 11) is located 10km west of Kalamazoo's 100% owned Castlemaine Gold Project and comprises of two exploration tenements, EL6959 ("South Muckleford") and EL7021 ("West Muckleford"). Located in a highly prospective goldfield with proven endowment and historical high-grade gold production, it covers the regional Muckleford Fault. Adjacent to the Project there are historical workings to the west (i.e. hanging-wall position), numerous historical alluvial and hard rock gold mines and the southern strike extent of the Union Hill Gold Mine, at Maldon.

During a systematic exploration program carried out in 2020-2021 Kalamazoo reported the identification of a broad epizonal gold-antimony mineralised system at the Fentiman's and Smith's Reefs prospects within its South Muckleford Project²⁰. This is the subject of ongoing investigations.

MYRTLE GOLD PROJECT

The Myrtle Gold Project is located within the prospective hanging wall of the Axe Creek Fault, a major northwest trending structure which strikes sub-parallel to the Fosterville fault, located approximately 25km to the north (Figure 11). Considered prospective for both Fosterville-style epizonal orogenic Au as well as intrusion related Au ± Mo deposits, together with the other Victorian gold projects Kalamazoo's footprint in this exciting region is impressive.

TARNAGULLA GOLD PROJECT

The Tarnagulla Gold Project is located ~180km northeast of Melbourne (Figure 11). During the reporting year exploration activities focussed on ongoing target generation for future drilling programs, several field reconnaissance visits, mapping and rock chip sampling along with desktop historical data compilation.

In FY23/24 the main focus of exploration activities in Victoria was on the Mt Piper Gold Project, with limited field work undertaken at the other Victorian projects.

¹⁹ ASX: KZR 2 February 2022

²⁰ ASX: KZR 22 December 2020

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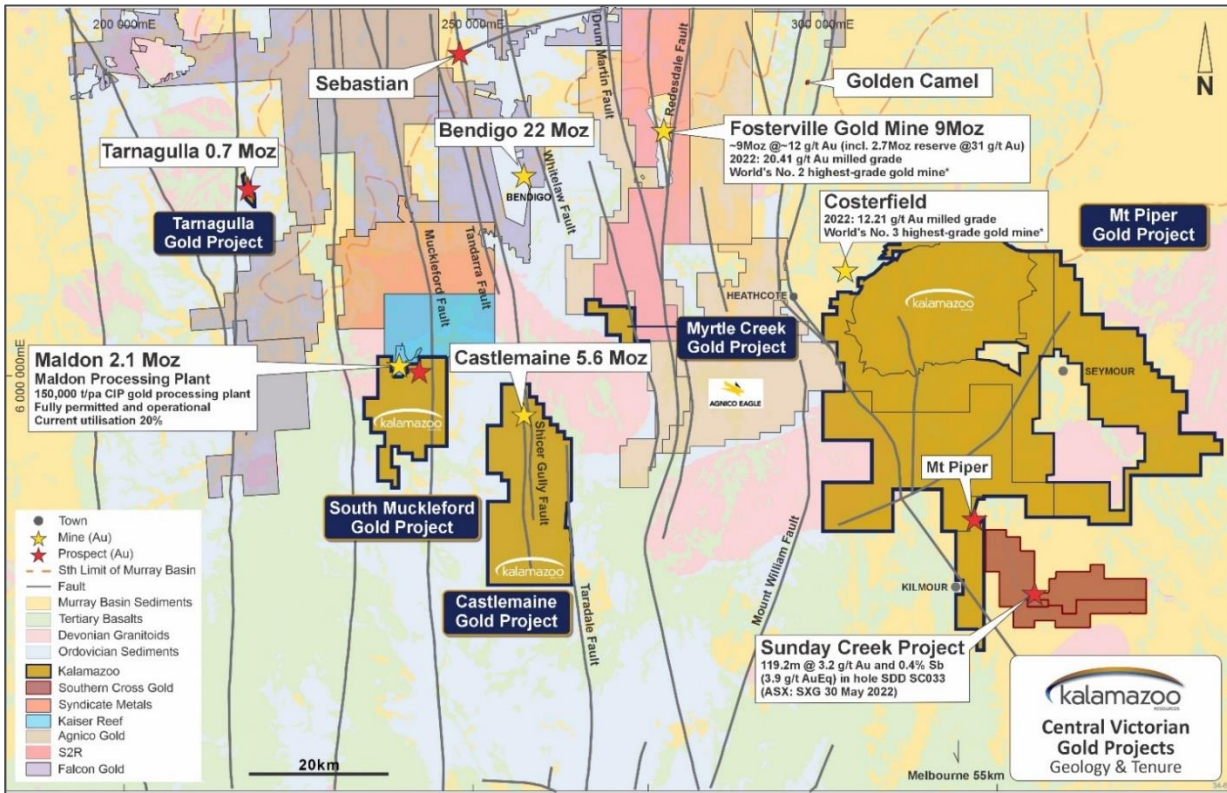


Figure 11: Location of Kalamazoo’s gold projects in Central Victoria¹⁵

SNAKE WELL NORTH BASE METALS PROJECT, WA

The Snake Well North Base Metals project (E59/2580 and ELA59/2900) (“Snake Well North”) is located in the Murchison region, Western Australia, spanning 112km² (Figure 12). Kalamazoo’s interest in this area started when it acquired the nearby Snake Well Gold Project prior to listing on the ASX in 2013²¹ with a focus on gold exploration, as well as completing a successful trial gold mining operation. Although Kalamazoo sold the Snake Well Project in late 2018, the Company has maintained an interest in the base metal potential of this area, particularly in the northern portion, which was reinforced by positive base metal drill hole intercepts from Kalamazoo’s previous drill programs²².

²¹ ASX: KZR 23 June 2017

²² ASX: KZR 31 October 2017

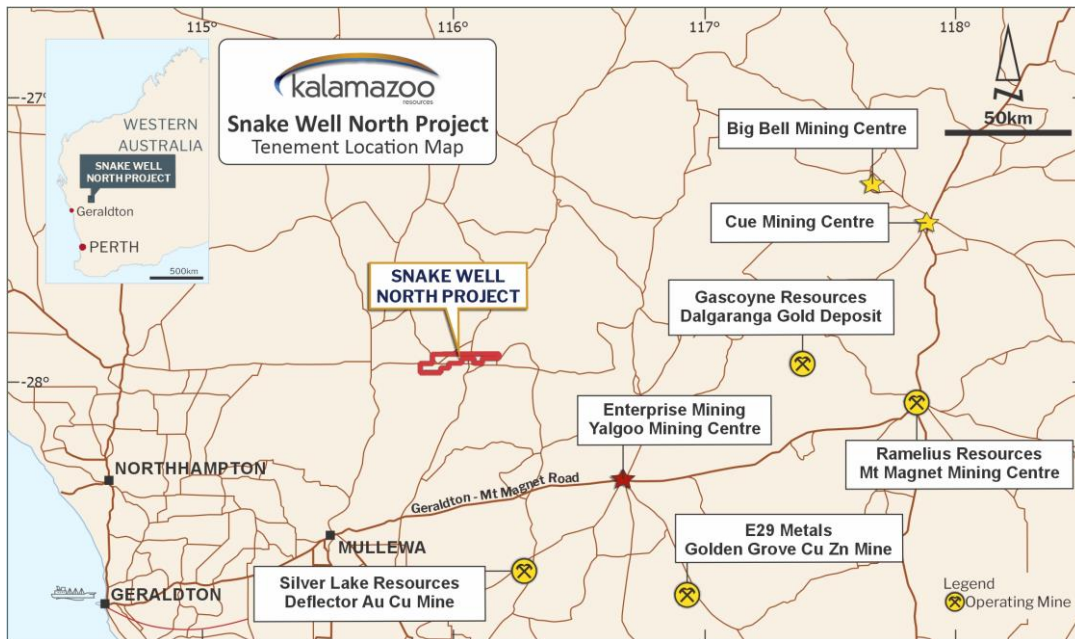


Figure 12: Snake Well North Project Location Map

The Snake Well North project is centered over a significant portion of prospective felsic stratigraphy within the Archaean Talling Greenstone Belt. Early Archaean greenstone belts in the Murchison such as the Archaean Talling Greenstone Belt, and Yalgoo Greenstone Belt that hosts the Golden Grove and Scuddles deposits, are widely recognised as prospective terrains for VHMS type base-metal mineralisation²³. Adjacent to the Snake Well North Project, lead isotope dating at the nearby Conquistador Prospect has shown the base metal mineralisation there to have an age very similar to that of 29 Metals Limited’s (ASX: 29M) nearby Golden Grove and Scuddles deposits²⁴.

Whilst considered under-explored for base metals overall, the Snake Well region’s VHMS potential is highlighted by several notable nearby historical intersections (Figure 13) such as **4m @ 8.2% Zn, 0.5% Cu** (Conquistador Prospect) and **15m @ 1.23% Zn, 2.8 g/t Au, 17 g/t Ag, 0.33% Pb and 0.25% Cu** (A-Zone Prospect)²⁵.

In FY23/24 Kalamazoo conducted historical data compilations, technical reviews and target generation exercises that remain ongoing.

²³ ASX: KZR 8 July 2024

²⁴ SP Hollis, CJ Yeats, S Wyche, SJ Barnes, and TJ Ivanic (2017), Report 165, VMS Mineralisation in the Yilgarn Craton, Western Australia: A Review of Known Deposits and Prospectivity Analysis of Felsic Volcanic Rocks Geological Survey of Western Australia, Report 165, 68p

²⁵ Hespe, AM 2008, Annual Report for year ended 24 May 2008, E59/467 Conquistador Project, Appendix 10; Zinc Co Australia Limited: Geological Survey of Western Australia, Statutory mineral exploration report, A79390, p. 118-120, www.dmirns.wa.gov.au/wamex

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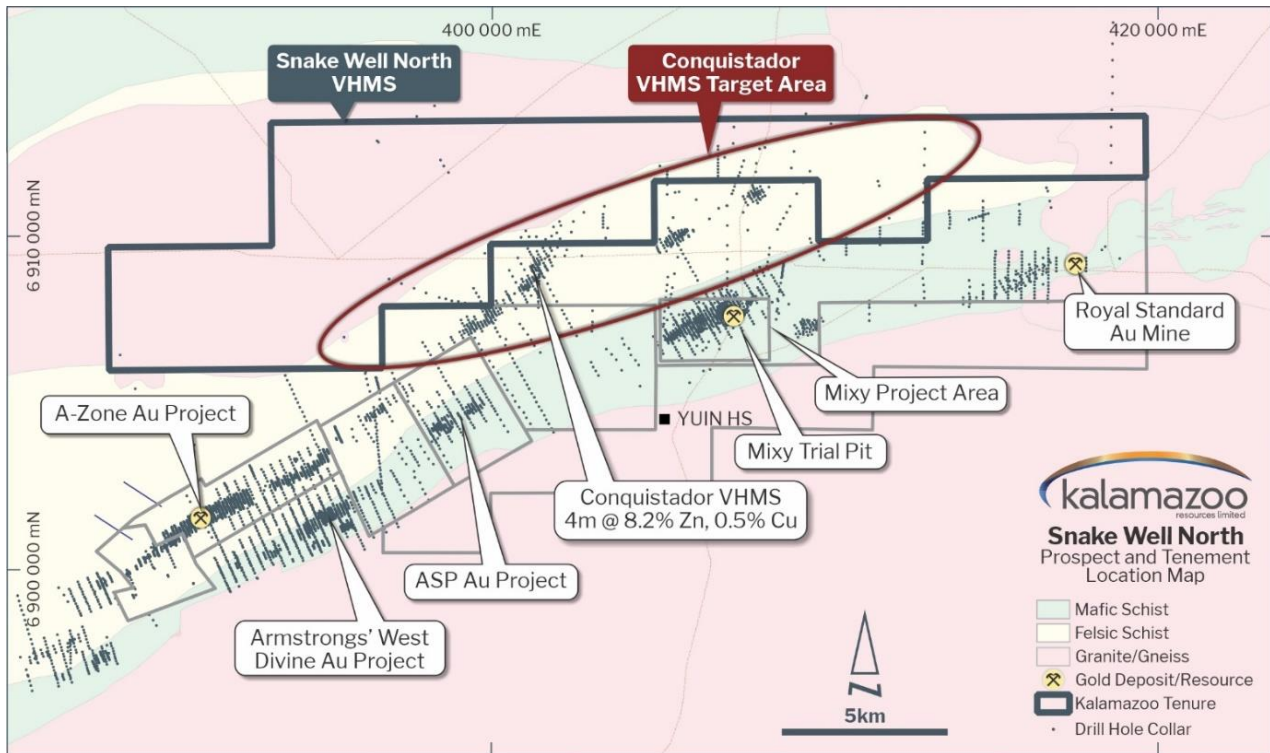


Figure 13: Snake Well North Prospect and Tenement Location Map²³

CORPORATE

Management Changes

Dr Luke Mortimer was appointed to the role of Chief Executive Officer, effective and as announced on 11 January 2024. Dr Mortimer joined Kalamazoo in 2019 in the role of Exploration Manager, and since that time the Company’s exploration project portfolio has grown substantially to include major gold and lithium assets in the Pilbara WA, Central Victorian Goldfields, and the Lachlan Fold Belt of Victoria/NSW under his management.

Dr Mortimer has also played a key role as technical lead in Kalamazoo’s acquisition and development of lithium exploration assets, as well as holding the role of Exploration Manager for Kali Metals Ltd until its listing. Prior to joining Kalamazoo, Dr Mortimer spent the majority of his career in senior exploration roles with WMC Exploration Division and MMG exploring worldwide for a range of commodities including gold, copper, nickel, and base metals. Dr Mortimer holds a BSc (Honours) and a PhD in geology.

Mr Luke Reinehr, who co-founded Kalamazoo and has been CEO since 2019, continues as Executive Chairman of Kalamazoo.

On 23 May 2024 the Company announced that Paul Adams would transition to Non-Executive Director effective 1 July 2024, following his appointment as Managing Director of Kali to commence on the same day.

Carly Terzanidis was appointed Joint Company Secretary effective and as announced on 23 November 2023. Benard Crawford resigned from the role of Joint Company Secretary effective and as announced on 9 February 2024, with Carly Terzanidis remaining the sole Company Secretary.

Capital Raising and Share Capital

In July 2023, Kalamazoo completed a \$1.5m placement by issuing 11,538,462 ordinary fully paid Shares at \$0.13 per Share. The funds raised were used to accelerate ongoing exploration across the Company's projects.

The following securities were also issued during the reporting period:

- 1,950,000 unquoted options exercisable at \$0.15 on or before 30 November 2027 to employees of the Company
- 14,617,670 Shares pursuant to a cornerstone investment agreement

The following securities expired or lapsed during the period:

- 1,050,000 unquoted options exercisable at \$1.04
- 1,500,000 unquoted options exercisable at \$0.69
- 1,000,000 unquoted options exercisable at \$0.365
- 2,375,000 unquoted performance rights

On 26 September 2024 the Company announced that 1,525,000 ordinary Shares were released from voluntary 12 month escrow.

Auditor

Kalamazoo announced on 14 May 2024 that following an internal restructure of BDO Audit (WA) Pty Ltd ("**BDO WA**") BDO WA had resigned as auditor to the Company and BDO Audit Pty Ltd ("**BDO Audit**") had been appointed as auditor in accordance with s329(5) of the Corporation Act 2001 ("**Act**") and ASX Listing Rule 3.16.3.

In accordance with s327C of the Act, a resolution will be proposed at the Company's next Annual General Meeting scheduled to be held in November 2024 to confirm the appointment of BDO Audit.

General

Changes to the Company's constitution were approved by shareholders at the general meeting held on 18 December 2024. The Company's current constitution is available via the Kalamazoo ASX announcements page – <https://www.asx.com.au/markets/trade-our-cash-market/announcements.kzr>.

The Company's share registry was changed from Advanced Share Registry Limited to Automic Pty Ltd ("**Automic**") during the period. Shareholders can manage their holdings via Automic's secure online investor portal by visiting <https://investor.automic.com.au>.

ATO Class Ruling Application

Kalamazoo has lodged a Class Ruling application with the Australian Taxation Office ("**ATO**") with respect to the income tax treatment of the in-specie distribution of Kali Metals Limited shares to eligible Kalamazoo shareholders. Kalamazoo has been advised by the ATO that the value of each Kali share distributed is \$0.4233, with the income tax implications of the distribution to be set out in a Class Ruling to be issued by the ATO in due course. The Class Ruling will be provided to shareholders once received.

DIRECTORS' REPORT

Your Directors present their report on Kalamazoo Resources Limited ("the Company") at the end of the year ended 30 June 2024.

DIRECTORS

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report unless noted otherwise:

| | |
|-----------------|------------------------|
| Luke Reinehr | Executive Chairman |
| Angus Middleton | Non-Executive Director |
| Paul Adams | Non-Executive Director |

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were:

- to carry out exploration on its mineral tenements;
- to seek extensions of areas held and to seek out new areas with mineral potential; and
- to evaluate new opportunities for joint venture or acquisition.

FINANCIAL RESULTS

The profit of the Group after providing for income tax for the year ended 30 June 2024 was \$4,613,969 (2023: loss of \$3,324,172).

DIVIDENDS

No dividends have been paid or declared since the start of the financial year. No recommendation for the payment of a dividend has been made by the Directors.

OPERATIONS AND FINANCIAL REVIEW

Information on the operations of the Company and its prospects are set out in the "Review of Activities" section of this Annual Report.

FINANCIAL

As at 30 June 2024 the Company had net assets of \$22,114,946 (2023: \$18,447,285) including cash and cash equivalents of \$1,384,357 (2023: \$1,568,770) and capitalised exploration and evaluation assets of \$19,479,044 (2023: \$18,057,756). Exploration and evaluation costs totalling \$384,162 (2023: \$959,625) were impaired during the year in accordance with the Company's accounting policy.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Company during the financial year were as follows:

- On 3 January 2024 eligible Kalamazoo shareholders received 1 fully paid ordinary Kali share for every 17.64 ordinary Kalamazoo shares via an in-specie distribution of a total of 9,715,750 Kali shares, with Kalamazoo retaining a 20.2% ownership of Kali via its holding of 29,147,250 Kali shares.
- On 8 January 2024 the Company announced the completion of the spin out of its Australian lithium projects via a demerger and concurrent Initial Public Offering of Kali Metals Limited.
- On 11 January 2024 the Company announced the appointment of its new Chief Executive Officer, Dr Luke Mortimer effective 11 January 2024.
- On 6 February 2024 the Company announced the signing of an option agreement with De Grey Mining Limited to acquire Kalamazoo's 1.44Moz26 Ashburton Gold Project ("AGP") by the payment of an option fee of \$3 million cash. Kalamazoo has granted De Grey exclusivity for 12 months, with the right to extend for a further 6 months ("Option Period"), to complete development studies at the AGP at its sole cost. At any stage during the Option Period, De Grey can exercise the option and purchase the AGP for \$30 million in cash and/or De Grey shares by the payment to Kalamazoo of:
 - \$15 million on exercise of the option; and then
 - \$15 million on the date 18 months from the exercise of the option.

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

EVENTS SINCE THE END OF THE FINANCIAL YEAR

- On 1 July 2024 the Company announced a change to the registered office address to Level 3, 88 William Street, Perth WA 6000. The Principal Place of Business remains unchanged at 16 Douro Place, West Perth WA 6005.
- On 6 August 2024 the Company announced the issue of 2,459,017 shares pursuant to a cornerstone investment agreement.
- On 4 September 2024 the Company announced a capital raising comprised of up to \$1.0 million via a share purchase plan to existing eligible shareholders ("SPP") and a placement of \$0.375 million (which includes the additional commitment received as announced on 11 September 2024) to two of Kalamazoo's major shareholders ("Placement") (together the "Capital Raise").

The SPP and Placement were offered at the same price of \$0.08 per share. Funds raised via the Capital Raise will be applied towards the drilling program at the Mallina West Gold project, further investigation at the South Muckleford Gold / Antimony project, the exploration program at the Mt Piper Gold project, assisting De Grey with Ashburton Gold Project due diligence and working capital.

- On 16 September 2024 the Company announced the issue of 4,687,500 shares pursuant to the Placement.

The SPP is due to close on 7 October 2024 with results announced and shares issued on 14 October 2024.

There has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations, the results of those operations, or the state of affairs of the Company in future financial years.

²⁶ ASX: KZR 7 February 2023

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Directors are not aware of any developments that might have a significant effect on the operations of the Company in subsequent financial years not already disclosed in this report.

ENVIRONMENTAL REGULATION

The Company is subject to significant environmental regulation in respect of its exploration activities. Tenements in Victoria, Western Australia and New South Wales are granted subject to adherence to environmental conditions with strict controls on clearing, including a prohibition on the use of mechanised equipment or development without the approval of the relevant Government agencies, and with rehabilitation required on completion of exploration activities. These regulations are controlled by the Department of Jobs, Precincts and Regions (*Victoria*), the Department of Mines, Industry Regulation and Safety (*Western Australia*) and the NSW Department of Industry.

The Company conducts its exploration activities in an environmentally sensitive manner and is not aware of any breach of statutory conditions or obligations.

Greenhouse Gas and Energy Data Reporting Requirements

The Directors have considered compliance with the *National Greenhouse and Energy Reporting Act 2007* which requires entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that there are no current reporting requirements for the year ended 30 June 2023, however reporting requirements may change in the future.

INFORMATION ON DIRECTORS

Luke Reinehr LL.B, B.A. (Executive Chairman), Director since 23 March 2011

| | | |
|--|---|-----------|
| Experience and expertise | A co-founder of Kalamazoo, Luke was the Company's managing director from January 2013 until 31 July 2016 and was primarily responsible for driving Kalamazoo's early growth and path towards an initial public offer. Luke has been the Executive Chairman of Kalamazoo since 1 August 2016 and acted as Chief Executive Officer from July 2019 until January 2024. Luke's core legal experience complements mining and resources, project development and information technology skills. Working across all levels of management, Luke has extensive partnership, director, CEO and chairman experience with companies in Australia and internationally. Luke holds a Bachelor of Law and a Bachelor of Arts degree from the University of Melbourne and Monash University respectively. | |
| Other current directorships | Kali Metals Limited (appointed 31 August 2021) | |
| Former directorships in last three years | None. | |
| Special responsibilities | None. | |
| Interests in shares and options | Ordinary shares – Kalamazoo Resources Limited | 4,931,246 |
| | Unlisted options – Kalamazoo Resources Limited | 4,500,000 |
| | Performance Rights – Kalamazoo Resources Limited | 1,000,000 |

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Angus Middleton SA Fin, MSA (Non-Executive Director), Director since 5 February 2014

| | | |
|--|--|-----------|
| Experience and expertise | <p>Angus is a fund manager and former stockbroker who has extensive experience in the capital markets sector in Australia. He is currently a Director of SA Capital Pty Ltd, a corporate advisory firm specialising in equity raisings and underwriting, and the Managing Director of SA Capital Funds Management Limited, an Adelaide based investment fund that has been involved in advising and raising equity for corporations in the form of venture capital, seed capital, private equity, pre-initial public offerings and initial public offerings.</p> <p>The Board considers Angus Middleton to be an independent Director as he is not a member of management and is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board.</p> | |
| Other current directorships | None. | |
| Former directorships in last three years | Kali Metals Limited (appointed 31 August 2021, resigned 19 May 2023) | |
| Special responsibilities | None. | |
| Interests in shares and options | Ordinary shares – Kalamazoo Resources Limited | 2,771,905 |
| | Unlisted options – Kalamazoo Resources Limited | 1,500,000 |
| | Performance Rights – Kalamazoo Resources Limited | 375,000 |

Paul Adams B.SC., GradDipAppFin (Non-Executive Director), Director since 2 July 2018

| | | |
|--|--|-----------|
| Experience and expertise | <p>Paul holds an Honours degree in Geology and 20 years' experience in the mining industry in exploration, open pit, underground and operational roles, both in Australia and overseas. He was Chief Mine Geologist and Evaluations Manager at Placer Dome's Granny Smith Mine in Western Australia, 2IC and production coordinator at the giant Porgera Gold Mine in Papua New Guinea and has held senior geology roles at Australian Gold Fields Ltd and Dominion Mining. He has an additional 12 years' experience as Director – Head of Research and Natural Resources at DJ Carmichael Pty Ltd, a Perth-based stockbroking and wealth management company that specialised in small to mid-cap resource companies. Paul has experience in evaluating and valuing a range of projects and companies across a range of commodities.</p> <p>Paul holds a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australia.</p> | |
| Other current directorships | <p>Kali Metals Limited (appointed 31 August 2021)</p> <p>Meeka Metals Limited (appointed 15 February 2021)</p> | |
| Former directorships in last three years | None. | |
| Special responsibilities | Heading the exploration team for the Ashburton Gold Project. | |
| Interests in shares and options | Ordinary shares – Kalamazoo Resources Limited | 1,000,000 |
| | Unlisted options – Kalamazoo Resources Limited | 1,750,000 |
| | Performance Rights – Kalamazoo Resources Limited | 500,000 |

COMPANY SECRETARY

Carly Terzanidis AGIA ACG (CS) B.Com (appointed 23 November 2023)

Carly is a Chartered Secretary, an Associate of the Governance Institute of Australia and holds a Bachelor of Commerce from Curtin University with majors in Accounting and Corporate & Resources Administration. Carly currently acts as Company Secretary of a number of ASX-listed resources companies.

Bernard Crawford B.Com, CA, MBA, AGIA ACG (resigned 9 February 2024)

Mr Crawford is a Chartered Accountant with over 35 years' experience in the resources industry in Australia and overseas. He has held various positions in finance and management with NYSE, TSX and ASX listed companies. Mr Crawford holds a Bachelor of Commerce degree from the University of Western Australia, a Master of Business Administration from London Business School and is a Member of Chartered Accountants Australia and New Zealand and the Governance Institute of Australia.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors held during the year ended 30 June 2024, and the numbers of meetings attended by each Director were:

| | Board of Directors | |
|-----------------|--------------------|---|
| | A | B |
| Luke Reinehr | 5 | 5 |
| Angus Middleton | 5 | 5 |
| Paul Adams | 5 | 5 |

A = Number of meetings attended.

B = Number of meetings held during the time the Director held office.

RETIREMENT, ELECTION AND CONTINUATION IN OFFICE OF DIRECTORS

Mr Angus Middleton, being the Director retiring by rotation who, being eligible, was re-elected at the 2023 Annual General Meeting.

REMUNERATION REPORT (AUDITED)

The Directors present the Kalamazoo Resources Limited 2024 Remuneration Report, outlining key aspects of the Company's remuneration policy and framework, and remuneration awarded this year.

The report contains the following sections:

- a) Key management personnel covered in this report
- b) Remuneration governance and the use of remuneration consultants
- c) Executive remuneration policy and framework
- d) Relationship between remuneration and the Company's performance
- e) Non-executive director remuneration policy
- f) Voting and comments made at the Company's last Annual General Meeting
- g) Details of remuneration
- h) Service agreements
- i) Details of share-based compensation and bonuses
- j) Equity instruments held by key management personnel
- k) Loans to key management personnel
- l) Other transactions with key management personnel.

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a) Key management personnel covered in this report

Non-Executive and Executive Directors (see pages 25 to 26 for details about each director)

| Name | Position |
|-----------------|---|
| Luke Reinehr | Executive Chairman – appointed on 23 March 2011 |
| Angus Middleton | Non-Executive Director - appointed on 5 February 2014 |
| Paul Adams | Non-Executive Director - appointed on 2 July 2018 |

Other key management personnel

| Name | Position |
|---------------|-------------------------|
| Luke Mortimer | Chief Executive Officer |

b) Remuneration governance and the use of remuneration consultants

The Company does not have a Remuneration Committee. Remuneration matters are handled by the full Board of the Company. In this respect the Board is responsible for:

- the over-arching executive remuneration framework;
- the operation of the incentive plans which apply to executive directors and senior executives (the executive team), including key performance indicators and performance hurdles;
- remuneration levels of executives; and
- non-executive director fees.

The objective of the Board is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

In addition, all matters of remuneration are handled in accordance with the *Corporations Act 2001 (Cth)* ("Corporations Act") requirements, especially with regard to related party transactions. That is, none of the Directors participate in any deliberations regarding their own remuneration or related issues.

Independent external advice is sought from remuneration consultants when required, however no advice was sought during the year ended 30 June 2024.

c) Executive remuneration policy and framework

In determining executive remuneration, the Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- transparent and easily understood; and
- acceptable to shareholders.

All executives receive consulting fees or a salary, part of which may be taken as superannuation, and from time to time, options. The Board reviews executive packages annually by reference to the executive's performance and comparable information from industry sectors and other listed companies in similar industries.

All remuneration paid to specified executives is valued at the cost to the Company and expensed. Options are valued using the Black Scholes option pricing model.

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d) Relationship between remuneration and the Company's performance

Remuneration of Directors are set by reference to payments made by other companies of similar size and industry, and by reference to the skills and experience of Directors. Fees paid to Non-Executive Directors are not linked to the performance of the Company. This policy may change once the exploration phase is complete and the Company is generating revenue. At present the existing remuneration policy is not impacted by the Company's performance including earnings and changes in shareholder wealth (e.g. changes in share price).

The Board has not set short term performance indicators, such as movements in the Company's share price, for the determination of Non-Executive Director remuneration as the Board believes this may encourage performance which is not in the long-term interests of the Company and its shareholders. The Board has structured its remuneration arrangements in such a way it believes is in the best interests of building shareholder wealth. The Board believes participation in the Company's Incentive Option Plan motivates key management and executives with the long-term interests of shareholders.

| | 30 June 24 | 30 June 23 | 30 June 22 | 30 June 21 | 30 June 20 |
|-----------------------------------|------------|------------|------------|------------|------------|
| | (\$'000) | (\$'000) | (\$'000) | (\$'000) | (\$'000) |
| Income | 210 | 2,097 | 167 | 2,184 | 473 |
| Net profit/(loss) before tax | 4,614 | (3,324) | (2,445) | (1,112) | (3,313) |
| Net profit/(loss) after tax | 4,614 | (3,324) | (2,445) | (1,112) | (3,313) |
| | 30 June 24 | 30 June 23 | 30 June 22 | 30 June 21 | 30 June 20 |
| Share price at start of year \$ | 0.12 | 0.16 | 0.37 | 0.82 | 0.12 |
| Share price at end of year \$ | 0.08 | 0.12 | 0.16 | 0.37 | 0.82 |
| Basic earnings/(loss) per share | 2.69 cps | (2.23) cps | (0.99) cps | (0.34) cps | (3.00) cps |
| Diluted earnings/(loss) per share | 2.69 cps | (2.23) cps | (0.99) cps | (0.34) cps | (3.00) cps |

e) Non-executive director remuneration policy

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration relevant to the office of Director.

The Board policy is to remunerate Non-Executive Directors at commercial market rates for comparable companies for their time, commitment and responsibilities. Non-Executive Directors receive a Board fee but do not receive fees for chairing or participating on Board committees. Board members are allocated superannuation guarantee contributions as required by law, and do not receive any other retirement benefits. From time to time, some individuals may choose to sacrifice their salary or consulting fees to increase payments towards superannuation.

The maximum annual aggregate Non-Executive Directors' fee pool limit is \$250,000 as disclosed in the Company's Prospectus dated 3 October 2016.

Fees for Non-Executive Directors are not linked to the performance of the Company. Non-Executive Directors' remuneration may also include an incentive portion consisting of options, subject to approval by shareholders.

f) Voting and comments made at the Company's last Annual General Meeting

Kalamazoo Resources Limited received more than 99% of "yes" votes on its remuneration report for the 2023 financial year. The Company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

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g) Details of remuneration

The following table shows details of the remuneration received by the Company's key management personnel for the current and previous financial year.

| | Short-term benefits | | | Post-employment benefits | Share-based payments | Total | Options |
|-------------------|---------------------|----------|----------------------|--------------------------|----------------------|------------------|-------------|
| | Salary & fees | Bonus | Non-monetary benefit | Superannuation | Options | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | % |
| 2024 | | | | | | | |
| <i>Directors</i> | | | | | | | |
| L Reinehr | 329,415 | - | - | - | 81,796 | 411,211 | 19.9 |
| A Middleton | 48,840 | - | - | - | - | 48,840 | - |
| P Adams | 79,848 | - | - | - | 61,214 | 141,062 | 43.4 |
| <i>Executives</i> | | | | | | | |
| B Crawford * | 198,144 | - | - | - | - | 198,144 | - |
| L Mortimer | 273,750 | - | - | 30,113 | - | 303,863 | - |
| TOTALS | 929,997 | - | - | 30,113 | 143,010 | 1,103,120 | 13.0 |

*Mr Crawford resigned on 9 February 2024.

| | Short-term benefits | | | Post-employment benefits | Share-based payments | Total | Options |
|-------------------|---------------------|----------|----------------------|--------------------------|----------------------|------------------|-------------|
| | Salary & fees | Bonus | Non-monetary benefit | Superannuation | Options | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | % |
| 2023 | | | | | | | |
| <i>Directors</i> | | | | | | | |
| L Reinehr | 331,334 | - | - | - | 569,250 | 900,584 | 63.2 |
| A Middleton | 48,000 | - | - | 5,040 | 189,750 | 242,790 | 78.2 |
| P Adams | 138,547 | - | - | - | 221,375 | 359,922 | 61.5 |
| <i>Executives</i> | | | | | | | |
| B Crawford | 183,533 | - | - | - | 126,500 | 310,033 | 40.8 |
| TOTALS | 701,414 | - | - | 5,040 | 1,106,875 | 1,813,329 | 61.0 |

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h) Service agreements

On appointment to the Board, all Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms of appointment, including compensation relevant to the office of Director. Remuneration and other terms of employment for other members of key management personnel are formalised in service agreements as summarised below.

Luke Reinehr, Executive Chairman

Mr Reinehr is remunerated pursuant to a formalised Executive Services Agreement ("Agreement"). The Company may terminate the Agreement without cause by providing twelve months' written notice. Mr Reinehr may terminate the Agreement without cause by providing three months' written notice. Should the Company terminate the Agreement, it may pay Mr Reinehr in lieu of notice or may require him to serve out up to three months' notice or part thereof. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct, the Company can terminate employment at any time.

Paul Adams, Non-Executive Director

Mr Adams was formerly remunerated pursuant to a formalised Consultancy Agreement ("Agreement") up to and including 30 June 2024. This Agreement was superseded by an updated Contractor Agreement ("New Agreement") as a result of Mr Adams' updated role as Non-Executive Director of the Company effective 1 July 2024. Under the New Agreement, the Company has agreed to engage Mr Adams as a Consultant Geologist to the Company to provide services as and when the need arises. The Company may terminate the New Agreement without cause by providing four weeks' written notice. Mr Adams may terminate the Agreement without cause by providing four weeks' written notice. Should the Company terminate the Agreement, it will pay Mr Adams any remaining unbilled days for work undertaken prior to termination.

Bernard Crawford, Chief Financial Officer

Up to the date of his resignation on 9 February 2024, Mr Crawford was remunerated pursuant to an Executive Services Agreement.

Luke Mortimer, Chief Executive Officer

Dr Mortimer is remunerated pursuant to an Executive Services Agreement ("Agreement"). Under the Agreement, the Company agrees to employ Dr Mortimer as Chief Executive Officer. The Company may terminate the Agreement without cause by providing three months' written notice. Dr Mortimer may terminate the Agreement without cause by providing three months' written notice. Should the Company terminate the Agreement, it may pay Dr Mortimer in lieu of notice or may require him to serve out up to three months' notice or part thereof. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct, the Company can terminate employment at any time.

i) Details of share-based compensation

Options

Options over ordinary shares in Kalamazoo Resources Limited are granted under the Incentive Option Plan ("IOP"). Participation in the IOP and any vesting criteria are at the Board's discretion and no individual has a contractual right to participate in the IOP or to receive any guaranteed benefits. During the current and previous financial year Options were issued to the CEO. Options will vest on 12 months continued employment from the issue date, and are otherwise not subject to performance conditions as the grant of Options is considered as a cost effective and efficient reward and incentive as opposed to other alternative forms of incentive.

The fair value of options at grant date are independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The terms and conditions of each grant of options affecting remuneration in the current or future reporting periods are set out below:

| | Option series | Number granted | Grant date | Vesting date | Expiry date | Exercise price | Value of options at grant date |
|-------------------|---------------|----------------|------------|--------------|-------------|----------------|--------------------------------|
| <i>Directors</i> | | | | | | | |
| L Reinehr | KZRAM | 4,500,000 | 18 Nov 22 | 18 Nov 22 | 30 Nov 25 | \$0.365 | \$0.1265 |
| A Middleton | KZRAM | 1,500,000 | 18 Nov 22 | 18 Nov 22 | 30 Nov 25 | \$0.365 | \$0.1265 |
| P Adams | KZRAM | 1,750,000 | 18 Nov 22 | 18 Nov 22 | 30 Nov 25 | \$0.365 | \$0.1265 |
| <i>Executives</i> | | | | | | | |
| L Mortimer | KZRAM | 1,650,000 | 18 Nov 22 | 18 Nov 22 | 30 Nov 25 | \$0.365 | \$0.1265 |
| L Mortimer | KZRAM | 1,000,000 | 24 Apr 24 | 13 May 25 | 30 Nov 27 | \$0.15 | \$0.046 |

Further information on the fair value of share options and assumptions is set out in Note 25 to the financial statements.

Performance rights

Performance Rights over ordinary shares in Kalamazoo Resources Limited are granted under the IOP. Participation in the IOP and any vesting criteria are at the Board's discretion and no individual has a contractual right to participate in the IOP or to receive any guaranteed benefits. The Performance Rights vest once the specific milestones (outlined below) have been met.

The Company believes that the issue of Performance Rights aligns the efforts of Directors and employees in seeking to achieve growth in the Company's share price and in the creation of Shareholder value. The Board also believes that incentivising with Performance Rights is a prudent means of conserving the Company's available cash reserves. During the financial year no Performance Rights were issued.

Performance Rights with non-market based milestones can only be exercised following the satisfaction of those milestones, a change of control or winding up occurring, or a takeover bid becoming unconditional. Assuming that the milestones are met, the value of a Performance Right is the value of an ordinary share as at the grant date. However, the milestones for the Performance Rights were intentionally set as stretch targets and accordingly the Directors have determined that it is more likely than not that the milestones will not be achieved. Therefore, in accordance with AASB 2: *Share-based Payment* no expense has been recognised for the Performance Rights.

The details of the outstanding Performance Rights are set out below:

| | Class | Number granted | Grant date | Expiry date | Share price at grant date | Exercise price | Value of rights at grant date ⁽²⁾ |
|------------------|------------------|----------------|------------|-------------|---------------------------|----------------|--|
| <i>Directors</i> | | | | | | | |
| L Reinehr | B ⁽¹⁾ | 1,000,000 | 18 Nov 20 | 22 Nov 25 | \$0.62 | \$Nil | \$0.62 |
| A Middleton | B | 375,000 | 18 Nov 20 | 22 Nov 25 | \$0.62 | \$Nil | \$0.62 |
| P Adams | B | 500,000 | 18 Nov 20 | 22 Nov 25 | \$0.62 | \$Nil | \$0.62 |

The following milestones (vesting conditions) apply to the Performance Rights:

- (1) Class B Performance Rights: on announcing an increased Mineral Resource estimate of at least Inferred category on any of the Company's Projects of at least a further 500,000 ounces of gold or more (above Class A), with a minimum cut-off grade of 1g/t Au within 5 years.
- (2) Management have assessed the probability of the Performance Rights vesting conditions being achieved as less than probable at this time and as such these have been accounted for at nil value.

j) Equity instruments held by key management personnel

The following tables detail the number of fully paid ordinary shares and options over ordinary shares in the Company that were held during the financial year by key management personnel of the Company, including their close family members and entities related to them.

Options

| | Opening balance at 1 July | Granted | Options exercised | Net change (other) ⁽¹⁾ | Balance at 30 June | Vested but not exercisable | Vested and exercisable | Vested during the year |
|-------------------|---------------------------|------------------|-------------------|-----------------------------------|--------------------|----------------------------|------------------------|------------------------|
| 2024 | | | | | | | | |
| <i>Directors</i> | | | | | | | | |
| L Reinehr | 4,500,000 | - | - | - | 4,500,000 | - | 4,500,000 | - |
| A Middleton | 1,500,000 | - | - | - | 1,500,000 | - | 1,500,000 | - |
| P Adams | 1,750,000 | - | - | - | 1,750,000 | - | 1,750,000 | - |
| <i>Executives</i> | | | | | | | | |
| B Crawford | 1,000,000 | - | - | (1,000,000) | - | - | - | - |
| L Mortimer | - | 1,000,000 | - | 1,650,000 | 2,650,000 | - | 1,650,000 | - |
| TOTAL | 8,750,000 | 1,000,000 | - | 650,000 | 10,400,000 | - | 9,400,000 | - |

(1) Options held once L Mortimer became a key management personnel (CEO) and B Crawford resigned (09/02/24)

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Performance rights

| | Opening balance at 1 July | Granted as remuneration | Rights exercised | Rights expired | Balance at 30 June |
|---------------------------|---------------------------|-------------------------|------------------|--------------------|--------------------|
| 2024 | | | | | |
| <i>Directors</i> | | | | | |
| L Reinehr | 2,000,000 | - | - | (1,000,000) | 1,000,000 |
| A Middleton | 750,000 | - | - | (375,000) | 375,000 |
| P Adams | 1,000,000 | - | - | (500,000) | 500,000 |
| <i>Executives</i> | | | | | |
| B Crawford ⁽¹⁾ | 500,000 | - | - | (500,000) | - |
| L Mortimer | - | - | - | - | - |
| TOTAL | 4,250,000 | - | - | (2,375,000) | 1,875,000 |

⁽¹⁾ Performance rights expired include those held on the date that B Crawford resigned (09/02/24).

Shareholdings

| | Opening balance at 1 July | Granted as remuneration | Options exercised | Net change (other) ⁽¹⁾ | Balance at 30 June |
|-------------------|---------------------------|-------------------------|-------------------|-----------------------------------|--------------------|
| 2024 | | | | | |
| <i>Directors</i> | | | | | |
| L Reinehr | 4,931,246 | - | - | - | 4,931,246 |
| A Middleton | 2,571,905 | - | - | 200,000 | 2,771,905 |
| P Adams | 1,000,000 | - | - | - | 1,000,000 |
| <i>Executives</i> | | | | | |
| B Crawford | 1,602,000 | - | - | (1,602,000) | - |
| L Mortimer | - | - | - | - | - |
| TOTAL | 10,105,151 | - | - | (1,402,000) | 8,703,151 |

⁽¹⁾ A Middleton purchased the shares on-market and the movement on B Crawford shares represents the number of shares on resignation date.

k) Loans to key management personnel

There were no loans to individuals or any key management personnel during the financial year or the previous financial year.

l) Other transactions with key management personnel

There were no other transactions with key management personnel during the financial year or the previous financial year.

END OF REMUNERATION REPORT (AUDITED)

SHARES UNDER OPTION

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

| Date options granted | Expiry date | Exercise price | Number under option |
|----------------------|------------------|----------------|---------------------|
| 2 September 2022 | 1 September 2025 | \$0.375 | 6,000,000 |
| 21 November 2022 | 30 November 2025 | \$0.365 | 11,000,000 |
| 24 and 30 April 2024 | 30 November 2027 | \$0.15 | 1,950,000 |
| TOTAL | | | 18,950,000 |

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

No ordinary shares were issued as a result of the exercise of options during the year.

CORPORATE GOVERNANCE STATEMENT

The Company's 2024 Corporate Governance Statement has been released as a separate document and is located on the Company's website at <http://www.kzr.com.au/corporate-governance/>.

RISK MANAGEMENT

The Board of Directors regularly review the key risks associated with conducting exploration and evaluation activities in Australia and steps to manage those risks. The key material risks faced by the Group include:

Exploration and development

The future value of the Group will depend on its ability to find and develop resources that are economically recoverable. Mineral exploration and development is a speculative undertaking that may be impeded by circumstances and factors beyond the control of the Group. Success in this process involves, among other things; discovery and proving-up an economically recoverable resource or reserve, access to adequate capital throughout the project development phases, securing and maintaining title to mineral exploration projects, obtaining required development consents and approvals and accessing the necessary experienced operational staff, the financial management, skilled contractors, consultants and employees.

The Group is entirely dependent upon its projects, which are the sole potential source of future revenue, and any adverse development affecting these projects would have a material adverse effect on the Group, its business, prospects, results of operations and financial condition.

Native Title

The Tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected. There is a risk that a claim for compensation for impacts on native title rights and interests may be made in relation to the grant of the Tenements over native title lands.

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Economic Conditions

Factors such as (but not limited to) political movements, stock market fluctuations, interest rates, inflation levels, commodity prices, foreign exchange rates, industrial disruption, taxation changes and legislative or regulatory changes, may all have an adverse impact on operating costs, the value of the Group's projects, the profit margins from any potential development and the Company's share price.

Reliance on key personnel

The Group's success is to a large extent dependent upon the retention of key personnel and the competencies of its directors, senior management, and personnel. The loss of one or more of the directors or senior management could have an adverse effect on the Group's activities. There is no assurance that engagement contracts for members of the senior management team will not be terminated or will be renewed on their expiry. If such contracts were terminated, or if members of the senior management team were otherwise no longer able to continue in their role, the Group would need to replace them which may not be possible if suitable candidates are not available.

Future funding risk

Continued exploration and evaluation is dependent on the Company being able to secure future funding from equity markets. The successful development of a mining project will depend on the capacity to raise funds from equity and debt markets. The Company will need to undertake equity/debt raisings for continued exploration and evaluation. There can be no assurance that such funding will be available on satisfactory terms or at all at the relevant time. Any inability to obtain sufficient financing for the Group's activities and future projects may result in the delay or cancellation of certain activities or projects, which would likely adversely affect the potential growth of the Group.

Unforeseen expenditure risk

Exploration and evaluation expenditures and development expenditures may increase significantly above existing projected costs. Although the Group is not currently aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Group and its proposed business plans.

Environmental, weather and climate change

The highest priority climate related risks include reduced water availability, extreme weather events, changes to legislation and regulation, reputational risk, technological and market changes. Exploration and mining activities have inherent risks and liabilities associated with safety and damage to the environment, including the disposal of waste products occurring as a result of mineral exploration and production, giving rise to potentially substantial costs for environmental rehabilitation, damage control and losses. Delays in obtaining approvals of additional remediation costs could affect profitable development of resources.

Cyber security and IT

The Group relies on IT infrastructure and systems and the efficient and uninterrupted operation of core technologies. Systems and operations could be exposed to damage or interruption from system failures, computer viruses, cyber-attacks, power or telecommunication provider's failure or human error.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

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INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company paid a premium to insure the Directors and Officers of the entity against any liability incurred as a Director or Officer to the extent permitted by the Corporations Act. The contract of insurance prohibits the disclosure of the nature of the liabilities covered or the amount of the premium paid.

The Company has not entered into any agreement with its current auditors indemnifying them against claims by a third party arising from their position as auditor.

NON-AUDIT SERVICES

Details of the amount paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 29 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act.

The directors are of the opinion that the services as disclosed in Note 29 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor;
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*; and
- issued by the Accounting and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing economic risks and rewards.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act is set out on the following page.

Signed in accordance with a resolution of the Directors.



Luke Reinehr
Executive Chairman

Perth, 27 September 2024

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Australia

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF KALAMAZOO RESOURCES LIMITED

As lead auditor of Kalamazoo Resources Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Kalamazoo Resources Limited and the entity it controlled during the period.

Glyn O'Brien

Director

BDO Audit Pty Ltd

Perth

27 September 2024

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

| | Note | 2024 \$ | 2023 \$ |
|---|------|--------------------|--------------------|
| Continuing operations | | | |
| Other income | 4 | 210,313 | 2,097,005 |
| Employee benefits expense | 5(a) | (530,823) | (562,868) |
| Share based payment | 25 | (74,089) | (1,593,900) |
| Depreciation and amortisation expense | | (217,551) | (206,669) |
| Exploration expenditure expense | 12 | (384,162) | (210,694) |
| Finance costs | | (715,047) | (580,083) |
| Other expenses | 5(b) | (1,253,348) | (1,114,744) |
| Loss on fair value of shares issued and derivative | | (396,380) | (84,087) |
| Share of results in associate accounted for using the equity method | 15 | (312,290) | - |
| Profit/(Loss) before income tax from continuing operations | | (3,673,377) | (2,256,040) |
| Income tax benefit / (expense) | 6 | - | - |
| Profit / (Loss) after income tax from continuing operations | | (3,673,377) | (2,256,040) |
| Discontinued operations | | | |
| Profit/(Loss) after income tax from discontinued operations | 14b | 8,287,346 | (1,068,132) |
| Profit/(Loss) after income tax for the period | | 4,613,969 | (3,324,172) |
| Other comprehensive income / (loss) | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| Financial assets at fair value through other comprehensive income – fair value changes | 13 | (362,601) | (372,498) |
| Other comprehensive (loss) net of tax | | (362,601) | (372,498) |
| Total comprehensive income / (loss) for the period attributable to the owners of Kalamazoo Resources Ltd | | 4,251,368 | (3,696,670) |
| Earnings per share: | | | |
| From continuing operations | | | |
| Basic and diluted loss per share | 23 | (2.15) | (1.51) |
| From discontinued operations | | | |
| Basic and diluted earnings / (loss) per share | 23 | 4.84 | (0.72) |
| From continuing and discontinued operations | | | |
| Basic and diluted earnings / (loss) per share | 23 | 2.69 | (2.23) |

* Refer to Note 33 for details of the restatement.

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

| | Note | 2024 \$ | 2023 \$ |
|--|------|-------------------|-------------------|
| Current Assets | | | |
| Cash and cash equivalents | 7 | 1,384,357 | 1,568,770 |
| Trade and other receivables | 8 | 181,770 | 361,383 |
| Available for sale assets | | - | 734,578 |
| Other current assets | 9 | 97,008 | 108,883 |
| Total Current Assets | | 1,663,135 | 2,773,614 |
| Non-Current Assets | | | |
| Property, plant and equipment | 10 | 184,821 | 211,777 |
| Right of use assets | 11 | 126,210 | 135,562 |
| Exploration and evaluation assets | 12 | 19,479,044 | 18,057,756 |
| Financial assets at fair value through OCI | 13 | 295,437 | 658,038 |
| Investment accounted for using the equity method | 15 | 5,290,783 | - |
| Other non-current assets | 9 | 30,125 | 30,124 |
| Total Non-Current Assets | | 25,406,420 | 19,093,257 |
| Total Assets | | 27,069,555 | 21,866,871 |
| Current Liabilities | | | |
| Trade and other payables | 16 | 422,182 | 836,624 |
| Other liabilities | 17 | 3,000,000 | - |
| Financial liability at amortised cost | 18 | 1,168,853 | 1,776,061 |
| Derivative financial liability | 18 | 89,109 | 106,832 |
| Short-term provisions | 19 | 99,846 | 90,082 |
| Available for sale liabilities | | - | 447,732 |
| Lease liabilities | 20 | 82,869 | 109,836 |
| Total Current Liabilities | | 4,862,859 | 3,367,167 |
| Non-Current Liabilities | | | |
| Long-term provisions | 19 | 53,110 | 21,400 |
| Lease liabilities | 20 | 38,640 | 31,019 |
| Total Non-Current Liabilities | | 91,750 | 52,419 |
| Total Liabilities | | 4,954,609 | 3,419,586 |
| Net Assets | | 22,114,946 | 18,447,285 |
| Equity | | | |
| Contributed equity | 21 | 28,077,200 | 29,124,489 |
| Share based payment reserve | 22 | 1,992,365 | 2,791,041 |
| Financial asset reserve | 22 | (2,460,718) | (2,098,117) |
| Accumulated losses | | (5,493,901) | (11,370,128) |
| Total Equity | | 22,114,946 | 18,447,285 |

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

| | Issued Capital \$ | Option Reserve \$ | Financial Asset Reserve \$ | Accumulated Losses \$ | Total Equity \$ |
|--|-------------------------|-------------------------|----------------------------------|-----------------------------|--------------------|
| Balance at 1 July 2022 | 28,219,212 | 2,409,770 | (1,725,619) | (9,785,361) | 19,118,002 |
| Loss for the period | - | - | - | (3,324,172) | (3,324,172) |
| Other comprehensive loss | - | - | (372,498) | - | (372,498) |
| Total comprehensive loss for the period net of tax | - | - | (372,498) | (3,324,172) | (3,696,670) |
| Transactions with owners in their capacity as owners | | | | | |
| Issue of shares | 943,337 | - | - | - | 943,337 |
| Transaction costs of issuing shares | (38,060) | - | - | - | (38,060) |
| Issue of options to Lind | - | 526,776 | - | - | 526,776 |
| Issue of options to directors and employees | - | 1,593,900 | - | - | 1,593,900 |
| Transfer from share option reserve: due to expired / lapsed options | - | (1,739,405) | - | 1,739,405 | - |
| Balance at 30 June 2023 | 29,124,489 | 2,791,041 | (2,098,117) | (11,370,128) | 18,447,285 |
| Balance at 1 July 2023 | 29,124,489 | 2,791,041 | (2,098,117) | (11,370,128) | 18,447,285 |
| Profit for the period | - | - | - | 4,613,969 | 4,613,969 |
| Other comprehensive loss | - | - | (362,601) | - | (362,601) |
| Total comprehensive profit for the period net of tax | - | - | (362,601) | 4,613,969 | 4,251,368 |
| Transactions with owners in their capacity as owners | | | | | |
| Issue of shares | 3,196,380 | - | - | - | 3,196,380 |
| Transaction costs of issuing shares | (130,992) | - | - | - | (130,992) |
| In-specie distribution | (4,112,677) | - | - | - | (4,112,677) |
| Issue of performance rights | - | 389,493 | - | - | 389,493 |
| Spin off Kali Metals Ltd | - | (389,493) | - | 389,493 | - |
| Issue of options | - | 74,089 | - | - | 74,089 |
| Transfer from share option reserve: due to expired / lapsed options | - | (872,765) | - | 872,765 | - |
| Balance at 30 June 2024 | 28,077,200 | 1,992,365 | (2,460,718) | (5,493,901) | 22,114,946 |

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

| | Note | 2024 \$ | 2023 \$ |
|---|-----------|---------------------|--------------------|
| Cash Flows from Operating Activities | | | |
| Other income received | | 137,487 | 128,992 |
| Research and development tax rebate | | 110,628 | - |
| Payments to suppliers and employees | | (1,772,497) | (1,509,873) |
| Interest received | | 46,575 | 49,967 |
| Interest paid | | (22,255) | (20,789) |
| Net Cash Flows Used in Operating Activities | 26 | (1,500,062) | (1,351,703) |
| Cash Flows from Investing Activities | | | |
| Payments for property, plant and equipment | | (77,847) | (92,462) |
| Proceeds from the disposal of property, plant and equipment | | - | 61,197 |
| Payments for exploration activities | | (1,862,936) | (3,076,546) |
| Proceeds from the sale of tenements / option fee | | 3,000,000 | 750,000 |
| Payments to acquire tenements | | - | (300,000) |
| Net cash outflows from de-merger of subsidiary | 14 | (13,495,659) | - |
| Net Cash Flows Used in Investing Activities | | (12,436,442) | (2,657,811) |
| Cash Flows from Financing Activities | | | |
| Proceeds from issue of shares and equity securities | | 1,401,000 | - |
| Share issue costs | | (152,121) | (218,060) |
| Proceeds from Lind share subscription agreement | | - | 3,000,000 |
| Funds received in advance of IPO | | 12,677,000 | |
| Proceeds from borrowings | | 420,229 | 100,000 |
| Repayment of borrowings | | (454,894) | - |
| Lease principal repayments | | (139,123) | (121,481) |
| Net Cash Flows from Financing Activities | | 13,752,091 | 2,760,459 |
| Net decrease in cash and cash equivalents | | (184,413) | (1,249,055) |
| Cash at the beginning of the period | | 1,568,770 | 2,817,825 |
| Cash at the End of the Period | 7 | 1,384,357 | 1,568,770 |

This Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: CORPORATE INFORMATION

The financial report of Kalamazoo Resources Limited for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the Directors on 27 September 2024.

Kalamazoo Resources Limited is a for-profit company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange and the Frankfurt Stock Exchange. The nature of the operation and principal activities of the entity are described in the attached Directors' Report.

The principal accounting policies adopted in the preparation of these financial statements are set out below and have been applied consistently to all periods presented in the financial statements.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act.

Compliance with IFRS

The financial statements of Kalamazoo Resources Limited also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

New and amended accounting standards and interpretations adopted

The Group 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.

New accounting standards and interpretations

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

a) Basis of measurement

Historical cost convention

These financial statements have been prepared under the historical cost convention, except where stated.

Critical accounting estimates

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

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NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

b) Going concern

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

The Group incurred a profit for the year of \$4,613,969 (2023: loss of \$3,324,172); included in this profit/loss were impairment losses of \$384,162 (2023: \$959,625). During the year the Group incurred net cash outflows from operating and investing activities of \$13,936,504 (2023: \$4,009,514), offset by inflows from financing activities of \$13,752,091 (2023: \$2,760,459). As at 30 June 2024 the Group had a cash balance of \$1,384,357 (2023: \$1,568,770).

The ability of the Group to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cashflow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern. In the event the above matters are not achieved, the Company will be required to raise funds for working capital from debt or equity sources.

The Directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the Directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

c) Principles of Consolidation

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, and the Statement of Changes in Equity respectively.

These financial statements incorporate the assets and liabilities of the Company's subsidiary at 30 June 2023. The Company lost control of the subsidiary on 29 December 2023 and thereafter its results and the Company's share of its now associate are recorded in the manner above.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its investment with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The acquisition method of accounting is used to account for business combinations by the Group. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

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

d) Parent entity information

In accordance with the Corporations Act, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 28.

e) Discontinued operations

A discontinued operation is a component of the entity that has been disposed of or is classified as Discontinued operations and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

f) Significant accounting judgements, estimates and assumptions

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Asset acquisition

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. The acquisition of an entity that meets the concentration test (AASB 2018-6) would be accounted for as an asset acquisition, not a business combination.

No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset. Assets acquired during the period were exploration expenditure. Estimates and judgement are required by the Group, taking into consideration all available information at the acquisition date, to assess the fair value of assets acquired, liabilities and contingent liabilities assumed.

Classification of loss of control

From completion of the spin out and IPO of Kali Metals Limited ("Kali"), by virtue of the contractual rights contained in the shareholder's deed, the retention of 46.19% of the ordinary share capital and the right to hold two Board seats on the current Board of five, the Company has lost control of Kali. This occurred on the date of IPO and resulted in the deconsolidation of Kali Metals Limited and the subsequent recognition of an investment in associate.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

Exploration and evaluation expenditure carried forward

The recoverability of the carrying amount of exploration and evaluation expenditure carried forward has been reviewed by the Directors. The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective area of interest.

The Company reviews the carrying value of exploration and evaluation expenditure on a regular basis to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support continued carry forward of capitalised costs. This assessment requires judgement as to the status of the individual projects and their estimated recoverable amount (Refer to Note 12).

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees and Directors by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by utilising a Black Scholes model, using the assumptions detailed in Note 25.

The Company values Performance Rights by reference to its best available estimate of the number of Performance Rights it expects to vest and revises that estimate, if necessary, if subsequent information indicates that the number of Performance Rights expected to vest differs from previous estimates. The vesting conditions for the Class A and Class B Performance Rights were intentionally set as stretch targets and accordingly the Directors have determined that it is more likely than not that the milestones will not be achieved. Therefore, in accordance with AASB 2: *Share-based Payment* no value has been recognised for the Performance Rights.

Income tax

Deferred tax assets are recognised for unused tax losses and deductible temporary differences only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. No deferred tax asset has been recognised in the Statement of Financial Position in respect of the amount of either these losses or other deferred tax expenses.

In-specie distribution value

In-specie distribution fair value per share was based on the market value per share established by the ATO using the VWAP of Kali Metals on 8 January 2024.

Impairment of Investment accounted for using the equity method

The Company assesses impairment of Investment accounted for using the equity method each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

g) Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

h) Revenue recognition

Other revenue

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

i) Income tax

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

Up to 30 June 2023, the Company and its 100% owned controlled entity formed a tax consolidated group. The head entity of the tax consolidated group was Kalamazoo Resources Ltd. During the current financial year, the completion of the spin out of the group's Australian lithium projects via a demerger and concurrent Initial Public Offering of Kali Metals Limited was announced and therefore tax consolidation is no longer applicable.

No deferred tax asset has been recognised in respect of either these tax losses or other deferred tax expenses because it is not probable, at this time, that future taxable profits will be available which the Company can utilise. The utilisation of tax losses is dependent on the Company satisfying the continuity of ownership test or the same business test at the time the tax losses are applied against taxable income.

e) Non-current assets or disposal groups classified as held for sale

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

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

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

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

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NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

j) Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

f) Exploration and evaluation expenditure

Exploration and evaluation expenditure, including the costs of acquiring licences and permits, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore an area are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Exploration and evaluation assets are only recognised if the rights to the area of interest are current and either:

- a) the expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or
- b) activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability, and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. These assessments include (a) substantive exploration expenditure on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned; (b) exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and (c) sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

l) Exploration and evaluation expenditure (continued)

Management have undertaken a review of impairment indicators on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Management undertake impairment testing when impairment indicators are present. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of minerals in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mineral property and development assets within property, plant and equipment.

When an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made.

Significant estimates and judgement

There is some subjectivity involved in the carry forward of capitalised exploration and evaluation expenditure or, where appropriate, the write off to the Statement of Profit or Loss and Other Comprehensive Income, however management give due consideration to areas of interest on a regular basis and are confident that decisions to either write off or carry forward such expenditure fairly reflect the prevailing situation.

k) Financial liabilities - Share Subscription Agreement

The Company entered into a Share Subscription Agreement ("Agreement") for an investment of \$3,000,000 with Lind Global Fund II, LP ("Lind") on 29 August 2022. The \$3,000,000 investment by Lind was via a placement of ordinary fully paid shares ("Placement Shares") and 6 million unlisted options ("Options").

The Agreement is a hybrid financial instrument which includes a combination of debt financial liability, a derivative financial liability that represents the conversion feature to convert the debt instrument into a variable number of equity instruments and a derivative equity component representing the options issued.

On initial recognition, the embedded derivatives are recognised at fair value and the debt host liability is initially recognised based on the residual value from deducting the fair value of the embedded derivatives from the amount of consideration received from issuing the instruments.

The debt component is subsequently recognised as a financial liability at amortised cost, net of transaction costs. The difference between the fair value of the debt component on initial recognition and the redemption amount, is recognised in profit or loss over the period of the instrument using the effective interest method.

The derivative liability is subsequently measured at fair value through profit or loss, with all gains or losses in relation to the movement of fair value being recognised in the profit or loss.

Transaction costs are apportioned to the debt liability, the embedded derivative and equity component in proportion to the allocation proceeds. The transaction costs attributed to the conversion feature are expensed immediately and the transaction costs attributed to the debt and equity components are offset against these components.

Financial liabilities are removed when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid is recognised in profit or loss as other income or finance costs.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

l) Employee benefits

Share-based payments

The Company provides benefits to employees of the Company in the form of share options. The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using a Black Scholes option pricing model, taking into account the terms and conditions upon which the options were granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number that vest.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Performance rights

The Company provides benefits to Directors and employees of the Company in the form of Performance Rights. The Company values Performance Rights by reference to its best available estimate of the number of Performance Rights it expects to vest and revises that estimate, if necessary, if subsequent information indicates that the number of Performance Rights expected to vest differs from previous estimates. The vesting conditions for the Class A and Class B Performance Rights were intentionally set as stretch targets and accordingly the Directors have determined that it is more likely than not that the milestones will not be achieved. Therefore, in accordance with AASB 2: *Share-based Payment* no value has been recognised for the Performance Rights.

m) Fair value measurement

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

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

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

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

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NOTE 3: SEGMENT INFORMATION

The Company operates in one geographical segment, being Australia and in one operating category, being mineral exploration. Therefore, information reported to the chief operating decision maker (the Board of Kalamazoo Resources Limited) for the purposes of resource allocation and performance assessment is focused on mineral exploration within Australia.

The Board has considered the requirements of AASB 8: *Operating Segments* and the internal reports that are reviewed by the chief operating decision maker in allocating resources and have concluded at this time that there are no separately identifiable segments.

| | Continuing operations | Discontinued operations |
|------------------------------|----------------------------------|------------------------------------|
| | \$ | \$ |
| 2024 | | |
| Profit/(Loss) for the period | (3,673,376) | 8,287,346 |
| 2024 | | |
| Total assets | 27,069,555 | - |
| Total liabilities | (4,954,609) | - |
| Net assets | 22,114,946 | - |
| | | |
| | Continuing operations | Discontinued operations |
| | \$ | \$ |
| 2023 | | |
| Profit/(Loss) for the period | (2,256,040) | (1,068,132) |
| 2023 | | |
| Total assets | 21,040,361 | 826,510 |
| Total liabilities | (2,971,855) | (447,731) |
| Net assets | 18,068,506 | 378,779 |

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NOTE 4: OTHER INCOME

a) Other income

| | 2024 \$ | 2023 \$ |
|-----------------------------------|----------------|------------------|
| Interest revenue | 21,164 | 51,395 |
| Gain on disposal of tenements (1) | 20,000 | 1,449,687 |
| Gain on disposal of assets | 1,862 | - |
| R&D tax rebate | 1,579 | 109,049 |
| Gain on fair value of derivative | 17,723 | 369,625 |
| Other income | 147,985 | 117,249 |
| Total other income | 210,313 | 2,097,005 |

- (2) On 10 March 2023 the Company announced the sale of its remaining 50% Joint Venture interest in EL007112 to Joint Venture Partner Novo Resources Corp (TSX-V: NVO, OTCQX: NSRPF) ("Novo") for \$750,000 in cash and \$750,000 worth of Novo shares. As a result the Company realised a gain of \$1,449,687 on the disposal in the prior year.

NOTE 5: EXPENSES

a) Employee benefits expense

| | 2024 \$ | 2023 \$ |
|---|----------------|----------------|
| Wages, salaries, directors' fees | 1,527,385 | 1,426,839 |
| Superannuation contributions | 150,536 | 122,482 |
| Other employee expenses | 89,888 | 65,925 |
| Transfer to capitalised exploration expenditure | (1,236,986) | (1,052,378) |
| Total employee benefits expense | 530,823 | 562,868 |

b) Other expenses

| | 2024 \$ | 2023 \$ |
|---|------------------|------------------|
| ASX / ASIC | 40,523 | 54,051 |
| Conferences and investor relations | 46,214 | 71,798 |
| Corporate consultants | 244,719 | 295,427 |
| Insurance | 79,558 | 75,611 |
| Legal | 164,929 | 55,017 |
| Occupancy costs | 53,232 | 43,587 |
| Secretarial, professional and audit costs | 397,101 | 288,323 |
| Travel and promotion | 103,209 | 103,933 |
| Other expenses | 123,863 | 126,997 |
| Total other expenses | 1,253,348 | 1,114,744 |

NOTE 6: INCOME TAX

Statement of Profit or Loss and Other Comprehensive Income

Current income tax:

- Income tax expense

Income tax expense/(benefit) reported in the Statement of Profit or Loss and Other Comprehensive Income

A reconciliation of income tax expense/(benefit) applicable to accounting profit/(loss) before income tax at the statutory income tax rate to income tax expense/(benefit) at the Company's effective income tax is as follows:

Accounting loss from continuing operations before income tax

At the statutory income tax rate of 25% (2023: 30%)

Add:

- Share-based payments
- Expenditure not allowable for income tax purposes
- Other deductible items
- Non-assessable items
- Net deferred tax asset not recognised due to not meeting recognition criteria

Income tax expense

| | 2024 | 2023 |
|---|-------------|-------------|
| | \$ | \$ |
| | | |
| - Income tax expense | - | - |
| Income tax expense/(benefit) reported in the Statement of Profit or Loss and Other Comprehensive Income | - | - |
| Accounting loss from continuing operations before income tax | (3,673,377) | (2,256,040) |
| At the statutory income tax rate of 25% (2023: 30%) | (918,344) | (676,812) |
| <i>Add:</i> | | |
| - Share-based payments | 18,522 | 478,170 |
| - Expenditure not allowable for income tax purposes | 355,464 | 2,291 |
| - Other deductible items | (9,720) | (8,567) |
| - Non-assessable items | (194,669) | (22,348) |
| - Net deferred tax asset not recognised due to not meeting recognition criteria | 748,747 | 227,266 |
| Income tax expense | - | - |

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NOTE 6: INCOME TAX (Continued)

Deferred income tax

Recognised on the Statement of Financial Position, deferred income tax at the end of the reporting period relates to the following:
(2024: 25%, 2023: 30%)

Deferred income tax liabilities:

| | | |
|---|------------------|------------------|
| - Accrued income | - | 929 |
| - Capitalised expenditure deductible for tax purposes | 4,370,476 | 5,030,804 |
| - Net book value for depreciable assets | 31,742 | 63,533 |
| - Prepayments | 8,786 | 10,176 |
| - Right of use assets | 1,175 | (1,588) |
| - Other | 538 | - |
| - Investments | 1,322,696 | - |
| | 5,735,413 | 5,103,854 |

Deferred income tax assets:

| | | |
|---------------------------------------|-------------|-------------|
| - Accruals | (6,049) | (17,550) |
| - FBT payable | - | (251) |
| - Employee benefits | (40,903) | 33,445 |
| - Available for sale financial assets | (615,180) | (629,435) |
| - Other liabilities | (750,000) | - |
| - Capital raising costs | (34,274) | (14,353) |
| - Tax losses available to offset DTL | (4,289,007) | (4,475,710) |
| | - | - |

Net deferred tax asset/(liability)

Kalamazoo Resources Ltd is not considered a base rate entity for income tax purposes for the 2024 financial year and is therefore subject to income tax at a rate of 30% (2023: 30%). At 30 June 2024, Kalamazoo Resources Limited had \$23,190,929 (2023: \$20,702,932) of tax losses that are available indefinitely for offset against future taxable profits subject to the satisfaction of the loss tests.

Tax Ruling

As at 22 December 2023, Kali Metals ceased to be a wholly owned subsidiary of the Kalamazoo tax consolidated group, and therefore exited the tax consolidated group as at that date. The expenses for Kali Metals for the period to 22 December 2023 will be included in Kalamazoo's tax return for the year ended 30 June 2024.

Kalamazoo has applied to the ATO for a binding Class Ruling to confirm that the demerger will qualify for demerger relief for income tax purposes. The tax provision has been calculated on the basis that the ATO confirm that the demerger qualifies for relief, such that Kalamazoo will not be subject to tax on the gain on disposal of the shares in Kali Metals as part of the in-specie capital return to shareholders.

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NOTE 7: CASH AND CASH EQUIVALENTS

| | 2024 \$ | 2023 \$ |
|--------------------------|------------------|------------------|
| Cash at bank and on hand | 809,357 | 1,018,770 |
| Short-term deposits | 575,000 | 550,000 |
| | 1,384,357 | 1,568,770 |

The weighted average interest rate for the year was 4.8% (2023: 4.1%).

The Company's exposure to interest rate risk is set out in Note 24.

NOTE 8: TRADE AND OTHER RECEIVABLES

| | 2024 \$ | 2023 \$ |
|---------------------------|----------------|----------------|
| Debtors | 114,114 | 166,832 |
| R&D tax rebate receivable | - | 109,049 |
| GST receivable | 67,656 | 85,502 |
| | 181,770 | 361,383 |

Trade and other receivables are normally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

The Company's financial risk management objectives and policies are set out in Note 24.

Due to the short-term nature of these receivables their carrying value is assumed to approximate their fair value.

Trade receivables are generally due for settlement within 30 days.

NOTE 9: OTHER ASSETS

| | 2024 \$ | 2023 \$ |
|--------------------|---------------|----------------|
| <i>Current</i> | | |
| Prepayments | 35,145 | 33,923 |
| Deposits | 61,863 | 71,863 |
| Accrued interest | - | 3,097 |
| | 97,008 | 108,883 |
| <i>Non-current</i> | | |
| Deposits | 30,125 | 30,124 |
| | 30,125 | 30,124 |

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

| | 2024 \$ | 2023 \$ |
|---------------------------------|----------------|----------------|
| Field equipment at cost | 83,030 | 84,909 |
| Less: Accumulated depreciation | (62,161) | (47,315) |
| | 20,869 | 37,594 |
| Furniture and fixtures at cost | 69,312 | 79,135 |
| Less: Accumulated depreciation | (68,039) | (61,575) |
| | 1,273 | 17,560 |
| Motor vehicles at cost | 304,272 | 286,505 |
| Less: Accumulated depreciation | (152,366) | (139,600) |
| | 151,906 | 146,905 |
| Office and IT equipment at cost | 45,993 | 72,503 |
| Less: Accumulated depreciation | (35,220) | (62,785) |
| | 10,773 | 9,718 |
| | 184,821 | 211,777 |

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

| | Field Equipment \$ | Furniture and fixtures \$ | Motor Vehicle \$ | Office and IT equipment \$ | Total \$ |
|-------------------------|--------------------------|---------------------------------|------------------------|----------------------------------|-------------|
| Balance at 1 July 2022 | 52,547 | 33,850 | 159,997 | 8,501 | 254,895 |
| Additions | 1,461 | - | 81,067 | 9,934 | 92,462 |
| Disposals | - | - | (46,763) | - | (46,763) |
| Depreciation expense | (16,414) | (16,290) | (47,396) | (8,717) | (88,817) |
| Balance at 30 June 2023 | 37,594 | 17,560 | 146,905 | 9,718 | 211,777 |
| Additions | 1,217 | - | 68,619 | 9,080 | 78,916 |
| Disposals | (1,264) | - | (5,795) | (1,825) | (8,884) |
| Impairment | - | - | - | - | - |
| Depreciation expense | (16,678) | (16,287) | (57,823) | (6,200) | (96,988) |
| Balance at 30 June 2024 | 20,869 | 1,273 | 151,906 | 10,773 | 184,821 |

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NOTE 11: RIGHT OF USE ASSETS

| | 2024 \$ | 2023 \$ |
|--------------------------------|----------------|----------------|
| Land and buildings | 555,301 | 444,090 |
| Less: Accumulated depreciation | (429,091) | (308,528) |
| | 126,210 | 135,562 |

The Company leases land and buildings for its offices and its core yard under agreements of between three to six years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The Company has elected not to recognise a lease liability for 'low-value' and short-term leases.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

| | 2024 \$ | 2023 \$ |
|----------------------|----------------|----------------|
| Opening balance | 135,562 | 253,414 |
| Addition - new lease | 111,211 | - |
| Depreciation | (120,563) | (117,852) |
| | 126,210 | 135,562 |

The lease for the office located in Melbourne ended in March 2024 and it was extended for 2 more years.

NOTE 12: EXPLORATION AND EVALUATION

| | 2024 \$ | 2023 \$ |
|---|-------------------|-------------------|
| Capitalised cost at the beginning of the period | 18,057,756 | 16,361,189 |
| Tenements assets acquisition (i), and (ii) | 8,386,879 | - |
| Exploration expenditure incurred during the period | 2,232,224 | 3,373,410 |
| Transfer to available for sale assets | - | (717,218) |
| Demerger of exploration and evaluation assets (iii) and (iv) | (8,813,653) | - |
| Impairment of exploration and evaluation of assets recognised on profit or loss from continuing operation | (384,162) | (210,694) |
| Impairment of exploration and evaluation of assets recognised on profit or loss from discontinued operation | - | (748,931) |
| Capitalised cost at the end of the period | 19,479,044 | 18,057,756 |

During the year the Group booked an impairment expense of \$384,162 mainly related to project generation in WA and Victoria and relinquishment of tenements with low prospectivity (2023: \$959,625, including \$748,931 from Kali Metals which is allocated to loss from discontinued operations in the Income Statement comparative).

NOTE 12: EXPLORATION AND EVALUATION (Continued)

The Group entered into the following agreements during the year:

(i) Mansen Tenement

Kali Metals Limited entered into a tenement sale agreement on 17 October 2023. On 22 December 2023, Kali Metals Limited completed the tenement acquisition (P15/6778, "Mansen Tenement") from James Mansen as trustee for Wildcard (WA) Pty Ltd. Consideration paid as part of the tenement acquisition is \$75,000 cash plus 300,000 consideration shares in Kali Metals Limited at \$0.25 per share.

The acquisition of the Mansen Tenement was deemed to be an asset acquisition under AASB 6: *Exploration for and Evaluation of Minerals Resources*. Under the asset acquisition, the value of the assets acquired is allocated on a relative fair value approach. As the consideration for the assets was made through the issue of consideration shares and in the case of the Mansen Tenement, an additional \$75,000 of cash consideration, this required the provisions of AASB 2: *Share-Based Payments* to be applied. The Company determined the fair value of the consideration shares in Kali Metals Limited to be equivalent to the IPO offer price of \$0.25. The fair value of the assets could not be estimated reliably and therefore, the value of the tenements and mineral rights acquired was accounted for at the purchase consideration implied by the fair value of the consideration shares plus cash consideration, totalling \$150,000.

(ii) Higginsville Lithium Project

On 29 December 2023 Kali Metals Limited completed a share sale transaction with Karora Group ("Karora"), whereby Avoca Mining Pty Ltd, a wholly owned subsidiary of Karora, agreed to sell, and Kali Metals Limited agreed to buy a 100% interest in Karora Lithium Pty Ltd. Prior to the completion of the share sale transaction, Karora Lithium Pty Ltd entered into a Mineral Rights Agreement with Karora's subsidiaries being Avoca Mining Pty Ltd, Avoca Resources Pty Ltd, Polar Metals Pty Ltd and Corona Minerals Pty Ltd (together, the "Grantors") which will grant the Higginsville Lithium Rights to Karora Lithium Pty Ltd prior to completion of the share sale agreement. Under each mineral rights agreement, Karora Lithium Pty Ltd agreed to grant and pay each Grantor a 1% net smelter return royalty ("Royalty") payable with respect to any Higginsville Lithium Rights (and any other minerals it is entitled to retain under the mineral rights agreement) produced or extracted by Karora Lithium Pty Ltd or any of its Related Bodies Corporate in respect of their relevant tenements.

Management have assessed that the acquisition of Karora Lithium Pty Ltd does not constitute a business and the acquisitions of Higginsville Lithium Rights were deemed to be an asset acquisition as they met the asset concentration test. Under the asset acquisitions, the value of the assets acquired is allocated on a relative fair value approach. The fair value of the assets could not be reliably measured therefore the fair value of equity was used to determine the fair value of assets acquired. As the consideration for the assets was primarily made through the issue of 30,797,000 consideration shares in Kali Metals Limited and this required the provisions of AASB 2: *Share-Based Payments* to be applied. The Group determined the fair value of the consideration shares to be equivalent to the IPO offer price of \$0.25, totalling \$7,699,250.

NOTE 12: EXPLORATION AND EVALUATION (Continued)

Allocation to the net identifiable assets is as follows:

| | Fair Value \$ |
|--|------------------|
| Consideration of transaction costs | |
| Fair Value of consideration share issued to vendor | 7,699,250 |
| Transaction Cost Capitalised | 387,629 |
| | 8,086,879 |
| Allocation of the net identifiable assets | |
| Exploration and Evaluation Asset | 8,086,879 |
| | 8,086,879 |

There were no other identifiable assets acquired or assumed liabilities.

(iii) Marble Bar Project and DOM's Hill Project

The Company entered into a tenement sale agreement with Kali Metals Limited, a wholly owned subsidiary, for the transfer of tenement and mineral rights acquisition related to the Marble Bar Project and DOM's Hill Project. Kali Metals Limited issued 37,862,900 of its shares to the Company as part of the consideration paid for the tenement and mineral rights. The acquisitions of the tenement and mineral rights were classified as a transfer within a controlled Group under AASB 10: *Consolidated Financial Statements*. The assets were transferred prior to Kali Metals Limited demerging from Kalamazoo. In accordance with the applicable standard, the tenement and mineral rights were derecognised at their carrying amounts of \$576,774.

(iv) Exploration & Evaluation Assets on Demerger

| | 29 Dec 2023 \$ |
|---|-------------------|
| Consideration of transaction | |
| Marble Bar Project and DOM's Hill Project | 576,774 |
| Higginsville Lithium Project | 8,086,879 |
| Mansen Tenement | 150,000 |
| Total exploration & evaluation assets | 8,813,653 |
| Exploration & evaluation assets held for sale | 1,419,036 |
| Total exploration & evaluation assets | 10,232,689 |

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NOTE 13: FINANCIAL ASSETS

Financial assets at fair value through other comprehensive income

| | 2024 \$ | 2023 \$ |
|------------------------|----------------|----------------|
| Opening balance | 658,038 | 304,549 |
| Acquisition | - | 725,987 |
| Change in fair value | (362,601) | (372,498) |
| Closing balance | 295,437 | 658,038 |

In March 2023 the Company sold its remaining 50% interest in the Queens Project (EL007112) in Victoria to Canadian listed gold explorer and developer Novo Resources Corp ("Novo") for \$750,000 cash and \$750,000 worth of Novo common shares (2,088,554 Novo shares). As at 30 June 2024 the Company holds the 2,697,652 Novo common shares.

NOTE 14: DECONSOLIDATION OF SUBSIDIARY

a) Loss of control of subsidiary

On 8 May 2023, Kalamazoo announced to the ASX that it had entered into a Shareholders Agreement with Karora Resources Inc ("Karora") to vend Kalamazoo's non-gold exploration projects and mineral rights into its subsidiary Kali Metals Limited ("Kali") and to undertake an IPO. In turn, Karora would vend into Kali its highly prospective lithium mineral rights across an extensive range of projects located south of Kalgoorlie, Western Australia. The proposed transaction would see the establishment of Kali as a new ASX-listed exploration company, (ASX: KM1). The transaction was completed on 29 December 2023, on which date Kalamazoo lost control of Kali as Kalamazoo's interest in Kali fell to 46.19%. In addition, Kalamazoo could appoint two out of five directors. The fair value of the 38,863,000 shares held in Kali on deconsolidation was calculated by reference to the IPO price of Kali being \$0.25 per share.

Carrying amounts of assets and liabilities on the date of demerger

| | 29 Dec 2023 \$ | 30 Jun 2023 \$ |
|---------------------------------------|-------------------|-------------------|
| Cash and cash equivalents | 13,495,659 | - |
| Exploration and evaluation of assets | 10,232,689 | 717,218 |
| Property, plant and equipment | 7,814 | - |
| Trade and other receivables | 425,626 | 13,077 |
| Other current assets | - | 4,283 |
| Assets of discontinued operation | 24,161,788 | 734,578 |
| Trade and other payables | 1,845,876 | 347,732 |
| Borrowings | - | 100,000 |
| Funds received in advance of IPO | 12,677,000 | - |
| Liabilities of discontinued operation | 14,522,876 | 447,732 |
| Net assets disposed | 9,638,912 | 286,846 |

NOTE 14: DECONSOLIDATION OF SUBSIDIARY (Continued)

Gain on loss of control of subsidiary:

| | 29 Dec 2023 |
|---|--------------------|
| | \$ |
| Consideration (per share) | 0.25 |
| Shares in Kali | 38,863,000 |
| Total consideration | 9,715,750 |
| Non-controlling interest before loss of control | 9,344,122 |
| | 19,059,872 |
| Net assets disposed | 9,638,912 |
| Gain on loss of control of subsidiary | 9,420,960 |

b) Demerger of Kali Metals Limited

The Group held various tenements up until the demerger of Kali on 29 December 2023, which is treated as a discontinued operation. The demerger resulted in the formation of an independent ASX-listed company, Kali Metals Limited. Subsequent to the demerger, the Group retains a 20.2% equity ownership in Kali, which is equity accounted from 29 December 2023.

To effect the demerger, the Group first transferred specific assets and liabilities relating to DOM's Hill and Marble Bar tenements to Kali. This included tenements held by the parent entity and all assets held by Kali, at their respective carrying amounts. The carrying amounts of assets and liabilities were considered to equate to their fair values.

Profit after income tax from discontinued operations:

| | 2024 | 2023 |
|---|------------------|--------------------|
| | \$ | \$ |
| Other income | 25,376 | - |
| Expenses | (769,497) | (1,068,132) |
| Share based payments | (389,493) | - |
| Gain from deconsolidation of subsidiary | 9,420,960 | - |
| Profit of discontinued operation before income tax expense | 8,287,346 | (1,068,132) |
| Income tax expenses | - | - |
| Profit/loss of discontinued operation after tax | 8,287,346 | (1,068,132) |

Statement of cash flows for discontinued operations

| | 2024 | 2023 |
|---|-------------------|---------------|
| | \$ | \$ |
| Net cash used in operating activities for discontinued operations | (484,507) | (33,636) |
| Net cash used in investing activities for discontinued operations | (355,767) | (308,865) |
| Net cash from financing activities for discontinued operations | 14,335,933 | 434,332 |
| Net increase/decrease in cash and cash equivalents for discontinued operations | 13,495,659 | 91,831 |

NOTE 15: INVESTMENT IN ASSOCIATE

Interests in associates are accounted for using the equity method of accounting. Details of each of the material associates at the end of the reporting period are as follows:

| Name of associate/subsidiary | Principal place of business/Country of incorporation | Ownership 30 June 2024 | Ownership 30 June 2023 |
|-------------------------------------|---|-------------------------------|-------------------------------|
| Kali Metals Limited | Australia | 20.2% | 100% |

Investment in Associate – Kali Metals Limited

The Group initially recognised its retained investment at the fair value of shares held on 29 December 2023, being \$9,715,750. The issue price within the Kali IPO prospectus was used as the fair value of the shares.

Subsequent equity accounting

The Group recognised its share of profits or losses of Kali, being 20.2% of its net income/loss after tax, as income in each reporting period. The Group recognised \$303,089 in equity accounted losses for the year ended 30 June 2024.

The following is a summary of the financial information presented in the financial assets of Kali, amended to include adjustments made by the Group in applying the equity method.

Information relating to associates that are material to the Company are set out below:

| | 2024 |
|---|-------------------|
| | \$ |
| <i>Summarised financial information</i> | |
| Current assets | 9,893,503 |
| Non-current assets | 13,705,224 |
| Total assets | 23,598,727 |
| Current liabilities | 1,523,094 |
| Non-current liabilities | 178,943 |
| Total liabilities | 1,702,037 |
| Net assets | 21,896,690 |

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NOTE 15: INVESTMENT IN ASSOCIATE (Continued)

As at 30 June 2024 the Company held 29,147,250 shares in Kali (ASX: KM1). The Company accounts for its shares in Kali as an associate as it fails the recognition criteria of control, however, retains significant influence as defined in AASB 128 *Investment in Associates and Joint Ventures*. The Company has significant influence over Kali by virtue of its 20.2% shareholding and holding two board seats on the current board of five.

Summarised statement of profit or loss and other comprehensive income

From 30 December 2023 to 30 June 2024

| | 2024 \$ |
|---------------------------------|-------------|
| Revenue and other income | 290,078 |
| Total expenses | (1,714,097) |
| Profit or loss for the year | (1,424,019) |
| Income tax expense | - |
| Profit or Loss after income tax | (1,424,019) |
| Other comprehensive income | - |
| Total comprehensive income | (1,424,019) |

Reconciliation of investment in associate

| | 2024 \$ |
|---|------------------|
| Opening balance - Fair value at the date of deconsolidation | 9,715,750 |
| In-specie distribution (1) | (4,112,677) |
| Loss for the period | (312,290) |
| Balance | 5,290,783 |

(1) Kalamazoo distributed 9,715,750 ordinary shares (fair valued at \$0.4233 each) in Kali to eligible Kalamazoo shareholders during Kali's IPO.

Commitments of associate and contingent assets or liabilities of associate

Kalamazoo and Sociedad Quimica y Minera ("SQM") had previously entered into the SQM Earn-in Agreement which entitles SQM to earn-in up to a 70% interest in the Marble Bar Project and DOM's Hill Project. Kalamazoo, Kali and SQM entered into a deed of assignment and assumption dated 30 August 2023 under which Kalamazoo assigned its rights, and Kali assumed the obligations of Kalamazoo, under the SQM Earn-in Agreement. The assignment has taken effect upon completion occurring under the Tenement Sale Agreement.

Exploration expenditure commitments:

| | 2024 \$ |
|---|------------------|
| Within one year | 3,197,254 |
| After one year but not more than five years | 1,622,281 |
| Greater than five years | 1,451,675 |
| | 6,271,210 |

If the Company decides to relinquish certain exploration tenements and/or does not meet these obligations.

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NOTE 15: INVESTMENT IN ASSOCIATE (Continued)

On 29 December 2023, Kali completed a Share Sale transaction with Karora Group, whereby Avoca Mining Pty Ltd, a wholly owned subsidiary of Karora, has agreed to sell, and the Kali has agreed to buy 100% interest in Karora Lithium Pty Ltd ("Karora Lithium"). Prior to the completion of the Share Sale transaction, Karora Lithium entered into a Mineral Rights Agreement with Karora Group's subsidiaries being Avoca Mining Pty Ltd, Avoca Resources Pty Ltd, Polar Metals Pty Ltd and, Corona Minerals Pty Ltd (together, the Grantors) which will grant the Higginsville Lithium Rights to Karora Lithium prior to completion of the Share Sale Agreement. Each Mineral Rights Agreement continues until the relevant Higginsville Lithium Rights have been relinquished or the relevant tenements have expired or otherwise terminated. The Grantor cannot relinquish a tenement, or part of it, without first offering the relevant area to Karora Lithium for no consideration. Under each Mineral Rights Agreement, Karora Lithium has agreed to grant and pay each Grantor a 1% net smelter return royalty (Royalty) payable with respect to any Higginsville Lithium Rights (and any other minerals it is entitled to retain under the Mineral Rights Agreement) produced or extracted by Karora Lithium or any of its Related Bodies Corporate in respect of their Relevant Tenements.

As at the reporting date, there has been no other material change in the commitments and contingencies since 30 June 2024.

There are no other commitments or contingencies held as at 30 June 2024.

NOTE 16: TRADE AND OTHER PAYABLES

| | 2024 \$ | 2023 \$ |
|-----------------------------|----------------|----------------|
| Trade creditors | 251,511 | 470,794 |
| Other payables and accruals | 170,671 | 365,830 |
| | 422,182 | 836,624 |

The Company's financial risk management objectives and policies are set out in Note 24. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

NOTE 17: OTHER LIABILITIES

| | 2024 \$ | 2023 \$ |
|---------------------|------------------|------------|
| Option fee received | 3,000,000 | - |
| | 3,000,000 | - |

On 6 February 2024, the Company announced the signing of an option agreement with De Grey Mining Limited ("De Grey") to acquire Kalamazoo's Ashburton Gold Project ("AGP"). The agreement provides De Grey with exclusivity for 12 months, with the right to extend a further 6 months, to complete development studies at the AGP at its sole cost. A total of \$30 million will be payable in cash and/or De Grey fully paid ordinary shares as \$15 million on exercise of the option and \$15 million on the date 18 months from the exercise of the option. The option fee under the agreement was \$3,000,000.

NOTE 18: FINANCIAL LIABILITIES

| | 2024 \$ | 2023 \$ |
|---|------------------|------------------|
| Financial liability at amortised cost | 1,168,853 | 1,776,061 |
| Financial liability at FVTPL - derivative component | 89,109 | 106,832 |
| | 1,257,962 | 1,882,893 |

The Company entered into a share subscription agreement (“Agreement”) for an investment of \$3,000,000 with Lind Global Fund II, LP (“Lind”) on 29 August 2022. The \$3,000,000 investment by Lind was via a placement of ordinary fully paid shares (“Placement Shares”) and 6 million unlisted options (“Options”). On 27 August 2024, Kalamazoo and Lind agreed to a variation to the Agreement. The key changes were:

- End date was replaced with 28 February 2025;
- The Company agrees to pay Lind its legal costs related to variation letter of \$1,000.

Movement in financial liability at amortised cost:

| | 2024 \$ | 2023 \$ |
|--------------------------------|------------------|------------------|
| Opening balance | 1,776,061 | - |
| Balance on initial recognition | - | 1,963,143 |
| Less transaction costs | - | (117,789) |
| Interest expense | 692,792 | 530,707 |
| Repayments | (1,300,000) | (600,000) |
| Closing balance | 1,168,853 | 1,776,061 |

They are subsequently measured at amortised cost using the effective interest method.

Repayments were made via the issues of shares in Kalamazoo.

Movement in financial liability at FVTPL – derivative component:

| | 2024 \$ | 2023 \$ |
|--------------------------------|---------------|----------------|
| Opening balance | 106,832 | - |
| Balance on initial recognition | - | 476,457 |
| Fair value movement | (17,723) | (369,625) |
| Closing balance | 89,109 | 106,832 |

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NOTE 19: PROVISIONS

| | 2024 \$ | 2023 \$ |
|--------------------|----------------|----------------|
| Short-term | | |
| Annual leave | 99,846 | 90,082 |
| | 99,846 | 90,082 |
| Long-term | | |
| Long service leave | 53,110 | 21,400 |
| | 53,110 | 21,400 |
| Total provisions | 152,956 | 111,482 |

NOTE 20: LEASE LIABILITIES

| | 2024 \$ | 2023 \$ |
|---------------------------------|----------------|----------------|
| Lease liabilities – current | 82,869 | 109,836 |
| Lease liabilities - non-current | 38,640 | 31,019 |
| Total lease liabilities | 121,509 | 140,855 |

NOTE 21: CONTRIBUTED EQUITY

a) Share capital

| | 2024 Number | 2023 Number |
|------------------|----------------|----------------|
| Number of shares | 179,866,830 | 153,710,699 |

b) Movements in ordinary shares on issue

| | Number | \$ |
|----------------------------------|--------------------|-------------------|
| Balance at 1 July 2022 | 145,194,374 | 28,219,212 |
| Mt Piper Project acquisition (1) | 1,525,000 | 259,250 |
| Issue of shares to Lind (2) | 2,100,000 | - |
| Issue of shares to Lind (3) | 4,891,325 | 684,087 |
| Transaction costs | - | (38,060) |
| Balance at 30 June 2023 | 153,710,699 | 29,124,489 |
| Balance at 1 July 2023 | 153,710,699 | 29,124,489 |
| Placement shares (4) | 11,538,461 | 1,500,000 |
| Issue of shares to Lind (5) | 14,617,670 | 1,696,380 |
| In-specie distribution (6) | - | (4,112,677) |
| Transaction costs | - | (130,992) |
| Balance at 30 June 2024 | 179,866,830 | 28,077,200 |

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NOTE 21: CONTRIBUTED EQUITY (CONTINUED)

2023 movement:

- 1) During the period the Group acquired the Mt Piper Gold Project for \$300,000 in cash and 1,525,000 fully paid ordinary shares in Kalamazoo.
- 2) As announced to ASX on 29 August 2022, the Company entered into a share subscription agreement ("Agreement") with Lind Global Fund II, LP ("Lind") for \$3 million cornerstone investment. Under the Agreement, the aggregate number of shares to be issued (not including the 2,100,000 initial Shares already issued and shown above) is limited to 16,145,833 shares (refer also to Note 18).
- 3) As part of the Agreement with Lind, the liability may be settled with issues of shares. During the year ended 30 June 2023, the Company repaid \$600,000 through the issue of 4,891,325 shares.

2024 movement:

- 4) On 7 August 2023, the Company issued 11,538,461 shares via placement shares to institutional and sophisticated investors.
- 5) As part of the Agreement with Lind, the liability may be settled with issues of shares. During the year ended 30 June 2024, the Company repaid \$1,300,000 through the issue of 14,617,670 shares.
- 6) On 3 January 2024 Kalamazoo distributed 9,715,750 ordinary shares in Kali Metals Limited to eligible Kalamazoo shareholders during Kali's IPO as in-specie distribution. The in-specie distribution was accounted for as returned capital at a fair value of \$0.4233 per Kali share. The fair value per share for the in-specie distribution was based on the market value per share established by the ATO using the VWAP of Kali Metals on 8 January 2024.

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. Ordinary shares have the right to receive dividends as declared, and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

NOTE 22: RESERVES

a) Share based payment reserve

| | 2024 | 2023 |
|----------------------------|------------------|------------------|
| | \$ | \$ |
| Share option reserve | 1,992,365 | 2,791,041 |
| Performance rights reserve | - | - |
| | 1,992,365 | 2,791,041 |

Share based payment reserve is used to record the assessed value of options and performance rights issued as share based payment for services received by the Group. Refer to Note 25 for terms of options issued during the year.

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NOTE 22: RESERVES (CONTINUED)

b) Financial asset reserve

| | 2024 | 2023 |
|---|--------------------|--------------------|
| | \$ | \$ |
| Opening balance | (2,098,117) | (1,725,619) |
| Financial assets at fair value through other comprehensive income | (362,601) | (372,498) |
| Closing balance at period end | (2,460,718) | (2,098,117) |

The financial asset reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income

i. Share option reserve

| | Number | \$ |
|--------------------------------|-------------------|------------------|
| Balance at 1 July 2022 | 12,400,000 | 2,409,770 |
| Options granted | 18,600,000 | 2,154,300 |
| Options expired/lapsed | (10,450,000) | (1,773,029) |
| Balance at 30 June 2023 | 20,550,000 | 2,791,041 |
| Balance at 1 July 2023 | 20,550,000 | 2,791,041 |
| Options granted | 1,950,000 | 74,089 |
| Options expired/lapsed | (3,550,000) | (872,765) |
| Balance at 30 June 2024 | 18,950,000 | 1,992,365 |

ii. Performance rights reserve

| | Number | \$ |
|--|--------------|-----------|
| Opening balance at 1 July 2023 | - | - |
| Issue of performance rights to Directors and Employees | 11,476,162 | 389,493 |
| Spin off Kali Metals | (11,476,162) | (389,493) |
| Balance at 30 June 2024 | - | - |

c) Financial asset reserve

| | 2024 | 2023 |
|---|--------------------|--------------------|
| | \$ | \$ |
| Opening balance | (2,098,117) | (1,725,619) |
| Financial assets at fair value through other comprehensive income | (362,601) | (372,498) |
| Closing balance at period end | (2,460,718) | (2,098,117) |

The financial asset reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income

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NOTE 23: EARNINGS PER SHARE

The following reflects the income and share data used in the calculations of basic and diluted loss per share:

Earnings per share from continuing operation:

| | 2024 \$ | 2023 \$ |
|---|-------------|-------------|
| (Loss) from continuing operation used in calculating basic and diluted earnings per share | (3,673,377) | (2,256,040) |
| Basic profit/(loss) per share | (2.15) | (1.51) |
| Diluted profit/(loss) per share | (2.15) | (1.51) |

Earnings per share from discontinued operation:

| | | |
|--|-----------|-------------|
| Profit/(loss) from discontinued operation used in calculating basic and diluted earnings per share | 8,287,346 | (1,068,132) |
| Basic profit/(loss) per share | 4.84 | (0.72) |
| Diluted profit/(loss) per share | 4.84 | (0.72) |

Earnings per share for profit/(loss):

| | | |
|--|-----------|-------------|
| Profit/(loss) from continuing operation used in calculating basic and diluted earnings per share | 4,613,969 | (3,324,172) |
| Basic profit/(loss) per share | 2.69 | (2.23) |
| Diluted profit/(loss) per share | 2.69 | (2.23) |

| | 2024 Number | 2023 Number |
|--|----------------|----------------|
| Weighted average number of ordinary shares used in calculating basic profit/(loss) per share | 171,220,413 | 149,020,879 |
| Weighted average number of ordinary shares used in calculating diluted profit/(loss) per share | 171,220,413 | 149,020,879 |

NOTE 24: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Risk Management

Overview

The Company has exposure to the following risks from its use of financial instruments:

- Interest rate risk
- Credit risk
- Foreign currency risk
- Commodity risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

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NOTE 24: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

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

Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Board oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from fluctuations in interest bearing financial assets and liabilities that the Company uses.

The Group's main assets and liabilities subject to interest rate risk are term deposits, lease liabilities and borrowings. These assets and liabilities are settled at a fix interest rate therefore they that are not exposed to interest rate risk.

The following table sets out the carrying amount, by maturity, of the financial instruments that are subjected to interest rate:

| | 2024 | | 2023 | |
|---------------------|--------------------------------------|-----------|--------------------------------------|-----------|
| | Weighted average fixed interest rate | \$ | Weighted average fixed interest rate | \$ |
| 2024 | | | | |
| Short-term deposits | 4.80% | 575,000 | 4.10% | 550,000 |
| Lease liability | 10.54% | (121,509) | 10.0% | (162,255) |

Credit risk

Credit risk is the risk of financial loss to the Company if a debtor or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from debtors and investment securities. The Company trades only with recognised, creditworthy third parties. It is the Company policy that all those who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. The maximum exposure to credit risk is the carrying value of the receivable, net of any provision for doubtful debts. The Company has adopted the simplified method of provisioning for expected credit losses.

With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents, the Company's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. This risk is minimised by reviewing term deposit accounts from time to time with approved banks of a sufficient credit rating which is -AA and above.

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NOTE 24: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Exposure to credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date is tabled below.

| | 2024 \$ | 2023 \$ |
|-------------------|----------------|----------------|
| Trade receivables | 114,114 | 166,832 |
| | 114,114 | 166,832 |

Foreign currency risk

The Company's exposure to foreign currency risk is minimal at this stage of its operations.

Commodity price risk

The Company's exposure to commodity price risk is minimal at this stage of its operations.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

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

| | 1 year or less \$ | Between 1 and 2 years \$ | Between 2 and 5 years \$ | Total contractual cash flows \$ |
|--|-------------------------|--------------------------------|--------------------------------|--|
| 2024 | | | | |
| Trade and other payables | 422,182 | - | - | 422,182 |
| Lease liabilities | 91,140 | 40,214 | - | 131,354 |
| Financial liability at amortised cost | 1,168,853 | - | - | 1,168,853 |
| Derivative financial liability | 89,109 | - | - | 89,109 |
| | 1,771,284 | 40,214 | - | 1,811,498 |
| 2023 | | | | |
| Trade and other payables | 836,624 | - | - | 836,624 |
| Lease liabilities | 118,252 | 32,066 | - | 150,318 |
| Financial liability at amortised cost | 1,776,061 | - | - | 1,776,061 |
| Derivative financial liability | 106,832 | - | - | 106,832 |
| | 2,837,769 | 32,066 | - | 2,869,835 |

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NOTE 24: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Fair value of financial assets and liabilities

The fair value of cash and cash equivalents and non-interest bearing financial assets and financial liabilities of the Company is equal to their carrying value.

Market risk

Price risk

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the Statement of Financial Position as either derivative financial instruments, or financial assets at FVOCI.

| | 2024 | 2023 |
|--|----------------|----------------|
| | \$ | \$ |
| Financial assets at fair value through OCI | 295,437 | 658,038 |
| | 295,437 | 658,038 |

Sensitivity analysis for price risk

A change of 10% in the price of securities held at reporting date on the Company's equity and/or profit or loss by is shown below:

| | 2024 | 2023 |
|---|----------|----------|
| | \$ | \$ |
| Impact on profit/(loss) and equity | | |
| Increase of 10% | 29,544 | 65,804 |
| Decrease of 10% | (29,544) | (65,804) |

Fair value of financial assets and liabilities

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

Fair value measurement of financial instruments

Financial assets and financial liabilities and financial derivatives are measured at fair value in the Statement of Financial Position and are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

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NOTE 24: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2024 and 30 June 2023:

| | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
|--------------------------------|----------------|---------------|------------------|----------------|
| 2024 | | | | |
| Financial assets at FVOCI | 295,437 | - | - | 295,437 |
| Derivative financial liability | - | - | (89,109) | (89,109) |
| | 295,437 | - | (89,109) | 206,328 |
| 2023 | | | | |
| Financial assets at FVOCI | 658,038 | - | - | 658,038 |
| Derivative financial liability | - | - | (106,832) | (106,832) |
| | 658,038 | - | (106,832) | 551,206 |

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The management of the Company's capital is performed by the Board.

The capital structure of the Company consists of net debt (trade and other payables, provisions and leases (offset by cash and bank balances) and equity of the Company.

The capital risk management policy remains unchanged from the 30 June 2023 Annual Report.

NOTE 25: SHARE-BASED PAYMENTS

Incentive Option Plan

The Company has an Incentive Option Plan ("IOP") for executives and employees of the Company. In accordance with the provisions of the IOP, executives and employees may be granted options at the discretion of the Directors.

Each share option converts into one ordinary share of Kalamazoo Resources Limited on exercise. No amounts are paid or are payable by the recipient on receipt of the option. The options carry neither rights of dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

Options issued to Directors are subject to approval by shareholders.

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NOTE 25: SHARE-BASED PAYMENTS (CONTINUED)

The following share-based payment arrangements were in existence during the reporting period:

| Option series | Number | Grant date | Expiry date | Vesting date | Exercise price | Fair value at grant date |
|----------------------|------------|------------|-------------|--------------|----------------|--------------------------|
| KZRAI ⁽¹⁾ | 1,050,000 | 25 Sep 20 | 30 Nov 23 | Immediate | \$1.04 | \$0.3803 |
| KZRAK ⁽¹⁾ | 1,500,000 | 9 Mar 21 | 15 Mar 24 | Immediate | \$0.69 | \$0.2313 |
| KZRAL | 6,000,000 | 2 Sep 22 | 1 Sep 25 | Immediate | \$0.375 | \$0.0878 |
| KZRAM ⁽²⁾ | 11,000,000 | 21 Nov 22 | 30 Nov 25 | Immediate | \$0.365 | \$0.1265 |
| KZRAO ⁽³⁾ | 1,350,000 | 24 Apr 24 | 30 Nov 27 | 13 May 25 | \$0.15 | \$0.046 |
| KZRAO ⁽³⁾ | 600,000 | 30 Apr 24 | 30 Nov 27 | 13 May 25 | \$0.15 | \$0.046 |

(1) These options expired during the year

(2) 1,000,000 options lapsed during the year

(3) 1,950,000 options granted to employees in April 2024

Fair value of share options granted during the year

The following table lists the inputs to the model for options granted:

| Inputs | KZRAO | KZRAO | Directors |
|-----------------------------|-----------|-----------|-----------|
| Quantity | 1,350,000 | 600,000 | 6,000,000 |
| Exercise price | \$0.15 | \$0.15 | \$0.15 |
| Grant date | 24/04/24 | 30/04/24 | 18/04/24 |
| Issue date | 14/05/24 | 14/05/24 | - |
| Expiry date | 30 Nov 27 | 30 Nov 27 | 30 Nov 27 |
| Share price at grant date | \$0.091 | \$0.090 | \$0.098 |
| Historical volatility (%) | 87% | 87% | 87% |
| Risk-free interest rate (%) | 4.031% | 4.034% | 3.86% |
| Expected dividend yield (%) | nil | nil | nil |

On 14 May 2024, the Company announced the issue of 1,950,000 options to employees. In accordance with the announcement, subject to shareholder approval at the Company's Annual General Meeting to be held in November 2024, there will also be an issue of a total of 6,000,000 options to Directors under the same terms and conditions of these options.

The expense for the year was \$74,089 (2023: \$1,593,900).

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NOTE 25: SHARE-BASED PAYMENTS (CONTINUED)

Movements in share options during the year

The movement in the number of options on issue during the year is as follows:

| | 2024 | | 2023 | |
|--|-------------------|------------------------------------|-------------------|------------------------------------|
| | Number of options | Weighted average exercise price \$ | Number of options | Weighted average exercise price \$ |
| Outstanding at the beginning of the year | 20,550,000 | 0.62 | 12,400,000 | 0.52 |
| Granted and vested during the year | 1,950,000 | 0.15 | 18,600,000 | 0.37 |
| Expired during the year | (3,550,000) | 0.70 | (10,450,000) | 0.44 |
| Outstanding at the end of the year | 18,950,000 | 0.35 | 20,550,000 | 0.62 |
| Exercisable at the end of the year | 17,000,000 | | 20,550,000 | |

The weighted average remaining contractual life of share options outstanding at the end of the year was 1.55 years (2023: 3.1 years).

Performance rights

During the period, Kali Metals Limited issued 5,738,081 Tranche A Incentive Performance Rights and 5,260,393 Tranche B Incentive Performance Rights to Directors and Employees. The Performance Rights have the following vesting conditions:

- Tranche A Incentive Performance Rights will vest on the date the Company announces a JORC Code compliant indicated resource estimate of an aggregate of at least 10Mt of lithium at a minimum grade of 1% Li₂O across any of its projects within 36 months from the date of issue; and
- Tranche B Incentive Performance Rights will vest on the date the Company announces a JORC Code compliant indicated resource estimate of an aggregate of at least 30Mt of lithium at a minimum grade of 1% Li₂O across any of its projects within 36 months from the date of issue.

The fair value of the Performance Rights has been calculated using the share price at valuation date. The key inputs used for the valuation are detailed below:

| | Tranche 1 | Tranche 2 |
|------------------------------|------------------|------------------|
| Number of performance rights | 5,738,081 | 5,738,081 |
| Underlying share price | 0.250 | 0.250 |
| Value per right | 0.250 | 0.250 |
| Total Fair Value | 1,434,520 | 1,434,520 |

NOTE 25: SHARE-BASED PAYMENTS (CONTINUED)

Recognised share-based payment expense (included on Profit/(Loss) after income tax from discontinued operations – refer to Note 15).

| | 2024 | 2023 |
|---------------------|---------|------|
| | \$ | \$ |
| Loss for the period | 389,493 | - |

This corresponding share-based payment reserve was reversed through retained earnings as part of the Kali Metals Ltd de-merger.

NOTE 26: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

| | 2024 | 2023 |
|---|--------------------|--------------------|
| | \$ | \$ |
| Profit/(Loss) for the period | 4,613,969 | (3,324,172) |
| Non-cash flows in profit/(loss): | | |
| - Depreciation | 217,551 | 206,669 |
| - Exploration expenditure written off | 384,162 | 959,625 |
| - Share-based remuneration | 74,089 | 1,593,900 |
| - Research & Development grant | - | (109,049) |
| - Gain on disposal of 50% interest in EL007112 | - | (1,449,687) |
| - Finance costs | 692,792 | 580,083 |
| - Gain on fair value of derivative | (17,723) | (369,625) |
| - Loss on fair value of shares issued | 396,380 | 84,087 |
| - Profit/(Loss) after income tax from discontinued operations | (8,287,346) | - |
| - Result from associate | 312,290 | - |
| - Other non-cash items | - | (669) |
| Changes in assets and liabilities: | | |
| - Decrease/(Increase) in trade receivables | 88,525 | 26,178 |
| - Decrease/(Increase) in other current assets | (319,810) | (4,315) |
| - Decrease/(Increase) in asset held for sale | (734,578) | - |
| - Increase/(Decrease) in trade and other payables | 1,038,163 | 472,124 |
| - Increase/(Decrease) in provisions | 41,474 | (16,852) |
| Net cash used in operating activities | (1,500,062) | (1,351,703) |

Non-cash investing and financing activities

The Company undertook the following non-cash investing / financing activities during the year.

| | 2024 | 2023 |
|---|--------------------|------------------|
| | \$ | \$ |
| Repayment of financial liability - Lind Capital | (1,300,000) | (600,000) |
| New lease | 111,211 | - |
| | (1,188,789) | (600,000) |

Refer to note 15 for more details of non-cash transactions as part of demerger of Kali Metals Ltd.

NOTE 27: RELATED PARTY DISCLOSURE

a) Parent entity

Kalamazoo Resources Limited

| Class | Country of incorporation |
|----------|--------------------------|
| Ordinary | Australia |

b) Subsidiaries

Details of the Company's subsidiary are as follows:

| Entity | Country of Incorporation | Equity Interest | | Principal Activities |
|-----------------|--------------------------|-----------------|------|----------------------|
| | | 2024 | 2023 | |
| Kali Metals Ltd | Australia | 20.2% | 100% | Mineral exploration |

Kali Metals Ltd was a wholly owned subsidiary of Kalamazoo. Kali received conditional approval from the ASX for admission to the official list on 20 December 2023, and subsequently on 29 December 2023, the Company demerged from Kalamazoo. Refer to Note 14 and 15 for further information. Kali is now an associate of Kalamazoo Resources Limited.

c) Key management personnel compensation

Luke Mortimer was appointed as Chief Executive Officer of Kalamazoo (key management personnel) on 11 January 2024.

Detailed remuneration disclosures are provided in the Remuneration Report.

| | 2024 \$ | 2023 \$ |
|------------------------------|------------------|------------------|
| Short-term employee benefits | 929,997 | 701,414 |
| Share based payments | 143,010 | 1,106,875 |
| Post-employment benefits | 30,113 | 5,040 |
| | 1,103,120 | 1,813,329 |

d) Loan to/from related parties

The Company provided an interest free, unsecured loan to Kali in a prior period with no set repayment date in order for Kali to meet its expenditure commitments on its tenements and working capital requirements. Kalamazoo loaned an additional \$410,000 in the period ended 31 December 2023. After receiving Kalamazoo shareholder approval on 18 December 2023, Kalamazoo and Kali entered into a Deed of Forgiveness, resulting in a repayment of borrowing of \$350,000 and the forgiveness of the remaining borrowing balance, being \$1,514,724.

e) Other related party transaction

On 2 May 2023, Kalamazoo and Karora Resources Limited ("Karora Group") entered into a Shareholder's Deed to govern the activities of Kali prior to its listing. The Shareholder's Deed provided for the issue of 1 million founder shares in Kali Metals Limited at \$0.05 per share each to Kalamazoo and Karora Group. On 22 December 2023, post obtaining Kalamazoo's shareholder approval, the founder shares were issued to Kalamazoo and Karora Group.

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NOTE 27: RELATED PARTY DISCLOSURE (continued)

f) Exploration Assets Transfer

The Company entered into a tenement sale agreement with Kali Metals Limited for the transfer of tenement and mineral rights acquisition related to the Marble Bar Project and DOM's Hill Project. Kali issued 37,862,900 of its shares to the Company as part of the consideration paid for the tenement and mineral rights. The assets were transferred prior to Kali demerging from Kalamazoo. In accordance with the applicable standard, the tenement and mineral rights were derecognised at their carrying amount of \$576,774.

NOTE 28: PARENT ENTITY DISCLOSURE

| | 2024 | 2023 |
|--|--------------------|--------------------|
| | \$ | \$ |
| FINANCIAL PERFORMANCE | | |
| Loss for the year | (3,673,377) | (2,186,931) |
| Other comprehensive loss for the year | (362,601) | (372,498) |
| Total comprehensive loss for the year | (4,035,978) | (2,559,429) |
| ASSETS | | |
| Current assets | 1,663,135 | 3,428,568 |
| Non-current assets | 25,406,420 | 19,115,813 |
| TOTAL ASSETS | 27,069,555 | 22,544,381 |
| LIABILITIES | | |
| Current liabilities | 4,862,859 | 2,907,435 |
| Non-current liabilities | 91,750 | 52,419 |
| TOTAL LIABILITIES | 4,954,609 | 2,959,854 |
| NET ASSETS | 22,114,946 | 19,584,527 |
| EQUITY | | |
| Contributed equity | 28,077,200 | 29,124,489 |
| Option reserve | 1,992,365 | 2,791,041 |
| Financial asset reserve | (2,460,718) | (2,098,117) |
| Accumulated losses | (5,493,901) | (10,232,886) |
| TOTAL EQUITY | 22,114,946 | 19,584,527 |

No guarantees have been entered into by Kalamazoo Resources Limited in relation to the debts of its former subsidiary. Kalamazoo Resources Limited had no contingent liabilities or commitments at year end other than those disclosed in Notes 30 and 31.

The Company's investment in Kali is accounted for using the equity method in the financial statements of Kalamazoo Resources Limited.

NOTE 29: AUDITOR'S REMUNERATION

| | 2024 \$ | 2023 \$ |
|----------------------------|---------------|---------------|
| Audit services: | | |
| BDO Audit Pty Ltd | 70,308 | 63,000 |
| Non-audit services: | | |
| BDO Corporate Finance | 13,390 | - |
| Total remuneration | 83,698 | 63,000 |

NOTE 30: CONTINGENT ASSETS AND LIABILITIES

The Company had contingent liabilities in respect of:

Future payments

In August 2020, the Company completed the acquisition of the Ashburton Gold Project from Northern Star Resources Limited (ASX: NST) ("Northern Star") consisting of Mining Leases M52/639, M52/640, M52/734 and M52/735 and Exploration Licences E52/1941, E52/3024 and E52/3025.

Under the terms of acquisition, Kalamazoo will pay Northern Star \$5.0M on mining of the first 250,000 tonnes of Ore, a 2% Net Smelter Royalty ("NSR") on the first 250,000oz of gold produced, with a 0.75% NSR on any subsequent gold produced from the tenements. The same NSRs will also apply on any other metals produced from the tenements. A pre-existing 1.75% royalty on gold production (excluding the first 250,000oz) is also applicable across M52/639, M52/640, M52/734 and M52/735 and E52/1941.

In December 2021 the Company acquired tenement E45/4616 as part of the acquisition of the Pear Creek Lithium Project. As part of the acquisition the Company assumed an obligation to pay a 2% NSR on all commodities produced from the tenement, capped at \$250,000, to Mithril Resources Limited.

None of these amounts have been recognised in the 30 June 2024 financial statements due to the high level of uncertainty around future events to trigger these payments.

There are no other material contingent assets or liabilities as at 30 June 2024.

NOTE 31: COMMITMENTS

In order to maintain an interest in the exploration tenements in which the Company is involved, the Company is committed to meet the conditions under which the tenements were granted. The timing and amount of exploration expenditure commitments and obligations of the Company are subject to the minimum expenditure commitments required as per the *Mineral Resources (Sustainable Development) Act 1990* (Victoria), the *Mining Act 1978* (Western Australia) and the *Mining Act 1992* (NSW), and they may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest.

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NOTE 31: COMMITMENTS (CONTINUED)

These obligations are not provided for in the financial report and are payable as follows:

| | 2024 | 2023 |
|---|-------------------|--------------------|
| | \$ | \$ |
| Exploration expenditure | | |
| Within one year | 1,480,388 | 2,074,426 |
| After one year but not more than five years | 4,225,450 | 11,723,565 |
| Greater than five years | 6,944,540 | 91,281,360 |
| | 12,650,378 | 105,079,351 |

If the Company decides to relinquish certain exploration tenements and/or does not meet these obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

NOTE 32: EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 1 July 2024 the Company announced a change to the registered office address to Level 3, 88 William Street, Perth WA 6000. The Principal Place of Business remains unchanged at 16 Douro Place, West Perth WA 6005.

On 6 August 2024 the Company announced the issue of 2,459,017 shares pursuant to a cornerstone investment agreement.

On 4 September 2024 the Company announced a capital raising comprised of up to \$1.0 million via a share purchase plan to existing eligible shareholders ("SPP") and a placement of \$0.375 million (which includes the additional commitment received as announced on 11 September 2024) to two of Kalamazoo's major shareholders ("Placement") (together the "Capital Raise").

The SPP and Placement were offered at the same price of \$0.08 per share. Funds raised via the Capital Raise will be applied towards the drilling program at the Mallina West Gold project, further investigation at the South Muckleford Gold / Antimony project, the exploration program at the Mt Piper Gold project, assisting De Grey with Ashburton Gold Project due diligence and working capital.

On 16 September 2024 the Company announced the issue of 4,687,500 shares pursuant to the Placement.

The SPP is due to close on 7 October 2024 with results announced and shares issued on 14 October 2024.

There has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations, the results of those operations, or the state of affairs of the Company in future financial years.

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NOTE 33: RESTATEMENT

As disclosed on Note 14, the spin-off of Kali Metals Limited ("Kali") was completed on 29 December 2023, on which date Kalamazoo lost control of Kali as Kalamazoo's interest in Kali fell to 46.19%. As result of discontinued operation of Kali during 2024, the comparative Consolidated Statement of Profit or Loss and Other Comprehensive Income was restated to disclose the profit / (loss) from Kali as discontinued operation.

The following table summarises the impact of the prior period adjustment on the consolidated financial statements of the Group:

Consolidated statement of profit or loss and other comprehensive income:

| | 2023 \$ | Reclassification \$ | 2023 \$ |
|--|--------------------|------------------------|--------------------|
| Continuing operations | | | |
| Other income | 2,097,005 | - | 2,097,005 |
| Employee benefits expense | (562,868) | - | (562,868) |
| Share based payment | (1,593,900) | - | (1,593,900) |
| Depreciation and amortisation expense | (206,669) | - | (206,669) |
| Exploration expenditure expense | (959,625) | 748,931 | (210,694) |
| Finance costs | (580,083) | - | (580,083) |
| Other expenses | (1,433,945) | 319,201 | (1,114,744) |
| Loss on fair value of shares issued and derivative | (84,087) | - | (84,087) |
| Profit/(Loss) before income tax from continuing operations | (3,324,172) | 1,068,132 | (2,256,040) |
| Income tax benefit / (expense) | - | - | - |
| Profit / (Loss) after income tax from continuing operations | (3,324,172) | 1,068,132 | (2,256,040) |
| Discontinued operations | | | |
| Profit/(Loss) after income tax from discontinued operations | - | (1,068,132) | (1,068,132) |
| Profit/(Loss) after income tax for the period | (3,324,172) | - | (3,324,172) |
| Other comprehensive income / (loss) | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| Financial assets at fair value through other comprehensive income – fair value changes | (372,498) | | (372,498) |
| Other comprehensive (loss) net of tax | (372,498) | - | (372,498) |
| Total comprehensive loss for the period attributable to the owners of Kalamazoo Resources Ltd | (3,696,670) | - | (3,696,670) |

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CONSOLIDATED ENTITY DISCLOSURE STATEMENT

| Entity Name | Entity type | Place formed / incorporated | Ownership interest % | Tax residency |
|-----------------------------|----------------|-----------------------------|----------------------|---------------|
| Kalamazoo Resources Limited | Body corporate | Australia | Not applicable | Australia |

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. It should be noted that the definitions of 'Australian resident' and 'foreign resident' in the Income Tax Assessment Act 1997 are mutually exclusive. This means that if an entity is an 'Australian resident' it cannot be a 'foreign resident' for the purposes of disclosure in the CEDS.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

- Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

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DIRECTORS' DECLARATION

In the opinion of the Directors of Kalamazoo Resources Limited (the "Company"):

- (a) the accompanying financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory Australian requirements; and
 - (ii) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
- (d) the information disclosed in the attached consolidated entity disclosure statement is true and correct.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act for the financial year ended 30 June 2024.

This declaration is signed in accordance with a resolution of the Board of Directors



Luke Reinehr
Executive Chairman

Perth, Western Australia

27 September 2024

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INDEPENDENT AUDITOR'S REPORT

To the members of Kalamazoo Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Kalamazoo Resources Limited (the Company) and its subsidiaries (the Group), 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, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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

Material uncertainty related to going concern

We draw attention to Note 2(b) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

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

Accounting for Exploration & Evaluation Assets

| Key audit matter | How the matter was addressed in our audit |
|--|---|
| <p>At 30 June 2024, the Group held a significant carrying value of capitalised exploration and evaluation expenditure as disclosed in Note 12 to the Financial Report.</p> <p>As the carrying value of the capitalised exploration expenditure represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount.</p> <p>Judgment is applied in determining the treatment of exploration and evaluation expenditure costs in accordance with Australian Accounting Standard AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> ("AASB 6"). In particular:</p> <ul style="list-style-type: none"> • Which elements of exploration and evaluation expenditures qualify for recognition; and • Whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment. | <p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Reviewing management’s assessment of the accounting treatment of tenements acquired against the requirements of the Group’s accounting policy; • Assessing the fair value of exploration assets acquired by way of share-based payment at acquisition date; • Obtaining a schedule of the areas of interest held by the Kalamazoo and assessing whether the rights to tenure of this area of interest remained current at balance date, which included obtaining and assessing supporting documentation such as license status records; • Considering the Kalamazoo’s intention to carry out ongoing exploration programmes in the areas of interest by holding discussions with management, and reviewing the Kalamazoo’s exploration budgets, ASX announcements and directors’ minutes; • Considering whether the areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 12 to the Financial Report. |

Accounting for the Divestment and Recognition of Investment in Associate

| Key audit matter | How the matter was addressed in our audit |
|--|--|
| <p>As disclosed in Note 2(e), 14 and 15 to the Financial Report, during the year ended 30 June 2024 Kalamazoo divested its interest in its subsidiary, Kali Metals Limited ('Kali Metals').</p> <p>Following the demerger transaction, Kalamazoo's equity interest in Kali Metals reduced to 20.2%.</p> <p>The classification of the asset is an investment under AASB 128 <i>Investments in Associates and Joint Ventures</i>.</p> <p>Measurement thereof is a key audit matter due to the significance of the asset to Kalamazoo, and the judgement exercised by management in assessing the classification of the investment and determining whether there are any indicators to suggest the investment in associate is impaired.</p> | <p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Reviewing the relevant agreements to understand the key terms and conditions; • Reviewing management's calculation of the gain on disposal; • Reviewing management's expert's consideration of the tax implications of the demerger transaction; • Evaluating management's determination of whether Kalamazoo maintained significant influence over the investment; • Considering management's assessment of indicators that the investment in associate may be impaired; • Agreeing Kalamazoo's share of associated loss, changes as a result of share issues, dilution and reserve movements to the audited financial reports of the associate; • Reviewing the financial information of the associate including assessing if the accounting policies of the associate were consistent with Kalamazoo; and • Assessing the adequacy of the related disclosures in Note 2(e), 14 and 15 to the Financial Report, including assessment of discontinued operations. |

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 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 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 group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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

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

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 27 to 34 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Kalamazoo 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 section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO


Glyn O'Brien

Director

Perth, 27 September 2024

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ADDITIONAL SHAREHOLDER INFORMATION AS AT 20 SEPTEMBER 2024

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows.

1. DISTRIBUTION OF HOLDERS OF EQUITY SECURITIES

Analysis of number of equity security holders by size of holding:

| Shares held | Shareholders |
|-------------------|--------------|
| 1 to 1,000 | 164 |
| 1,001 to 5,000 | 713 |
| 5,001 to 10,000 | 420 |
| 10,001 to 100,000 | 836 |
| 100,001 and over | 190 |
| Total | 2,323 |

The number of holders of less than a marketable parcel of ordinary fully paid shares is 983 (\$0.079).

2. SUBSTANTIAL SHAREHOLDERS

Substantial shareholders (i.e. shareholders who hold 5% or more of the issued capital):

| Shareholder | Number of shares | Percentage held |
|-----------------------|------------------|-----------------|
| Doux Argent Pty Ltd | 43,959,221 | 23.51% |
| Beatons Creek Pty Ltd | 10,000,000 | 5.35% |
| 2176423 Ontario Ltd | 10,000,000 | 5.35% |

3. VOTING RIGHTS

a) Ordinary Shares

Each shareholder is entitled to receive notice of and attend and vote at general meetings of the Company. At a general meeting, every shareholder present in person or by proxy, representative or attorney will have one vote on a show of hands and on a poll, one vote for each share held.

b) Options and Performance Rights

No voting rights.

4. QUOTED SECURITIES ON ISSUE

The Company has 187,013,347 quoted shares on issue.

No options or performance rights on issue by the Company are quoted.

5. ON-MARKET BUY BACK

There is no current on-market buy back.

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6. RESTRICTED SECURITIES

There are no securities on issue under escrow.

7. UNQUOTED EQUITY SECURITIES

| Unlisted options (exercisable at) | Number on issue | Number of holders |
|-----------------------------------|-----------------|-------------------|
| \$0.375 on or before 1 Sep 2025* | 6,000,000 | 1 |
| \$0.365 on or before 30 Nov 2025 | 11,000,000 | 9 |
| \$0.15 on or before 30 Nov 2027 | 1,950,000 | 6 |

***THE HOLDER WITH GREATER THAN 20% OF THIS CLASS OF SECURITY IS LIND GLOBAL FUND II LP (100% HOLDER).**

| Unlisted performance rights | Number on issue | Number of holders |
|--|-----------------|-------------------|
| Class B (various vesting conditions, on or before 22 Nov 2025) | 1,875,000 | 3 |

8. TWENTY LARGEST HOLDERS OF QUOTED ORDINARY SHARES

| Shareholder | Number of shares | Percentage held |
|---|--------------------|-----------------|
| Mutual Trust Pty Ltd | 43,959,221 | 23.51 |
| Citicorp Nominees Pty Ltd | 15,957,992 | 8.53 |
| BNP Paribas Nominees Pty Ltd <Clearstream> | 11,524,358 | 6.16 |
| Beatons Creek Gold Pty Ltd | 10,000,000 | 5.35 |
| Mr Luke Reinehr | 4,931,246 | 2.64 |
| BNP Paribas Nominees Pty Ltd <IB AU NOMS Retail Client> | 3,592,998 | 1.92 |
| BNP Paribas Nominees Pty Ltd | 2,998,496 | 1.60 |
| Tornado Nominees Pty Ltd | 2,771,905 | 1.48 |
| HSBC Custody Nominees (Australia) Limited | 2,586,643 | 1.38 |
| Whale Watch Holdings Limited | 2,000,000 | 1.07 |
| Ms Charlotte Grigg | 1,812,289 | 0.97 |
| Wandle River Pty Ltd | 1,602,000 | 0.86 |
| Coda Minerals Pty Ltd | 1,525,000 | 0.82 |
| Leet Investments Pty Limited | 1,170,000 | 0.63 |
| Mrs Terina Adams | 1,000,000 | 0.53 |
| Mr James William Hermiston | 905,636 | 0.48 |
| Jetosea Pty Ltd | 856,125 | 0.46 |
| Mr Rupert James Graham Lowe | 850,862 | 0.46 |
| Barry & Julie Alcock Pty Ltd <BP & JP Alcock S/F A/C> | 815,412 | 0.44 |
| Tyntynder Baling Pty Ltd <Tyntynder Baling P/L S/F A/C> | 800,100 | 0.43 |
| Total | 111,660,283 | 59.71 |

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TENEMENT SCHEDULE

| Project / Tenement ID | State | Status | Interest | Notes |
|---------------------------------|-------|-------------|----------|---|
| MALLINA WEST PROJECT | | | | |
| E47/2983 | WA | Granted | 80% | 80% interest in minerals other than lithium |
| E47/4489 | WA | Granted | 100% | |
| E47/4490 | WA | Granted | 100% | |
| E47/4491 | WA | Granted | 100% | |
| E47/4865 | WA | Application | - | |
| E47/4868 | WA | Application | - | |
| PEAR CREEK PROJECT | | | | |
| E45/6457 | WA | Granted | 100% | |
| MARBLE BAR PROJECT | | | | |
| E45/4724 | WA | Granted | *100% | *100% interest in minerals other than lithium |
| DOM'S HILL PROJECT | | | | |
| E45/6646 | WA | Application | - | |
| E45/6647 | WA | Application | - | |
| SNAKE WELL NORTH PROJECT | | | | |
| E59/2580 | WA | Granted | 100% | |
| E59/2900 | WA | Application | - | |
| ASHBURTON PROJECT | | | | |
| M52/639 | WA | Granted | 100% | |
| M52/640 | WA | Granted | 100% | |
| M52/734 | WA | Granted | 100% | |
| M52/735 | WA | Granted | 100% | |
| E52/1941 | WA | Granted | 100% | |
| E52/3024 | WA | Granted | 100% | |
| E52/3025 | WA | Granted | 100% | |
| E52/4052 | WA | Granted | 100% | |
| E47/4913 | WA | Application | - | |
| E47/4914 | WA | Application | - | |
| CASTLEMAINE PROJECT | | | | |
| EL006679 | VIC | Granted | 100% | |
| EL006752 | VIC | Granted | 100% | |
| TARNAGULLA PROJECT | | | | |
| EL006780 | VIC | Granted | 100% | |
| SOUTH MUCKLEFORD PROJECT | | | | |
| EL006959 | VIC | Granted | 100% | |
| EL007021 | VIC | Granted | 100% | |
| MYRTLE GOLD PROJECT | | | | |
| EL007323 | VIC | Granted | 100% | |
| MT PIPER PROJECT | | | | |
| EL006775 | VIC | Granted | 100% | |
| EL007331 | VIC | Granted | 100% | |
| EL007337 | VIC | Granted | 100% | |
| EL007366 | VIC | Granted | 100% | |
| EL007380 | VIC | Granted | 100% | |
| EL007481 | VIC | Application | - | |

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