



native
mineral
resources

Financial Report for the Full Year ended 30 June 2024

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Corporate Directory

DIRECTORS

James Walker (GAICD, FCA, B.Comm (UNSW))

Non-Executive Chair

Phil Gardner (FAICD, CPA, B.Comm (Newcastle))

Non-Executive Director

Blake Cannavo

Managing Director and CEO

COMPANY SECRETARY

Natalie Teo (AGIA)

REGISTERED OFFICE

Suite 4201, Level 42 Australia Square
264-278 George Street
Sydney NSW 2000

PRINCIPLE PLACE OF BUSINESS

Suite 10, 6-14 Clarence Street
Port Macquarie NSW 2444
AUSTRALIA

Telephone: 02 6583 7833

Website: www.nmresources.com.au

AUDITORS

HLB Mann Judd Assurance (NSW) Pty Ltd

SHARE REGISTRY

Boardroom Pty Ltd (ceased: 13 Sep 2024)

Automic Group (appointed: 14 Sep 2024)

BANKERS

Australian & New Zealand Banking Group

SOLICITORS

Queensland Law Group

STOCK EXCHANGE

Native Mineral Resources Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: NMR)

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Directors' Report

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

Directors

The following persons were directors of Native Mineral Resources Holdings Limited during the whole of the financial period and up to the date of this report, unless otherwise stated:

- James Walker
- Phil Gardner
- Blake Cannavo

Principal Activities

During the financial year the principal continuing activities of the consolidated entity consisted of exploration and development activities at the consolidated entity's mining tenements predominately situated in Queensland and Western Australia. It also took an opportunity to explore a potential opportunity with a lithium prospect in Canada (see details below in the Review of Operations)

Dividends

No dividends were paid or declared during the financial year.

Review of Operations

Native Mineral Resources (NMR) has a clear focus on delivering exploration success. The company will focus on rapid target delineation in order to fast track towards mine development and operations ensuring the best value return for investors. The company plans to achieve this goal by building a world-class tenement portfolio and adopting modern techniques and technologies for exploration.

NMR plans to continue to add value to the company by continuing to review its mix of tenements and how each fits into the longer-term strategic objectives within the business.

Tenement Grants

No new tenement granted during the 2024 financial year.

Tenement Applications

One additional tenement application was lodged with DMRNE for adjoining tenements to NMR's existing Palmerville project. New tenement EPM28847 Wrotham cover 51 km² of total 17 Sub-blocks.

Tenements Relinquished

After reviewing the previous work at E31/1203 (Arcoona) including the MMI soil sampling completed by NMR, the Board has decided that the project does not meet the company's exploration model and has relinquished the tenement.

NMR had three granted exploration licences (E69/3849, E69/3850 and E69/3852) and two exploration licence applications (E69/4035 and E69/4036) in the Nullarbor region of SE Western Australia. All of the tenements are located over potential iron-oxide copper-gold (IOCG)-style mineralisation. After reviewing the 2022 drilling and geophysical work the board of NMR decided that, despite the potential shown by the Nullarbor tenements, the cost of exploration and the potential timeframe for a positive discovery was too high for a junior explorer such as NMR and it was in the company's best interest to relinquish the tenements and focus on its other projects.

Maneater Breccia in QLD

During FY24, NMR completed a Pole Dipole Induced Polarisation (PDIP) survey over the Maneater Hill magnetic anomaly. The survey has revealed a new 900m long chargeability high anomaly over the Maneater Hill. The chargeability high is open to both the north and south, up to 400m deep, up to 150m wide and located near the surface. The new anomaly can be identified by a high chargeability gradient with a low structurally controlled resistivity.

NMR proceeded to complete a further two diamond holes targeting Pole Dipole (PDIP) IP survey anomalies over the Maneater Hill magnetic anomaly. With the results from the second set of assays from the drill holes not being as good as the first set of assays, especially the assays from the sections of porphyry intersected in the drillhole, NMR has decided to postpone the drilling of a further drill hole at present while it reassesses those results and opportunities moving forward. *(For additional information, please refer to ASX announcement dated 23 October 2023.)*

Palmerville Project in QLD

During the FY24, the geophysical interpretation of the airborne geophysical data covering the southern section of the Palmerville region and focusing on the Big Bend anomaly was completed and a number of targets were generated in the area.

The Big Bend anomaly covers part of EPM 19537, EPM 26894, EPM 26895 and EPM application EPM 28847, as well as a tenement belonging to Prophet Resources, who joined with NMR to complete the interpretation.

The interpretation also includes all publicly available geophysical, geological and geochemical data and the report stated that the airborne magnetics at Big Bend clearly define a diamond shaped zone of complex magnetic responses with bounding structures in the NE and NW directions. The trace of the Palmerville Fault is well defined particularly in some of the derivative images and can be mapped across the whole Big Bend study area including where the fault zone changes direction. There are also some discrete circular magnetic zones down the eastern side of the study area to the east of the Palmerville Fault.

The geophysical interpretation was completed using various images of the magnetic data, the radiometric data, and included the development of a 3D inversion model for the area. The interpretation has concentrated on mapping primary structures, areas where the intrusives are potentially shallowest, and any other anomalous features in the magnetic and radiometrics. The interpretation shows that the most magnetic and shallowest parts of the intrusive complex occur around the edges of the system, particularly along the SE, SW, and NE margins. This is also illustrated in the depth slices through the 3D inversion model.

The inversion model suggests that these marginal magnetic zones are steep-sided and sub-vertical. There are numerous cross cutting faults through the system which are dominantly either NE or NW trending and the complexity of the magnetic response makes it difficult to determine the relative timing of these two fault directions from the geophysical data. NMR is in the process of reviewing the Big Bend anomaly interpretation and planning the next step in exploring the area as the area is predominantly covered by a thick layer of sediment with little to no outcrop being found in the area. *(For additional information, please refer to ASX announcements dated 14 June 2023, 29 April 2024 and 15 July 2024.)*

McLaughlin Lake, Manitoba, Canada

On 19 August 2023, the company announced it had acquired a 51% interest in the McLaughlin Lake Pegmatite Project, which consists of Mineral Exploration Licence (MEL) 1208A which covers 19,245Ha and was granted on 18 August 2023 for three years. MEL1208A is a 30km east-west striking tenement located approximately 560km north of Winnipeg and 10km south-east of the locality of Oxford House which is accessible by air and winter road in the Canadian province of Manitoba.

McLaughlin Lake is located in the Archean-aged Superior Province on the Canadian Shield, which is host to some of the most significant lithium resources in the world, mainly in Quebec and Ontario, though the Lithium Tanco Mine is located within Manitoba and has been mined for tantalum and caesium since the 1920's and has an established Reserve.

An east-west 30km long inferred shear zone contact running through the MEL which has the potential for lithium bearing pegmatites to be associated with it.

During the September quarter, the company completed an initial ground-based sampling program proposed by Axiom Exploration Group, one of its Canadian geological contractors. 29 samples from various pegmatite dykes were collected for analysis. Two of the samples returned high Li₂O grades of 2.77% and 2.25% respectively.

Further work planned at McLaughlin Lake, including a 3,000-line km Heli-Mag survey and an initial diamond-drilling program were put on hold while negotiations between NMR's JV partner (New Age Metals) and the relevant First Nations groups for a land agreement proceeded. Negotiations between New Age Metals and the First Nations could not be concluded and NMR decided to focus on its Australian projects and subsequently returned ownership of McLaughlin Lake to New Age Metals.

Government Grants

No new government grants applied during the FY24.

Competent Person's Statement

The information in this report that relates to Exploration Results and Minerals Resources is based on information compiled by Mr Greg Curnow, MAUSIMM, a Competent Person who is a member of the Australian Institute of Geoscientists. Mr Curnow has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Curnow consents to the inclusion in this report of the matters based upon the information in the form and context in which it appears.

Financial Position

At 30 June 2024, the consolidated entity had net asset deficiency of (\$1,734,317) (30 June 2023: net asset surplus of \$194,703) and \$10,459 in cash (30 June 2023: \$306,837).

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

On 17 July 2024, NMR announced it was issuing \$2.2M worth of shares in a Placement issue in two tranches. \$1.049M cash was received on 24 July 2024 with the remainder due to be received following the approval by NMR shareholders.

At the Company EGM, which was held on 4 September 2024, the resolution to approve the issue of the remaining \$1.15 million of shares (excluding costs) was passed and the funds have subsequently been received. Also at the EGM, the resolution was approved for the conversion of the Convertible Notes (issued in March 2024) to shares (71,522,610 shares were issued).

Also at the EGM, resolutions were passed to approve the issue of the following shares/options:

- 7,000,000 fully paid ordinary shares to ABL Capital Partners as consideration for acting as Lead Manager for the share placement;

- 20,000,000 options to Mr Blake Cannavo in two tranches of 10,000,000 (exercise price of \$0.04 and \$0.05 respectively) in respect of the FY25 Short Term Incentives, in accordance with the Company's Executive Incentive Plan;
- 25,000,000 options to Mr Blake Cannavo in respect of the FY25 Long Term Incentives (exercise price of \$0.02 each), in accordance with the Company's Executive Incentive Plan;
- 10,000,000 options to Mr Philip Gardner in respect of the FY25 Long Term Incentives (exercise price of \$0.02 each), in accordance with the Company's Executive Incentive Plan; and
- 10,000,000 options to Mr James Walker in respect of the FY25 Long Term Incentives (exercise price of \$0.02 each), in accordance with the Company's Executive Incentive Plan.

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

Likely developments and expected results of operations

The consolidated entity intends to continue its exploration, development and production activities on its existing projects and to acquire further suitable projects for exploration as opportunities arise.

Environmental regulation

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

Information on Directors

| | |
|---------------------------|--|
| Name: | James Walker |
| Title: | Non-Executive Independent Chair |
| Qualifications: | GAICD, FCA, B.Comm (UNSW) |
| Experience and expertise: | James has over 25 years' experience as a Chartered Accountant, non-executive director and senior executive of various high growth companies. James has successfully completed multiple ASX IPOs, corporate acquisition transactions, secondary round raises on both the ASX and UK AIM markets and private capital raises. James thrives on scaling businesses, commercialising technology and building new global markets, with extensive experience across a wide range of international high growth businesses, including deal-tech, data-driven customer experience, sensor systems, mining technology services, automotive, aviation, biotechnology, hotel telemarketing, drone detection and security sectors. |

| | |
|--------------------------------------|---|
| Other current directorships: | Executive Chair of BluGlass (ASX: BLG) |
| Former directorships (last 3 years): | Digital Wine Ventures (ASX: DW8) resigned in May 2023 |
| Special responsibilities: | Member of the Nomination and Remuneration Committee Member of the Audit and Risk Committee |
| Interests in shares: | 756,000 (Direct) 2,694,599 (Indirect) |
| Interests in options: | 4,140,000 NED Rights 10,000,000 Unquoted Options |
| Contractual rights to shares: | None |

| | |
|-------|--------------|
| Name: | Phil Gardner |
|-------|--------------|

Title: Non-Executive Independent Director
 Qualifications: FAICD, CPA, B.Comm (Newcastle)
 Experience and expertise: Philip brings a long and diverse range of experience to his position as non-executive director of the company. As a CPA and Fellow of the AICD, he has the technical skills to provide balance to the board's strong industry-specific competencies. With 29 years' experience as a CEO and 21 years as a director of public, private, government and not for profit organisations, he brings the oversight and risk management experience to support the NMR team through its listing and life as a public company. Philip has had a non-executive director career across the health, infrastructure and tourism industries.

Other current directorships: None
 Former directorships (last 3 years): None
 Special responsibilities: Chair of the Nomination and Remuneration Committee
 Chair of the Audit and Risk Committee
 Interests in shares: 5,144,890 (Direct)
 3,816,667 (Indirect)
 Interests in options: 4,140,000 NED Rights
 10,000,000 Unquoted Options
 Contractual rights to shares: None

Name: Blake Cannavo
 Title: Managing Director and Chief Executive Officer
 Qualifications: None
 Experience and expertise: Blake is an accomplished Chief Operating Officer with more than 25 years' experience in the mining and construction sectors with companies including Fortescue Metals Group, Lihir Gold Limited and Aquila Resources.
 He has been responsible for delivering a diverse range of projects valued up to \$10 billion in Asia Pacific, South Africa, the UK and Europe. A competent strategist, Blake has a proven track record in developing innovative plans and activities to ensure that projects are delivered on schedule and budget.

Other current directorships: None
 Former directorships (last 3 years): None
 Special responsibilities: None
 Interests in shares: 75,059,396 (Indirect)
 Interests in options: 45,000,000 Unquoted Options
 Contractual rights to shares: None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company Secretary

Hasaka Martin resigned from his position of Company secretary on 18 September 2023 and was immediately replaced by Ms Patricia Vanni de Oliveira. Ms de Oliveira was then replaced by Natalie Teo on 11 June 2024.

Natalie is a member of the Governance Institute of Australia.

Meetings of directors

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

| | Full Board | | Nomination & Remuneration Committee | | Audit & Risk Committee | |
|---------------|------------|------|-------------------------------------|------|------------------------|------|
| | Attended | Held | Attended | Held | Attended | Held |
| James Walker | 6 | 6 | 3 | 3 | 2 | 2 |
| Phil Gardner | 6 | 6 | 3 | 3 | 2 | 2 |
| Blake Cannavo | 6 | 6 | | | | |

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)

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

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

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

The Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

Non-executive directors received 4,140,000 zero-priced options each as part of their remuneration package based on an equivalent salary of \$50,000. The Board Chair also received a cash salary (see under "Details of Remuneration") during the 30 June 2024 financial year.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was contained in the IPO prospectus (page 282) where the maximum annual aggregate remuneration was set at \$500,000.

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The company has not yet finalised any short-term or long-term incentive program for key management personnel.

Use of remuneration consultants

No remuneration advisors were engaged during the year nor was any formal remuneration advice received during the year.

The company's 2023 Annual General Meeting ('AGM')

At the 2023 AGM, 90.71% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Native Mineral Resources Holdings Limited:

- James Walker - Non-Executive Chair
- Phil Gardner - Non-Executive Director
- Blake Cannavo - Managing Director and Chief Executive Officer

| | Cash Salary and Fees \$ | Superannuation \$ | Employee entitlements accrued \$ | Equity Settled Options \$ | Total \$ |
|------------------------------------|-------------------------------|----------------------|---|---------------------------------|-------------|
| 2024 | | | | | |
| <i>Non-Executive Directors</i> | | | | | |
| James Walker | 50,000 | 5,500 | - | 50,785 | 106,285 |
| Phil Gardner | - | - | - | 50,785 | 50,785 |
| <i>Executive Directors</i> | | | | | |
| Blake Cannavo | 500,000 | 52,830 | 51,939 | - | 604,769 |
| | 550,000 | 58,330 | 51,939 | 101,570 | 761,839 |
| | | | | | |
| | Cash Salary and Fees \$ | Superannuation \$ | Employee entitlements accrued \$ | Equity Settled Options \$ | Total \$ |
| 2023 | | | | | |
| <i>Non-Executive Directors</i> | | | | | |
| James Walker | 50,000 | 5,250 | - | 50,400 | 105,650 |
| Phil Gardner | - | - | - | 50,400 | 50,400 |
| <i>Executive Directors</i> | | | | | |
| Blake Cannavo | 503,263 | 52,500 | 56,921 | 42,350 | 655,034 |
| | 553,263 | 57,750 | 56,921 | 143,150 | 811,084 |

Cash bonuses are not currently part of the remuneration packages of staff. The maximum bonus values are established at the start of each financial year and amounts payable are determined in the final month of the financial year by the Nomination and Remuneration Committee.

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

| | Fixed Remuneration | | Share Based Remuneration | |
|--------------------------------|--------------------|------|--------------------------|------|
| Name | 2024 | 2023 | 2024 | 2023 |
| <i>Non-Executive Directors</i> | | | | |
| James Walker | 52% | 52% | 48% | 48% |

| | | | | |
|----------------------------|------|-----|------|------|
| Phil Gardner | 0% | 0% | 100% | 100% |
| <i>Executive Directors</i> | | | | |
| Blake Cannavo | 100% | 94% | 0% | 6% |

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

| | |
|----------------------|--|
| Name: | Blake Cannavo |
| Title: | Managing Director and Chief Executive Officer |
| Agreement commenced: | 1 August 2020 |
| Term of agreement: | No fixed period |
| Details: | Base salary for the year ending 30 June 2024 of \$500,000 plus superannuation, to be reviewed annually by the Nomination and Remuneration Committee. 30 days termination notice by either party. |

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2024 are set out below:

| | |
|---------------|------|
| Name | Date |
| Blake Cannavo | None |
| James Walker | None |
| Phil Gardner | None |

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

| Name | Number of rights/ options granted | Grant date | Vesting date and exercisable date | Expiry date | Exercise price | Fair value per option |
|--------------|---|-------------|--------------------------------------|-------------|-------------------|--------------------------|
| | | | | | | at grant date |
| James Walker | 4,140,000 | 27 Oct 2023 | 30 Nov 2026 | N/A | \$0.00 | \$0.037 |
| Phil Gardner | 4,140,000 | 27 Oct 2023 | 30 Nov 2026 | N/A | \$0.00 | \$0.037 |

Options or rights granted carry no dividend or voting rights.

All options or rights were granted over unissued fully paid ordinary shares in the company. They vest based on the provision of service over the vesting period whereby the directors and other key management personnel become beneficially entitled to them on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options or rights other than on their potential exercise.

Values of options or rights over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2024 are set out below:

| Name | Value of options/rights granted or recognised as expense during the year \$ | Value of options/rights exercised during the year \$ | Value of Options/rights lapsed during the year \$ | Remuneration consisting of Options/rights for the year % |
|---------------|--|---|--|---|
| James Walker | 50,785 | 151,200 | - | 48% |
| Phil Gardner | 50,785 | 151,200 | - | 100% |
| Blake Cannavo | - | - | 135,555 | 0% |

Additional disclosures relating to key management personnel

Shareholding

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

| | Balance at start of the year | Received as part of remuneration | Additions | Disposals/ Other | Balance at end of the Year |
|------------------------|------------------------------|----------------------------------|------------------|------------------|----------------------------|
| <i>Ordinary shares</i> | | | | | |
| James Walker | 2,694,599 | 756,000 | - | - | 3,450,599 |
| Philip Gardner | 5,872,223 | 756,000 | 2,333,334 | - | 8,961,557 |
| Blake Cannavo | 70,232,793 | - | 4,826,603 | - | 75,059,396 |
| | 78,799,615 | 1,512,000 | 7,159,937 | - | 87,471,552 |

Option holding

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

| | Balance at start of the year | Granted | Exercised | Expired/ forfeited/ other | Balance at end of the Year |
|-------------------------------------|------------------------------------|------------|-------------|---------------------------------|----------------------------------|
| <i>Options over ordinary shares</i> | | | | | |
| James Walker | 756,000 | 4,140,000 | (756,000) | - | 4,140,000 |
| Philip Gardner | 756,000 | 4,140,000 | (756,000) | - | 4,140,000 |
| Blake Cannavo | 8,250,000 | - | - | (8,250,000) | - |
| Blake Cannavo | | 13,888,888 | - | (13,888,888) | - |
| | 9,762,000 | 22,168,888 | (1,512,000) | (22,138,888) | 8,280,000 |

Other transactions with key management personnel and their related parties

During the year Bamford Engineering Pty Ltd (a company 100% owned by Blake Cannavo) charged the company \$72,600 (30 June 2023: \$73,600) for rental of offices owned by Bamford Engineering. In addition, \$190,080 (30 June 2023: \$228,117) was paid for consultancy work carried out by staff of Bamford Engineering.

A portion of these funds, together with the cash component of wages were transferred to BOC Holdings (a company 100% owned by Blake Cannavo) and used to participate in the Rights Issue of shares and allocated after the resolution was approved by shareholders at the 2023 AGM. This comprised \$131,087. BOC Holdings were issued 4,369,555 shares.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Native Mineral Resources Holdings Limited under option or rights at the date of this report are as follows:

| Grant date | Expiry Date | Exercise Price | Number under option |
|------------------|-------------------|----------------|------------------------|
| 17 August 2020 | 7 August 2025 | \$0.00 | 10,000 |
| 27 October 2023 | N/A | \$0.00 | 8,280,000 |
| 6 November 2023 | 6 November 2024 | \$0.06 | 10,121,264 |
| 15 February 2024 | 31 December 2024 | \$0.035 | 200,000 |
| 4 September 2026 | 20 September 2029 | \$0.02 | 45,000,000 |
| 4 September 2026 | 20 September 2028 | \$0.04 | 10,000,000 |
| 4 September 2026 | 20 September 2028 | \$0.05 | 10,000,000 |

Shares issued on the exercise of options

There were 1,512,000 shares issued to Non-Executive Directors during the year ended 30 June 2024.

Indemnity and insurance of officers

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

During the financial year, the consolidated entity paid a premium in respect of a contract to ensure the directors and executives of the company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the company

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

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 20 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 2001*.

The directors are of the opinion that the services as disclosed in note 19 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* 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; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional 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 advocate for the company or jointly sharing economic risks and rewards.


Officers of the company who are former partners of HLB Mann Judd

There are no officers of the company who are former directors of HLB Mann Judd Assurance (NSW) Pty Limited.

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

The Auditor's Independence Declaration is set out on page 18 and forms part of the Directors' Report for the full year ended 30 June 2024.

Pursuant to section 295(5) *Corporations Act 2001* this Directors' Report is made in accordance with a resolution of the Directors and is signed by James Walker on behalf of the directors.



James Walker
Non-executive chair

30 September 2024

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Auditor's Independence Declaration

To the directors of Native Mineral Resources Holdings Limited:

As lead auditor for the audit of the consolidated financial report of Native Mineral Resources Holdings Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

This declaration is in relation to Native Mineral Resources Holdings Limited and the entities it controlled during the year.

Sydney, NSW
30 September 2024



N J Guest
Director

hlb.com.au

HLB Mann Judd Assurance (NSW) Pty Ltd ABN 96 153 077 215

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

Consolidated Statement of Financial Position

NATIVE MINERAL RESOURCES HOLDINGS LIMITED

| | NOTES | 30-Jun-24 \$ | 30-Jun-23 \$ |
|----------------------------------|-------|--------------------|-----------------|
| Financial Assets | | | |
| Cash and cash equivalents | 7 | 10,459 | 306,837 |
| Trade and other receivables | 8 | 58,527 | 112,932 |
| | | 68,986 | 419,769 |
| Fixed Assets | | | |
| Property, plant and equipment | 9 | 90,636 | 146,202 |
| Total Fixed Assets | | 90,636 | 146,202 |
| Total Assets | | 159,622 | 565,971 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables | 10 | 576,884 | 244,371 |
| Other financial liabilities | 10 | 1,127,967 | - |
| Employee entitlements | 10 | 189,088 | 126,897 |
| Total Current Liabilities | | 1,893,939 | 371,268 |
| Total Liabilities | | 1,893,939 | 371,268 |
| Net Assets (Liabilities) | | (1,734,317) | 194,703 |
| Equity | | | |
| Share capital | 12 | 14,704,876 | 12,541,979 |
| Share based payment reserve | 13 | 293,095 | 645,160 |
| Retained earnings | 14 | (16,732,288) | (12,992,436) |
| Total Equity (Deficiency) | | (1,734,317) | 194,703 |

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

NATIVE MINERAL RESOURCES HOLDINGS LIMITED

| | | 30-Jun-24 | 30-Jun-23 |
|--|-------|--------------------|--------------------|
| | | \$ | \$ |
| | NOTES | | |
| Interest revenue | | 774 | 527 |
| Government grants | | - | 399,547 |
| Other income | | 5,485 | 8,164 |
| Board & Directors expenses | | (226,497) | (230,677) |
| Exploration development | | (1,010,504) | (1,766,249) |
| Exploration management | | (285,652) | (141,106) |
| Finance costs | | (30,105) | (725) |
| Office expenses | | (136,296) | (109,972) |
| Professional services fees | | (703,205) | (453,851) |
| Depreciation | | (38,227) | (44,467) |
| Property, plant, equipment hire | | (210) | (5,673) |
| Travel | | (72,010) | (58,130) |
| Utilities | | (14,823) | (17,598) |
| Wage costs | | (1,203,228) | (1,305,359) |
| Other expenses | | (8,482) | (1,684) |
| Foreign exchange loss | | (16,872) | - |
| Loss before income tax benefit | | (3,739,852) | (3,727,253) |
| Income tax benefit | | - | - |
| Loss for the period | | (3,739,852) | (3,727,253) |
| Basic loss per share (cents per share) | 23 | (1.89) | (3.29) |
| Diluted loss per share (cents per share) | 23 | (1.89) | (3.29) |

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Consolidated Statement of Cash Flows

NATIVE MINERAL RESOURCES HOLDINGS LIMITED

| | | 30-Jun-24 | 30-Jun-23 |
|--|-------|--------------------|--------------------|
| | | \$ | \$ |
| | NOTES | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Proceeds from exploration and evaluation | | | |
| Cash inflow from interest income | | 774 | 527 |
| Grant receipts | | - | 399,547 |
| Other revenue | | 5,485 | 26,000 |
| Payments for exploration and evaluation | | (1,388,145) | (2,343,332) |
| Payments to suppliers and employees | | (1,488,129) | (1,508,462) |
| NET CASH FLOW USED IN OPERATING ACTIVITIES | 16 | <u>(2,870,015)</u> | <u>(3,425,720)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Payment to acquire or for Tenements | | (40,321) | - |
| Payment to acquire or for Property, plant & equipment | | (1,719) | (26,280) |
| Proceeds from disposal of Property, plant & equipment | | 10,728 | - |
| NET CASH FLOWS USED IN INVESTING ACTIVITIES | | <u>(31,312)</u> | <u>(26,280)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from the issue of shares and options | | 1,639,459 | 3,381,377 |
| Proceeds from the issue of Convertible notes | | 1,100,000 | - |
| Transactions costs related to the issue of shares, options | | (117,638) | (72,502) |
| NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES | | <u>2,621,821</u> | <u>3,308,875</u> |
| Net change in cash held | | (279,506) | (143,125) |
| Effect of Movement in exchange rates | | (16,872) | - |
| Cash and cash equivalents at beginning of period | | 306,837 | 449,962 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 7 | <u>10,459</u> | <u>306,837</u> |

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Consolidated Statement of Changes in Equity

Attributable to shareholders of Native Mineral Resources Holdings Limited

| | Ordinary Shares | Accumulated Losses | Share Based Payment Reserve | Total Equity |
|---|--------------------|-----------------------|-----------------------------------|--------------------|
| | \$ | \$ | \$ | \$ |
| Balance at 1 July 2022 | 9,268,187 | (9,265,183) | 495,040 | 498,044 |
| Loss for the year | | (3,727,253) | | (3,727,253) |
| Other comprehensive Income | | | | |
| | 9,268,187 | (12,992,436) | 495,040 | (3,229,209) |
| Transactions with shareholders in their capacity as shareholders | | | | |
| Issue of Shares net of transaction costs | 3,273,792 | | | 3,273,792 |
| Share based payments | | | 150,120 | 150,120 |
| Balance at 30 June 2023 | 12,541,979 | (12,992,436) | 645,160 | 194,703 |
| Balance at 1 July 2023 | 12,541,979 | (12,992,436) | 645,160 | 194,703 |
| Loss for the year | | (3,739,852) | | (3,739,852) |
| Other comprehensive Income | | | | |
| | 12,541,979 | (16,732,288) | 645,160 | (3,545,149) |
| Transactions with shareholders in their capacity as shareholders | | | | |
| Issue of Shares net of transaction costs | 2,162,897 | | | 2,162,897 |
| Share based payments | | | (352,065) | (352,065) |
| Balance at 30 June 2024 | 14,704,876 | (16,732,288) | 293,095 | (1,734,317) |

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Notes to Financial Statements

NOTE 1: CORPORATE INFORMATION

The financial statements of Native Mineral Resources Holdings Limited ("the company") and its controlled entities ("the Group" or the "consolidated entity") for the year ended 30 June 2024 are authorised for issue in accordance with the resolution of the Directors on 30 September 2024. Native Mineral Resources Holdings Limited is a company incorporated in Australia and limited by shares listed on the ASX.

The company is a for-profit entity for the purposes of preparing financial statements.

NOTE 2: SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) Basis of Preparation

These general-purpose financial statements for the financial year ended 30 June 2024 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The financial statements have been prepared on a historical cost basis.

The material accounting policies are set out below.

From 1 July 2023, the consolidated entity has adopted all Australian Accounting Standards and Interpretations effective for annual periods beginning on or before 1 July 2023. The adoption of new and amended standards and interpretations had no impact on the financial position or performance of the consolidated entity.

The consolidated entity has not elected to early adopt any new standards or amendments that are issued but not yet effective.

b) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements may require management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Details of these are set out in Note 3.

c) Principles of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (i.e. subsidiaries). Subsidiaries are all entities over which the company has control. The company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Intercompany transactions, balances and unrealised gains on transactions between Group companies (if any) are eliminated. Accounting policies of all companies in the Group are consistent.

d) Income Tax

With the company in a tax loss situation no income tax has been brought to account. Once profitable the income tax expense will comprise current income tax expense and deferred tax expense.

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

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in profit or loss except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that no adverse change will occur in income taxation legislation, that the company will derive sufficient future assessable income to enable the benefit to be realised and that the company will continue to comply with the conditions of deductibility imposed by the law.

e) Current and non-current classification

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

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

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

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

f) Cash and cash equivalents

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

g) Impairment of assets

At the end of each reporting period, the consolidated entity assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

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

h) Exploration and evaluation expenditure

The acquisition and maintenance costs of tenements are expensed in the period incurred.

i) Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

| | |
|-----------|------------|
| Plant | 3-10 years |
| Equipment | 2-5 years |
| Computers | 3-5 years |

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

j) Provisions

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

k) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

l) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution superannuation expense

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

m) Share-based payments

Equity-settled share-based compensation benefits are provided to directors, the lead manager and employees.

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

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

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

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying the Black-Scholes or Monte Carlo option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated during the vesting period and, expensed at each reporting date based on the fair value of the award at that date multiplied by the expired portion of the vesting period.

All changes in the liability are recognised in profit or loss.

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

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

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

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

n) Issued capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares are shown as a deduction from the equity proceeds.

o) Comparative Figures

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

p) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Native Mineral Resources Holdings Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

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

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2024. The consolidated entity considered that these will not have a material impact on the financial statements.

r) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue is capable of being reliably measured. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct

good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sales of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest

Interest revenue is recognised using the effective interest method.

Grant income

Income from Government grants is recognised only when the conditions of the grant are satisfied.

Sale of tenements

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer.

s) Convertible notes

Convertible notes are measured at fair value through profit or loss. The fair value at initial recognition is the transaction price. Given the convertible notes were issued only 3 months prior to balance date, have short term maturity term of 6 months, and no underlying change in trend of Group's financial performance since the date of issue, the fair value at balance date is deemed the same as the fair value on date of initial recognition.

t) Going concern

The consolidated entity has incurred operating losses of \$3,739,852 (2023: \$3,727,253) and negative operating cash flows of \$2,870,015 (2023: \$3,425,720) for the financial year ended 30 June 2024. As at 30 June 2024 the consolidated entity held cash of \$10,459 (2023: \$306,837), net current asset deficiency \$1,824,952 (2023: net current asset surplus of \$48,501) and net asset deficiency of \$(1,734,317) (2023: net asset surplus of \$194,703).

The above financial performance and financial position indicators of the consolidated entity may raise doubt about the Company's ability to continue as a going concern.

The Directors have taken the following actions or put plans in place to mitigate the Company's going concern risk:

- On 17 July 2024, NMR announced it will raise \$2.2 million via the issue of shares in a Placement issue via two tranches. \$1.05 million was received on 24 July 2024 with the remainder due following the approval by NMR shareholders. An EGM of the Company was held on 4 September 2024, which approved a resolution for the issue of the remaining \$1.15 million of shares (excluding costs). These cash proceeds have subsequently been received.
- Upon successful completion of the above \$2.2 million placement, a Conversion Event for the convertible notes of \$1,127,967 (classified as current liability at balance date) was triggered which resulted in convertible notes being converted into equity, following requisite shareholder approvals.

While the financial forecasts prepared by the directors support the ability of the company to continue as a going concern, this is based on following assumptions:

- The Directors consider that the consolidated entity has the ability to continue to raise additional funds on a timely basis. The consolidated entity has raised funds in the past and the Directors have no reason to believe that it will not be able to continue to source equity or alternative funding if required; and
- The consolidated entity has the ability to scale back a significant portion of its expenditure activities if required.

Based on the consolidated entity's forecasts, the consolidated entity will need to raise further additional funds to meet its planned and budgeted exploration expenditure as well as regular corporate overheads during the calendar year 2025. The consolidated entity's capacity to raise additional funds will be impacted by the success of the ongoing exploration activities and market conditions.

The Directors believe that they will be successful in obtaining the funding required to ensure the Company can continue operations for the foreseeable future based on the matters outlined above and, therefore, they are confident that the going concern basis on which the financial statements have been prepared is appropriate. However, should the company be unable to meet its fundings requirements, there is a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and therefore the company may be required to realise assets at different amounts to those recorded in the Statement of Financial Position and settle liabilities other than in the ordinary course of business.

NOTE 3: CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model or the Monte Carlo model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 18 for further information.

NOTE 4: SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, is the CEO.

The group operates in one operating segment being Exploration and Evaluation of Minerals, and one geographical segment, being Australia.

NOTE 5: COMMITMENTS AND CONTINGENCIES**a) Tenements**

The Group has certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work on mining tenements. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Group. These commitments have not been provided for in the financial report. Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature and amount of future expenditure beyond the next year. Expenditure may be reduced by seeking exemption from individual commitments, by relinquishing of tenure. Expenditure may be increased when new tenements are granted.

The minimum expenditure commitment on the tenements is:

| | Consolidated Group | |
|--|---------------------------|---------------------|
| | 30 June 2024 | 30 June 2023 |
| | \$ | \$ |
| Not later than one year | 1,208,721 | 1,071,301 |
| Later than one year and less than five years | 1,661,201 | 2,243,655 |

NOTE 6: INCOME TAX EXPENSE

Numerical reconciliation of income tax expense and tax at the statutory rate

| | Consolidated | |
|--|---------------------|------------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Prima facie income tax on operating loss at 25% (2023: 25%) | <u>(934,963)</u> | <u>(931,813)</u> |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: | | |
| Share options issued | 28,365 | 35,788 |
| Shares issued to pay for tenement purchases | 50,000 | - |
| Other adjustments | 46,279 | (7,023) |
| Deferred tax assets not recognised | <u>810,319</u> | <u>903,048</u> |
| Income tax expense | <u>-</u> | <u>-</u> |

The consolidated entity has not recognised any deferred income tax asset which may arise from available tax losses. The consolidated entity has estimated its tax losses to be \$14,010,086 (2023: \$10,765,626) at 30 June 2024. A benefit of 25% (2023: 25%) of approximately \$3,502,521 (2023: \$2,691,407) associated with the tax losses carried forward will only be obtained if:

- The consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- The consolidated entity continues to comply with the conditions for deductibility imposed by the law; and
- No changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

NOTE 7: CASH AND CASH EQUIVALENTS

| | Consolidated | |
|--------------|---------------------|----------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Cash at bank | 9,459 | 305,837 |
| Cash on hand | 1,000 | 1,000 |
| | <u>10,459</u> | <u>306,837</u> |

NOTE 8: TRADE AND OTHER RECEIVABLES

| | Consolidated | |
|-------------------|---------------------|----------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Prepayments | 32,146 | 84,782 |
| Other receivables | 26,381 | 28,150 |
| | <u>58,527</u> | <u>112,932</u> |

NOTE 9: PLANT AND EQUIPMENT

| | Consolidated | |
|--------------------------------|---------------------|----------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Plant | 98,272 | 137,769 |
| Less: Accumulated Depreciation | (42,139) | (47,197) |
| | <u>56,133</u> | <u>90,572</u> |
| Equipment | 76,052 | 73,859 |
| Less: Accumulated Depreciation | (47,269) | (30,925) |
| | <u>28,783</u> | <u>42,934</u> |
| Computers | 24,526 | 24,526 |
| Less: Accumulated Depreciation | (18,806) | (11,830) |
| | <u>5,720</u> | <u>12,696</u> |
| | <u>90,636</u> | <u>146,202</u> |

Reconciliations

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

| Consolidated | Plant | Equipment | Computers | Total |
|-------------------------|---------------|------------------|------------------|----------------|
| | \$ | \$ | \$ | \$ |
| Balance at 30 June 2022 | 98,471 | 52,611 | 13,308 | 164,390 |
| Additions | 13,664 | 6,252 | 6,363 | 26,279 |
| Disposals | - | - | - | - |
| Depreciation expense | (21,563) | (15,929) | (6,975) | (44,467) |
| Balance at 30 June 2023 | <u>90,572</u> | <u>42,934</u> | <u>12,696</u> | <u>146,202</u> |
| Balance at 30 June 2023 | 90,572 | 42,934 | 12,696 | 146,202 |
| Additions | - | 2,192 | - | 2,192 |
| Disposals | (39,497) | - | - | (39,497) |
| Depreciation expense | 5,057 | (16,343) | (6,975) | (18,261) |
| Balance at 30 June 2024 | <u>56,132</u> | <u>28,783</u> | <u>5,721</u> | <u>90,636</u> |

NOTE 10: TRADE AND OTHER PAYABLES AND EMPLOYEE ENTITLEMENTS

| | Consolidated | |
|---------------------------------|---------------------|----------------|
| | 2024 | 2023 |
| | \$ | \$ |
| TRADE AND OTHER PAYABLES | | |
| Trade Creditors | 312,004 | 38,674 |
| Other Payables | 226,880 | 174,197 |
| Accrued Expenses | 38,000 | 31,500 |
| | <u>576,884</u> | <u>244,371</u> |

| | Note | Consolidated | |
|-----------------------------|------|------------------|----------------|
| | | 2024 \$ | 2023 \$ |
| OTHER FINANCIAL LIABILITIES | | | |
| Convertible Notes | 11 | 1,127,967 | - |
| | | <u>1,127,967</u> | <u>-</u> |
| EMPLOYEE PROVISIONS | | | |
| Annual Leave Accrual | | 189,088 | 126,897 |
| | | <u>189,088</u> | <u>126,897</u> |

NOTE 11: CONVERTIBLE NOTES

On 4 March, 2024 the accompany announced an issue of 1,100,000 Convertible Notes. The key terms of the convertible Notes are listed in the table below.

| | |
|--------------------|---|
| Face Value: | AU \$1.00 per Note. |
| Security: | The Notes are unsecured and will rank equally amongst themselves. |
| Transferability: | The Notes are not transferable. |
| Maturity Date: | 6 months after the issue date unless otherwise agreed by the parties in writing (Maturity Date) |
| Coupon: | 8.0% per annum on the outstanding principal of the Notes (Outstanding Principal) from the Issue Date. |
| Conversion Amount: | The conversion amount will calculated by aggregating the total of the Outstanding Principal in respect of each Note, together with any accrued but unpaid interest, as at the date of occurrence of the relevant Conversion Event |
| Conversion Price: | The conversion price for the Notes will be calculated as follows: (a) Maturity Date Conversion – the price per Share based on a 20% discount to the average VWAP for the 10 trading day period ending on the trading day prior to the Maturity Date; (b) Funding Conversion – the lower of: a. \$0.03 per Share; and b. a 20% discount to the lowest price per Share issued by the Company pursuant to the Funding Event, |
| Redemption rights: | The Company must redeem the Notes (in full) in the following circumstances: (a) in respect of conversion following a Funding Event, if the Company fails to either: i. convene a General Meeting prior to, or on, the End Date; or ii. obtain the requisite shareholder approval at the General Meeting so convened, the Notes will be redeemed for the 'Redemption Amount' (as defined below) within four (4) months from the End Date (unless otherwise agreed between the parties); (b) in respect of conversion on the Maturity Date, if the Company fails to obtain the requisite shareholder approval at a General Meeting prior to the Maturity Date, the Notes will be redeemed for the Redemption Amount on the Maturity Date; or (c) within 15 Business Days following the occurrence of an Event of Default (as defined below), the Notes will be redeemed for the Redemption Amount. |

Full details can be found in the ASX announcement found on the company website at <https://wcsecure.weblink.com.au/clients/nmresources/headline.aspx?headlineid=21509251>

As at 30 June 2024 a total of \$27,967 in interest had accrued and taken up as part of the Liability.

NOTE 12: ISSUED CAPITAL

| | 30-Jun-24 | 30-Jun-23 | 30-Jun-24 | 30-Jun-23 |
|---|------------|------------|-------------|-------------|
| | \$ | \$ | Number | Number |
| Ordinary Shares | | | | |
| Fully paid ordinary shares | 14,704,876 | 12,541,979 | 209,850,514 | 146,964,869 |
| Movement in contributed Equity for the period | | | | |
| Balance at beginning of the period | 12,541,979 | 9,268,187 | 146,964,869 | 99,128,441 |
| Shares issued during the current financial year | | | | |
| 28 August 2023 (Placement Issue to shareholders) | 640,912 | - | 21,363,744 | - |
| 30 August 2023 (Purchase interest in McLaughlin Lake Pegmatite Project) | 200,000 | | 6,666,667 | |
| 06 September 2023 (Placement Issue to shareholders) | 786,155 | - | 26,540,345 | - |
| 09 November 2023 (Shortfall Placement) | 211,142 | - | 6,702,889 | - |
| 11 November 2023 (Issued to Directors) | 302,400 | - | 1,512,000 | - |
| 27 March 2024 (Conversion of Options) | - | | 100,000 | |
| Shares issued during the previous period | | | | |
| 30 June 2023 | - | 3,356,568 | | 47,836,428 |
| Share issuance costs (net of transfers and adjustments) | 22,288 | (82,776) | - | - |
| Balance at end of period | 14,704,876 | 12,541,979 | 209,850,514 | 146,964,869 |

Ordinary shares

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

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

Share buy-back

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

Capital risk management

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

Capital is regarded as total equity, as recognised in the statement of financial position.

NOTE 13: SHARE BASED PAYMENT RESERVE

| | Consolidated | |
|---|---------------------|-------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Share based payments reserve opening balance | 645,160 | 495,040 |
| Options issued to directors and employees | 113,458 | 143,150 |
| Options issued to a third party | 97,067 | 6,970 |
| Options vested and transferred to Share Capital | (302,400) | - |
| Options expired | (260,190) | - |
| | | |
| Share based payments closing balance | 293,095 | 645,160 |

NOTE 14: ACCUMULATED LOSSES

| | Consolidated | |
|---|---------------------|--------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Retained profits at the beginning of the financial year | (12,992,436) | (9,265,183) |
| Profit after income tax expense for the year | (3,739,852) | (3,727,253) |
| Retained profits at the end of the financial year | (16,732,288) | (12,992,436) |

NOTE 15. KEY MANAGEMENT PERSONNEL*Compensation*

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

| | Consolidated | |
|------------------------------|---------------------|-------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Short-term employee benefits | 601,939 | 610,184 |
| Post-employment benefits | 58,330 | 57,750 |
| Share-based payments | 101,570 | 143,150 |
| | 761,839 | 811,084 |

NOTE 16: RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES

| | Consolidated | |
|--|---------------------|-------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Profit (Loss) after income tax expense for the year | (3,739,852) | (3,727,253) |
| Adjustments for: | | |
| Depreciation and amortisation | 38,227 | 44,467 |
| Provision for annual leave | 62,191 | 59,964 |
| Share-based payments | 113,458 | 143,150 |
| Shares issued to pay for Tenement purchases | 200,000 | |
| Payments to acquire Tenements | 40,321 | - |
| Provision for Interest associated with Convertible Notes | 27,967 | |
| Payables associated with Equity accounts | 758 | 10,888 |
| Money held in Lieu of Shares | - | (39,000) |
| Change in operating assets and liabilities: | | |
| (Increase)/Decrease in receivables | 54,404 | (3,314) |
| Increase/(Decrease) in trade creditors and accruals | 332,511 | 85,378 |
| Net cash from operating activities | (2,870,015) | (3,425,720) |

NOTE 17: FINANCIAL INSTRUMENTS*Overview*

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

- Credit risk
- Liquidity risk
- Market risk

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

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks related to the operations of the Company through regular reviews of the risks.

(a) Credit Risk exposures

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The credit risk on financial assets of the Group which have been recognised on the statement of financial position is the carrying amount. The Group is not materially exposed to any individual debtor. As the Group operates in the mining exploration sector, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables. The Group undertakes exploration and evaluation activities exclusively in Australia. At the statement of financial position date there were no significant concentrations of credit risk.

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at reporting date was:

| | Consolidated | |
|---------------------------|---------------------|------------------|
| | 30-Jun-24 | 30-Jun-23 |
| | \$ | \$ |
| Financial Assets | | |
| Cash and Cash equivalents | 10,459 | 306,837 |
| Other receivables | 26,381 | 28,150 |
| | <u>36,840</u> | <u>334,987</u> |

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| Contractual maturities of financial liabilities | Less than 6 months | 6 - 12 months | Between 1 and 2 years | Between 2 and 5 years | Over 5 years | Total contractual cashflows | Carrying amount (assets)/ liabilities |
|--|---------------------------|----------------------|------------------------------|------------------------------|---------------------|------------------------------------|--|
| At 30 June 2024 | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Trade Creditors | 576,884 | - | - | - | - | 576,884 | 576,884 |
| At 30 June 2023 | | | | | | | |
| Trade Creditors | 244,371 | - | - | - | - | 244,371 | 244,371 |

Convertible notes are not included in the above table as they are expected to convert into equity on or before maturity.

(b) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group'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 Group's reputation.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

If the Group anticipates a need to raise additional capital in the next 12 months to meet forecasted operational activities, then the decision on how the Group will raise future capital will depend on market conditions existing at the time.

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) *Currency Risk*

The Group is not currently exposed to currency risk

(ii) *Interest rate risk*

The Group's exposure to the risk of changes in market interest rates relates primarily to the Groups cash and cash equivalents.

At reporting date, the interest rate profile of the Group's interest-bearing financial instruments was as follows:

| | Consolidated | |
|----------------------------------|---------------------|------------------|
| | 30-Jun-24 | 30-Jun-23 |
| | \$ | \$ |
| <i>Variable rate Instruments</i> | | |
| Financial Assets | 8,856 | 281,829 |
| Financial Liabilities | - | - |
| | <u>8,856</u> | <u>281,829</u> |

Convertible notes are not included above table as they bear fixed rate of interest hence does not expose Group to interest rate risk.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates for the whole of the reporting period would have an increase (decrease) equity and profit or loss by the amounts shown below, where interest is applicable. This analysis assumes that all other variables remain constant.

| | Profit (or Loss) | | Equity | |
|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | 100bp increase | 100bp decrease | 100bp increase | 100bp decrease |
| | \$ | \$ | \$ | \$ |
| Variable Rate instruments | | | | |
| 30 Jun 2023 | 3,100 | (2,536) | 3,100 | (2,536) |
| 30 Jun 2024 | 97 | (80) | 97 | (80) |

(iii) *Net fair values*

Methods and assumptions used in determining net fair value.

For assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The Group has no financial assets where carrying amounts exceed net fair value at balance date.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in notes to and forming part of the financial statements.

NOTE 18: RELATED PARTY TRANSACTIONS

During the year Bamford Engineering Pty Ltd (a company 100% owned by Blake Cannavo) charged the company \$72,600 (30 June 2023: \$73,600) for rental of offices owned by Bamford Engineering. In addition, \$190,080 (30 June 2023: \$228,117) was paid for consultancy work carried out by staff of Bamford Engineering.

A portion of these funds, together with the cash component of wages were transferred to BOC Holdings (a company 100% owned by Blake Cannavo) and used to participate in the Rights Issue of shares and allocated after the resolution at the 2023 AGM. This comprised \$131,087. BOC Holdings were issued 4,369,555 shares.

Transactions between related parties are on commercial terms and conditions, no more favourable than those available to other parties.

NOTE 19: SHARE BASED PAYMENTS

During the year ended 30 June 2024, 13,888,888 options were issued to the managing director, Blake Cannavo.

The performance of the vesting period began on 1 July 2023. The options were approved at the shareholders AGM on 30 November 2023.

The vesting date for the short-term incentive options was 30 June 2024, provided that the share price of the company is equal to or greater than \$0.06, calculated using a 5-day volume weighted average price ("VWAP") on any date from the 2023 AGM up to and including 30 June 2024. However, the share price vesting condition was not met, therefore the options lapsed.

The managing director also held 8,250,000 long term incentive options issued in the prior years. The vesting date for the long-term incentive options is 30 June 2024, provided that the share price of the company is equal to or greater than \$2.00, calculated using a 5-day VWAP on any date from the 2022 AGM up to and including 30 June 2024. However, the share price vesting condition was not met, therefore the options lapsed.

During the year ended 30 June 2024, 8,280,000 share rights were issued to the non-executive directors resulting in director remuneration expense of \$59,570 since being granted. Also during the period, \$42,000 was expensed for Options in the first 5 months which have since been converted to shares. Using the Binomial tree model, the fair value of each option is as set out below and based on the following criteria/assumptions:

| | James Walker | Philip Gardner |
|--|--------------|----------------|
| Number of options issued | 4,140,000 | 4,140,000 |
| Expiry (years) | 3.0 | 3.0 |
| Exercise price (\$) | 0.00 | 0.00 |
| Vesting period (years) | 3.0 | 3.0 |
| Share Price at Issue Date (\$) | 0.034 | 0.034 |
| Expected life (years) | 3.0 | 3.0 |
| Fair value of each option (\$) | 0.036 | 0.036 |
| Total expense recorded for the period ended 30 June 2024 (\$) | 29,785 | 29,785 |

During the year ended 30 June 2024, 10,121,264 options with a fair value of \$97,067 were issued to lead managers and investors for capital placement made during the year and in consideration of services received.

Further, during the year, the company issued 6,666,667 shares with a fair value of \$200,000 (at 3 cents per share based on 5-day volume weighted average market price at the time of issue) for the purchase of tenements.

NOTE 20: REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by HLB Mann Judd Assurance (NSW) Pty Ltd, the auditor of the company, its network firms and unrelated firms:

| | Consolidated | |
|---|---------------------|-------------|
| | 2024 | 2023 |
| | \$ | \$ |
| <i>Audit services - HLB Mann Judd</i> | | |
| Audit or review of the financial statements | 55,833 | 45,426 |
| <i>Other services - HLB Mann Judd</i> | | |
| Preparation of the tax return | 23,089 | 2,000 |
| Other taxation advice | 377 | 535 |
| | 23,466 | 2,535 |
| | 79,299 | 47,961 |

NOTE 21: PARENT ENTITY INFORMATION

Statement of Profit or Loss and Other Comprehensive Income

| | Parent | |
|----------------------------|---------------|-------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Profit after Income Tax | (493,045) | (235,916) |
| Total comprehensive Income | (493,045) | (235,916) |

Statement of Financial Position

| | Parent | |
|-------------------------------|---------------|-------------|
| | 2024 | 2023 |
| | \$ | \$ |
| Total Current Assets | 3,829 | 24,657 |
| Total Non-Current Assets | 14,516,931 | 12,015,758 |
| Total Assets | 14,520,760 | 12,040,415 |
| Total Current Liabilities | 1,245,390 | 82,832 |
| Total Liabilities | 1,245,390 | 82,832 |
| Net Assets | 13,275,370 | 11,957,583 |
| Equity | | |
| - Issued Capital | 14,704,875 | 12,541,978 |
| - Share Based Payment Reserve | 293,095 | 645,160 |
| - Accumulated losses | (1,722,600) | (1,229,555) |
| Total Equity | 13,275,370 | 11,957,583 |

NOTE 22: INTERESTS IN SUBSIDIARIES

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

| Name | Principal place of business / Country of incorporation | Ownership interest | |
|----------------------------------|---|--------------------|-----------|
| | | 2024 % | 2023 % |
| Native Mineral Resources Pty Ltd | Australia | 100.00% | 100.00% |

Native Mineral Resources Holdings Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

NOTE 23: EARNINGS PER SHARE

| | Consolidated | |
|--|---------------|---------------|
| | 2024 \$ | 2023 \$ |
| <i>Earnings per share for profit from continuing operations</i> | | |
| Profit after income tax | (3,739,852) | (3,727,253) |
| Profit after income tax attributable to the owners of Native Mineral Resources Holdings Limited | (3,739,852) | (3,727,253) |
| Profit after income tax attributable to the owners of Native Mineral Resources Holdings Limited used in calculating diluted earnings per share | (3,739,852) | (3,727,253) |
| | | |
| | Cents | Cents |
| Basic earnings per share (cents per share) | (1.89) | (3.29) |
| Diluted earnings per share (cents per share) | (1.89) | (3.29) |
| | | |
| | Number | Number |
| <i>Weighted average number of ordinary shares</i> | | |
| Weighted average number of ordinary shares used in calculating basic earnings per share | 197,491,293 | 113,306,870 |
| Adjustments for calculation of diluted earnings per share: | | |
| Options over ordinary shares | - | - |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | 197,491,293 | 113,306,870 |

Options

Options on issue are not included in the calculation of diluted earnings per share because they are considered to be antidilutive for the year ended 30 June 2024. These options could potentially dilute earnings per share in future periods.

NOTE 24: EVENTS SUBSEQUENT TO REPORTING DATE

On 17 July 2024, NMR announced it would raise \$2.2M via the issue of shares in a Placement issue in two tranches. \$1.049M was received on 24 July 2024 with the remainder due following the approval of shareholders.

At the Company EGM which was held on 4 September 2024, the resolution to approve the issue of the remaining \$1.15 million of shares (excluding costs) was passed and the funds have subsequently been received. Also at the EGM, the resolution was approved for the conversion of the Convertible Notes (issued in March 2024) to shares (71,522,610 shares were issued).

Also at the EGM, resolutions were passed to approve the issue of the following shares/options:

- 7,000,000 fully paid ordinary shares to ABL Capital Partners as consideration for acting as Lead Manager for the share placement;
- 20,000,000 options to Mr Blake Cannavo in two tranches of 10,000,000 (exercise price of \$0.04 and \$0.05 respectively) in respect of the FY25 Short Term Incentives, in accordance with the Company's Executive Incentive Plan;
- 25,000,000 options to Mr Blake Cannavo in respect of the FY25 Long Term Incentives (exercise price of \$0.02 each), in accordance with the Company's Executive Incentive Plan;
- 10,000,000 options to Mr Philip Gardner in respect of the FY25 Long Term Incentives (exercise price of \$0.02 each), in accordance with the Company's Executive Incentive Plan; and
- 10,000,000 options to Mr James Walker in respect of the FY25 Long Term Incentives (exercise price of \$0.02 each), in accordance with the Company's Executive Incentive Plan.

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

Consolidated entity disclosure statement

| Entity name | Entity type | Country of incorporation | Ownership interest % | Tax residency |
|----------------------------------|----------------|--------------------------|----------------------|---------------|
| Native Mineral Resources Pty Ltd | Body corporate | Australia | 100%po | Australia* |

*Native Mineral Resources Holdings Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

Directors' Declaration

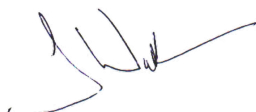
In the opinion of the directors of Native Mineral Resources Holdings Limited ("the Company"):

- (a) the financial statements and notes set out on pages 19 to 42 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity as at 30 June 2024 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- (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 information disclosed in the consolidated entity disclosure statement is true and correct; and

The notes to the financial statements include a statement of compliance with International Financial Reporting Standards.

The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 30 June 2024.

Signed in accordance with a resolution of the directors.



James Walker
Non-executive chair

30 September 2024

Independent Auditor's Report to the Members of Native Mineral Resources Holdings Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Native Mineral Resources Holdings Limited ("the Company") and its controlled entities ("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 statements, 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:

- (a) 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 then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

Material Uncertainty Regarding Going Concern

We draw attention to Note 2 u) in the financial report, which indicates that the Group incurred a net loss of \$3,739,852 and operating cash outflows of \$2,870,015 during the year ended 30 June 2024 and, as of that date, the Group held cash of \$10,459, the current liabilities exceeded its total assets by \$1,824,952, and the total liabilities exceeded total assets by \$1,734,317. As stated in Note 2 u), these events or conditions, along with other matters as set forth in Note 2 u), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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| Key Audit Matter | How our audit addressed the key audit matter |
|--|---|
| Share based payments (Note 19) | |
| <p>In the current and previous periods, the Company has entered into share based payment arrangements with directors, management and third parties.</p> <p>As detailed in Note 2 of the financial statements, and in accordance with <i>AASB 2: Share Based Payments</i>, the fair value of the options at grant date are determined by management, with reference to external valuation sources, and utilised to account for the share based payment expense and options issued.</p> <p>The key assumptions in determining the fair value of the options are set out in Note 19 to the financial statements.</p> <p>We considered this area to be a key audit matter due to the value of the transactions and the significant management estimation and judgements involved in assessing the fair value of the share based payments issued during the year.</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> • We reviewed and verified the key terms of the options issued as shared based payments during the year, to the supporting agreements and documentation. • We reviewed the fair valuation calculation for the options, with reference to the methodology utilised and the key assumptions adopted in the valuation. • We tested the accuracy of the recorded share-based payment expense for the period in the statement of profit or loss and option reserve. • We assessed the accuracy of the Company's disclosures of the share based payment arrangement and options on issue in the financial statements with reference to the requirements of accounting standards. |

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

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

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

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

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 15 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Native Mineral Resources Holdings 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.

HLB Mann Judd

HLB Mann Judd Assurance (NSW) Pty Ltd
Chartered Accountants

Sydney, NSW
30 September 2024



N J Guest
Director

Shareholder Information

The shareholder information set out below was applicable as at 20 September 2024.

Distribution of equitable securities

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

| Holdings Ranges | Holders | Total Units | % |
|-----------------------|------------|--------------------|----------------|
| 1-1,000 | 26 | 6,982 | 0.000 |
| 1,001-5,000 | 140 | 411,547 | 0.100 |
| 5,001-10,000 | 114 | 1,001,794 | 0.250 |
| 10,001-100,000 | 339 | 12,735,635 | 3.200 |
| 100,001-9,999,999,999 | 225 | 384,217,166 | 96.450 |
| Totals | 844 | 398,373,124 | 100.000 |

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

| | Ordinary shares | |
|---|--------------------|--------------------------|
| | Number held | % of total shares Issued |
| BOC HOLDINGS PTY LTD <BOC FAMILY A/C> | 69,881,692 | 17.54% |
| MR DEAN ROBERT MELLERS <DAHRC A/C> | 20,469,028 | 5.14% |
| MX NOMINEES PTY LTD | 20,006,162 | 5.02% |
| MS CHARLOTTE GRIGG | 17,843,083 | 4.48% |
| CITICORP NOMINEES PTY LIMITED | 14,542,029 | 3.65% |
| MISS CLEA HARRISON | 7,816,666 | 1.96% |
| JAMES WILLIAM HERMISTON | 7,552,952 | 1.90% |
| MR BERNARD WILLIAM LIVY & MRS DESMA LEA LIVY <D & B LIVY SUPER FUND A/C> | 6,743,686 | 1.69% |
| SIACH PTY LTD | 6,681,517 | 1.68% |
| MGL CORP PTY LTD | 6,502,055 | 1.63% |
| PAGET SUPER PTY LTD <PAGET SUPER FUND A/C> | 5,897,120 | 1.48% |
| BOC HOLDINGS PTY LTD | 5,177,704 | 1.30% |
| MR PHILIP PATRICK GARDNER | 5,144,890 | 1.29% |
| MR ROBERT WHITECHURCH & MRS MELINDA WHITECHURCH <R & M WHITECHURCH S/F A/C> | 5,075,186 | 1.27% |
| JUMPER P FUNDS PTY LTD | 5,000,000 | 1.26% |
| MEKAQ PTY LTD <A & K QUARRELL S/FUND A/C> | 5,000,000 | 1.26% |
| BFT ONE PTY LTD | 4,997,569 | 1.25% |
| VANACE PTY LTD <SIMON & NICOLE A/C> | 4,650,000 | 1.17% |
| OWNER TRAINER FUNDS PTY LTD | 4,500,000 | 1.13% |
| KEMBLA NO 20 PTY LTD <CAA A/C> | 4,226,336 | 1.06% |
| MR LEN BOYLE & MRS KAY BOYLE <BOYLE FAMILY S/F A/C> | 4,150,000 | 1.04% |
| Total Securities of Top 20 Holdings | 231,857,675 | 58.20% |

Substantial holders

Substantial Holders (as disclosed in substantial holding notices given to the Company)

| Substantial Holder | Class of Shares | Number of Shares Held | Voting Power (%) |
|-----------------------------------|----------------------------|-----------------------|------------------|
| BOC Holdings Pty Ltd ¹ | Fully Paid Ordinary Shares | 75,059,396 | 18.84% |
| Dean Robert Mellers ² | Fully Paid Ordinary Shares | 21,669,028 | 5.44% |
| MX Nominees Pty Ltd ³ | Fully Paid Ordinary Shares | 22,646,162 | 5.69% |

1. Disclosed to ASX on 17 September 2024

2. Disclosed to ASX on 17 September 2024

3. Disclosed to ASX on 13 September 2024

Unquoted Securities

Set out below are the classes of unquoted securities currently on issue

| Class of Security | Number of Holders | Units on Issue |
|---|-------------------|----------------|
| Employee Options (EOP) expiring on 07 August 2025 | 1 | 10,000 |
| NED Rights expiring on 14 November 2027 | 2 | 8,280,000 |
| Options exercisable at \$0.06 and expiring on 06 November 2024 | 41 | 10,121,264 |
| Options exercisable at \$0.035 and expiring on 31 December 2024 | 2 | 200,000 |
| Options exercisable at \$0.04 and expiring on 20 September 2028 | 1 | 10,000,000 |
| Options exercisable at \$0.05 and expiring on 20 September 2028 | 1 | 10,000,000 |
| Options exercisable at \$0.02 and expiring on 20 September 2029 | 3 | 45,000,000 |

Holders of unquoted securities holding more than 20%

| Class of Security and Holder Name | % |
|---|---------|
| <i>NED Rights</i> | |
| BURRILL SKIES PTY LTD <BURRILL SKIES A/C> | 50.00% |
| MR PHILIP PATRICK GARDNER | 50.00% |
| <i>Nil exercise price options expiring on 07 August 2025</i> | |
| LYNDA YVONNE FERRIS | 100.00% |
| <i>Options exercisable at \$0.06 and expiring on 09 November 2024</i> | |
| BW EQUITIES PTY LTD | 29.64% |
| <i>Options exercisable at \$0.035 and expiring on 31 December 2024</i> | |

| | |
|---|---------|
| REBECCA PRITCHARD | 75.00% |
| GREG CURNOW | 25.00% |
| <i>Options exercisable at \$0.04 and expiring on 20 September 2028 (subject to vesting conditions)</i> | |
| BOC HOLDINGS PTY LTD <BOC FAMILY A/C> | 100.00% |
| <i>Options exercisable at \$0.05 and expiring on 20 September 2028 (subject to vesting conditions)</i> | |
| BOC HOLDINGS PTY LTD <BOC FAMILY A/C> | 100.00% |
| <i>Options exercisable at \$0.02 and expiring on 20 September 2029 (subject to vesting conditions)</i> | |
| BOC HOLDINGS PTY LTD <BOC FAMILY A/C> | 55.56% |
| BURRILL SKIES PTY LTD <BURRILL SKIES A/C> | 22.22% |
| MR PHILIP PATRICK GARDNER | 22.22% |

Securities subject to escrow

As at 20 September 2024, there are no securities currently subject to escrow.

Unmarketable parcels

The number of shareholders holding less than a marketable parcel is 415 as at 20 September 2024 (being 23,809 shares based on a share price of \$0.021 at 20 September 2024).

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

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

There are no other classes of equity securities with voting rights.

Tenements

| Description | Tenement number | Interest owned % |
|---------------------------------------|-----------------|------------------|
| Palmerville - Queensland | EPM 11980 | 100 |
| Palmerville - Queensland | EPM 18325 | 100 |
| Palmerville - Queensland | EPM 19537 | 100 |
| Palmerville - Queensland | EPM 26891 | 100 |
| Palmerville - Queensland | EPM 26893 | 100 |
| Palmerville - Queensland | EPM 26894 | 100 |
| Palmerville - Queensland | EPM 26895 | 100 |
| Palmerville - Queensland | EPM 27396 | 100 |
| Palmerville - Queensland | EPM 27452 | 100 |
| Maneater Hill - Queensland | EPM 28038 | 100 |
| Eastern Goldfields, Western Australia | E37/1362 | 100 |
| Eastern Goldfields, Western Australia | E37/1363 | 100 |
| Eastern Goldfields, Western Australia | E24/210 | 100 |
| <i>Under Application</i> | | |
| Palmerville - Queensland | EPM 28847 | 100 |