



# **AURA ENERGY LIMITED**

**Annual Report  
for the year ended 30 June 2022**

**ABN 62 115 927 681**



# AURA ENERGY LIMITED

## Annual Report - 30 June 2022

### TABLE OF CONTENTS

---

|                                             |    |
|---------------------------------------------|----|
| Corporate Directory                         | 4  |
| Letter From The Chairman                    | 5  |
| Review of Operations                        | 9  |
| Directors' report                           | 11 |
| Directors and company secretary             | 11 |
| Principal activities                        | 11 |
| Dividends - Aura Energy Limited             | 11 |
| Review of operations                        | 11 |
| Significant changes in the state of affairs | 11 |
| Events since the end of the financial year  | 12 |
| Environmental regulation                    | 12 |
| ASX listing rules                           | 12 |
| Information on directors                    | 13 |
| Company secretary                           | 15 |
| Meetings of directors                       | 15 |
| Remuneration report                         | 16 |
| Proceedings on behalf of the company        | 22 |
| Non-audit services                          | 22 |
| Shares under option                         | 22 |
| Auditor's Independence Declaration          | 24 |
| Financial statements                        | 25 |
| Independent auditor's report to the members | 61 |
| Shareholder information                     | 67 |

# CORPORATE DIRECTORY

## DIRECTORS

**Mr Philip Mitchell**

Non-Executive Chairman

**Dr Warren Mundine**

Non-Executive Director

**Mr Bryan Dixon**

Non-Executive Director

**Mr Patrick Mutz**

Non-Executive Director

**David Woodall**

Managing Director and CEO

## SECRETARY

**Mr Phillip Hains**

## PRINCIPAL REGISTERED OFFICE

62 Lygon Street  
Carlton Victoria 3053  
Australia  
+61 3 9824 5254

## SHARE AND DEBENTURE REGISTER

Computershare Investor Services Pty Ltd  
Level 2, Reserve Bank Building  
45 St Georges Terrace  
Perth WA

## AUDITOR

Hall Chadwick WA Audit Pty Ltd  
283 Rokeby Road  
Subiaco WA 6008

## SOLICITORS

Dentons Australia Limited  
77 Castlereagh St  
Sydney NSW 2000

## BANKERS

National Australia Bank  
330 Collins Street  
Melbourne VIC 3000

## NOMINATED ADVISOR

SP Angel Corporate Finance LLP  
Prince Frederick House  
35-39 Maddox Street  
London United Kingdom W1S 2PP

## JOINT BROKERS

SP Angel Corporate Finance LLP  
WH Ireland Limited

## STOCK EXCHANGE LISTINGS

Australian Securities Exchange (ASX), and  
the AIM Market of the London Stock Exchange (AIM)

## WEBSITE

[www.auraenergy.com.au](http://www.auraenergy.com.au)

## LETTER FROM THE CHAIRMAN

During the 2022 Financial Year, the most important development for Aura has been the world's realisation of the crucial role that nuclear energy must play within the global energy balance to enable the achievement of climate objectives.

The supply constraints of critical minerals, and the changing geopolitical environment, have caused both governments and regulators around the world to recognise that nuclear energy is a vital component of the energy mix. It is one of the few sources of safe, base load power that delivers a low carbon footprint at a reasonable cost, and importantly the nuclear fuel cycle is diversified and not dependent on geopolitically constrained providers.

This background has seen the market for uranium improve dramatically, with the Bank of America now forecasting uranium prices to increase to US\$70 per lb by 2023. With another 90 nuclear reactors currently planned or under construction, adding to the existing 440 that are already in operation, demand for nuclear fuels is set for further growth.

The new Aura Board was mindful of the potential opportunity that a market resurgence could offer and had set strategic mobility as our cornerstone task. Over the year this has enabled us to continue to make significant progress across all aspects of our business.

Corporately, we have bolstered our already strong Board with the appointment of David Woodall as Managing Director in October 2022, who will lead our extraordinarily talented team. We will further build on this team as we continue to attract the right people to add strength and diversity in driving Aura's transition from explorer to producer.

At Tiris, we have continued to advance our core task in taking all necessary steps to transition from explorer to producer. Our resource expansion work and engagement with government and customers has positioned us well for Final Investment Decision during H1 2023.

In Sweden, we knew that our large polymetallic orebody afforded us a unique opportunity to seek to develop a battery materials mining hub producing vanadium and nickel. The operating costs at this project will be materially reduced by uranium credits if the regulatory framework changes. The new Swedish Government's stated approach to uranium mining is highly encouraging and offers Aura and the people of Sweden the opportunity to significantly benefit from this wonderful resource.

At Aura's subsidiary, Archean Greenstone Gold, we identified some exciting gold prospects within our Tasiast South Project. This project is located only 35 km directly along strike from Kinross' giant +20 Moz Tasiast Gold Mine.

With the goal of generating optimal value for shareholders, we aim to advance the projects under the subsidiary with detailed plans for Archean Gold to be released in the near term.

## LETTER FROM THE CHAIRMAN (CONT.)

### FAST TRACKED URANIUM PRODUCTION AND EXPANDING THE RESOURCES

This year has been transformational for Aura, seeing us move from uranium explorer to a developer with a very real opportunity to make a near term decision to mine. We are in a genuinely exciting time in the uranium market, where years of under investment has led to a situation where projects with near term production capacity are more important than ever.

The combined pressures on energy markets, coupled with the drive to lower emissions and the geopolitical situation in Europe, has greatly reshaped the role of nuclear energy. We now see projections for significant growth in the contribution of nuclear to the global electricity pool. This will place further pressure on uranium supply and the Tiris Project is well positioned to be ready for production early in this cycle.

The strategy we have implemented for the Tiris Uranium Project targets near term production with low capital requirements, allowing us to grow into a rising market and further build resources to support sustained growth in the region. This year we focused on preparing for production and the resources for growth.

- In August 2021, Aura announced a resource upgrade of 10% or 5Mlb  $U_3O_8$  to the Tiris Uranium Project bringing the total resource to 56Mlb  $U_3O_{8(1)}$ . This further supports our belief that potential exists to further expand and upgrade the resource as more exploration work is undertaken.
- We undertook a major Resource Upgrade Program to undertake further in-fill drilling, with the goal to increase in Measured and Indicated Resources, sufficient to see the project expanded to 3-5Mlb pa. and grow Mauritania into a genuinely global uranium producing region.
- We also identified that some of the technical sampling techniques used during previous resource drilling programs had understated our resource, hence have used our 2022 program to improve our sampling approach and to re sample these areas.

Combined, these initiatives have placed us in a position to fully utilise the value in the Tiris Resource and northern Mauritanian region. Our goal is to grow the resource beyond 120Mlbs  $U_3O_8$ , establishing Mauritania as a significant uranium producing country providing geographical and political diversity to the nuclear market. Mauritania is a secure, democratic country that is highly resource focussed and the Government is motivated to progress uranium production in the region. This provides a strong framework for achievement of our goal.

In parallel with the current Resource Upgrade Program and growth initiatives, we've continued with the development of the fast tracked Tiris Project, with the capital estimate restated with 2021 figures for the 2019 Definitive Feasibility Study, reconfirming Tiris as a low capex, low operating cost uranium project, with current and accurate estimates on costs.

- We commenced Front End Engineering and Design (FEED) for Phase 1 of the Tiris Project, with a focus to prepare for a Final Investment Decision (FID) in H1 2023.
- During the year, Aura continued to identify opportunities to further reduce the costs for Tiris, with a vanadium JORC Resource defined at project with the production of a vanadium product stream being significantly likely to further lower the cost per lb of  $U_3O_8$ . Test work to define the optimum vanadium recovery circuit is underway and outcomes will be included in the FEED assessment.
- We have continued to progress the project with testwork from ANSTO, Australia's national nuclear organisation and centre of expertise, confirming process designs inputs for Tiris, with the program focusing on confirming the design for the Front End Engineering Design.
- Aligning with our aim to develop Tiris as a sustainable uranium project with the potential to supply nuclear fuel for carbon free energy, we've continued to advance towards net zero carbon emissions at the project. The initial study of Greenhouse Gas Emissions was completed in January 2022 and this has clearly defined a net zero pathway for Tiris. Going forward we are reviewing options to further reduce our fossil fuels footprint and to identify and secure further water resources close to site.

With the pre-investment decision capex and opex engineering optimisation underway for Tiris, we continue to develop the project towards Final Investment Decision. This is expected in H1 of the 2023 Calendar Year.

As we make headway towards the Final Investment Decision, we continue to explore financing options for both debt and equity, which will complement the existing Offtake Financing Agreement in place with Curzon, with a maximum of US\$20m available under the agreement.

In 2019, initial offtake agreements were signed with Curzon Resources for 150,000lb  $U_3O_8$  pa over 7 years. Through the year Aura continued discussions with various nuclear utilities for additional contracts over Phase 1 production, and we have engaged Nigel Jones, former Marketing Director for Uranium at Rio Tinto, to drive our yellowcake marketing strategy, with a focus on securing contracts to support financing of the Phase 1 Tiris Project.

Through the year we continued to develop our aspiration of expanding production at Tiris to 3-5Mlb of uranium per annum in Phase 2. The Resource growth work has demonstrated that the project has the potential to be significantly scalable and the outcomes of the Resource Upgrade program are being applied to demonstrate this value.

## LETTER FROM THE CHAIRMAN (CONT.)

- In combination with the Resource Upgrade Program a revised Reserve Estimate will be completed in Q1 2023.
- A feasibility study is being initiated to determine the value of a Phase 2 expansion of the Tiris Project.
- Design decisions for the Phase 1 800,000lb pa  $U_3O_8$  project have been made to maximise capital efficiency for expansion. Key equipment items, representing 15% of Phase 1 CAPEX, have maximum throughput of 3.5Mlb  $U_3O_8$  pa and the remainder of the process circuit has been designed as modular trains, allowing efficient expansion.
- The proportion of fixed operating costs for the Phase 1 project are high. This means that for expanded production, where fixed costs remain similar, there will be significant opportunity to realise operating cost efficiencies.

### BUILDING RELATIONSHIPS IN MAURITANIA

During the course of the financial year, the Company re-engaged with the government of Mauritania following the lifting of pandemic restrictions in Australia as well as similar restrictions in Mauritania that stopped travel to/from the countries of residency. Initial meetings between the Company and government resulted in commitments to finalise the shareholders agreement between the Company and L'Agence Nationale de Recherches Geologiques et du Patrimoine Minier (ANARPAM), an entity established by the government to hold equity interests in mining projects, and the constitution of Tiris Ressources SA, the entity in which the Company holds 85% and ANARPAM 15% of the shares on issue and holds the rights for the development of the Tiris Project.

Both the Company and ANARPAM have agreed both the shareholders agreement and the constitution following the end of the financial year and final steps for execution of the shareholders agreement and constitution have commenced with the expected date for execution being late November 2022.

The final step in the advancement of the Tiris Project will be the execution by Tiris Ressources SA and the State (the Islamic Republic of Mauritania) of the Mining Convention which will provide financial stability and guarantees of tenure for the development and operation of mining activities over the life of mine. The Mining Convention will also provide for tax exemption on the importation of capital equipment for development, tax exemption for value-added taxes and a three-tax holiday on commencement of operations.

### HÄGGÅN PROJECT

In addition to Tiris, Aura owns 100% of the Häggån Project in Sweden. This project has significant vanadium resources in addition to other important battery metals including Ni, Zn and Mo, which present a significant opportunity for Aura shareholders.

The security and sovereignty of energy and battery metals supply, including uranium and vanadium, have become increasingly important within Europe over the past year, driving us to continue to advance Häggån.

Aura has continued scoping studies on opportunities to develop a battery metals hub around the Häggån Resource. With a focus on producing electrolyte for Vanadium Redox Flow Batteries, this will aim to provide a key input into green industrialisation plans within Sweden, supporting security of domestic supply for key energy metals. Through the 2023 financial year we look forward to developing these plans and working with the Swedish authorities to develop a project that brings significant value to all stakeholders.

The Häggån resource also contains uranium resources. Aura will continue to work with the Swedish government and people to define whether domestic supply of uranium would have a positive impact on Sweden's energy security. Through the year, sentiment towards the benefits of nuclear energy has become much more positive, as both a means of securing domestic energy supply and achieving climate targets.

We see Häggån as a significant growth opportunity for Aura, with the opportunity to diversify into a future energy company providing primary inputs into the world's rapidly changing energy mix.

### ARCHAEO GREENSTONE GOLD

Aura continued to progress the required work to maintain, in good stead, the tenements and joint ventures on its Mauritanian gold and base metal assets. Drilling results and geophysical surveys were completed on the main gold anomalies and have provided several exploration drill targets when exploration funds become available. In anticipation of this, during the year, Aura completed the process of corporately separating the gold and base metal assets into a vehicle named Archaean Greenstone Gold.

### PRODUCTION FOCUSED BOARD AND MANAGEMENT

To support our transition from an explorer to producer, in December 2021, a new Board was appointed which was strategically chosen with a focus on production. To complement the Board, in January 2022 Dr Will Goodall was appointed

## LETTER FROM THE CHAIRMAN (CONT.)

as acting CEO whilst Aura progressed its recruitment process to appoint a Board level Managing Director & CEO. Will's significant experience and knowledge of Tiris has proved invaluable in advancing the project to where it is today.

An extensive recruitment process has culminated in the appointment of David Woodall as Managing Director and CEO. David has over 30 years international mining experience across technical, managerial, consulting, executive and director roles. Having held senior positions with Fortescue Metals Group, Newcrest Mining and Ivanhoe Mines, his significant experience will be a key contributor in the next stage of development for Tiris and both myself and the Aura Board look forward to working alongside him.

To further bolster the Board, Aura also appointed Mr Patrick Mutz as an Independent Non-Executive Director in May 2022. Patrick has over 40 years of international mining experience and is former Managing Director & CEO of African focussed uranium company, Deep Yellow (ASX:DYL).

Adding to the team was the appointment of Nigel Jones as Advisor. Nigel brings over 30 years' experience in mining and investment banking, and 20+ years in the Rio Tinto group, with roles including Head of Business Development, Head of Investor Relations, and Marketing Director of Uranium.

I look forward to working alongside our production focused Board and management team over the coming period as we transition to near term uranium production at Tiris.

### CONTINUING TO BUILD SHAREHOLDER VALUE

During 2023, I look forward to continuing to build shareholder value and continuing to advance Tiris to fast tracked uranium production.

In FY23, we expect:

- Completion of the Resource Upgrade Program with revised Resource estimate for Tiris.
- To complete estimates of the economic value available from expansions of the Tiris Project.
- Final Investment Decision for the initial Tiris operation.
- Continued advancement in the authorisation for uranium export and production.
- Tiris expansion feasibility study.
- Further growth in Tiris resources through exploration.

# REVIEW OF OPERATIONS 30 JUNE 2022

## TIRIS URANIUM PROJECT, MAURITANIA

- Resource Upgrade Program commenced targeting the expansion of the Measured / Indicated Resources based within the Tiris East project area.
- US\$10m Offtake Financing Agreement with Curzon, with the funds to be used for mining working capital and production commencement, with the agreement including an additional US\$10m at the funder's discretion.
- Pilot scale testing confirmed Tiris uranium ore grade can be increased on average 500% using simple screening, with 80% reduction of mass reporting to the leaching circuit and containing 90% of uranium at 1,572ppm  $U_3O_8$ .
- Commencement of Pre-Investment Decision Capex and Opex engineering optimisation with engineers engaged for Phase 1 of the Front End Engineering Design Study.
- Tiris Uranium Definitive Feasibility Study (DFS) released incorporating the updated capital estimate which reflects current global pricing, reconfirming the Tiris as a low Capex, low Opex project.
- Bulk test work program initiated with ANSTO Minerals to optimise Tiris.
- Continued work on the integration of vanadium by-product circuit in Fast track Tiris project.
- Resource upgrade of 10% or 5Mlb  $U_3O_8$  to the Tiris uranium deposit bringing the total JORC Resource to 56 Mlbs (at 100 ppm lower  $U_3O_8$  cut off grade).
- JORC Resource of 18.4 Mlbs  $V_2O_5$  defined at Tiris, with 34% classified as Measured / Indicated Resources.
- Aura continued to advance towards net zero emission uranium production at Tiris, with the initial study of Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions completed, clearly defining a Net Zero Emission Pathway for the Project.
- Completion and successful results from the water drilling program, with strong flows encountered, reconfirming results from the 2019 water drilling program.
- Aura continued to work with Mauritania's well-established radiation regulatory body to initiate the process to gain regulatory approval for export of Uranium Oxide Concentrate (OUC).
- Water drilling at Tiris encountered good flows following on from the water drilling program commenced by Aura in 2019.

## HÄGGÅN POLYMETALLIC PROJECT, SWEDEN

- Appointment of leading consultancy group, Diplomat Communications, to liaise with the Swedish Government and other relevant stakeholders in relation to advancing the Häggån Project.
- Aura met with key government and stakeholders in Sweden and continued to work with leading consultancy group, Diplomat Communications, to liaise with the Swedish Government and other relevant stakeholders in relation to advancing the project.

## TASIAST SOUTH GOLD PROJECT, MAURITANIA

- Recommencement of field work with a gravity survey and IP survey completed, to allow better definition of geology and identification of structures.

## CORPORATE

- Strategic Board restructure with a focus on uranium production and the high growth demand for nuclear power and carbon free energy.
- Mining M&A heavyweight Mr. Phil Mitchell appointed as Non-Executive Chairman, with significant experience having held senior roles with global mining companies Rio Tinto, Anglo American and heading acquisitions for billionaire Robert Friedland's company, High Power Exploration.
- Dr. Warren Mundine appointed as Non-Executive Director. Dr Mundine is one of Australia's prominent independent thinkers and a thought leader in the mining sector and nuclear power space as former director of the Australian Uranium Association.
- Mr. Bryan Dixon appointed as Non-Executive Director, contributing significant experience as a chartered accountant building junior exploration companies into producers, with over 20 years in the mining sector.

## REVIEW OF OPERATIONS 30 JUNE 2022 (CONT.)

- Peter Reeve transitioned to Managing Director and CEO of Aura's gold subsidiary, Archaean Greenstone Gold.
- Dr Will Goodall appointed as the acting CEO to rapidly build momentum towards expansion of the Tiris Resource and preparation for uranium production.
- Appointment of uranium specialist, Patrick Mutz, as an independent Non-Executive Director, with over 40 years of international mining experience and former Managing Director & CEO of African focussed uranium company Deep Yellow (ASX:DYL).
- Appointment of Nigel Jones as Advisor, with over 30 years' experience in mining and investment banking, and 20+ years in the Rio Tinto group.
- A\$8.8m placement (before costs) in March 2022 to sophisticated and institutional investors, with the funds being used to advance Tiris including the resource upgrade Program and commencement of engineering.
- Loyalty Options Entitlement Offer with strong support from eligible shareholders who applied for 135,359,309 new Loyalty Options, raising approximately A\$2.03m.
- Aura Energy's Shares (ASX:AEE) recommenced trading on the ASX on 23 September 2021.

# DIRECTORS' REPORT 30 JUNE 2022

Your directors present their report on the consolidated entity consisting of Aura Energy Limited and the entities it controlled at the end of, or during, the year ended 30 June 2022. Throughout the report, the consolidated entity is referred to as the Group.

## DIRECTORS AND COMPANY SECRETARY

The following persons held office as directors of Aura Energy Limited during the financial year:

**Mr Philip Mitchell** *Non-Executive Chairman*  
(Appointed 21 December 2021)

**Dr Warren Mundine** *Non-Executive Director*  
(Appointed 21 December 2021)

**Mr Bryan Dixon** *Non-Executive Director*  
(Appointed 21 December 2021)

**Mr Patrick Mutz** *Non-Executive Director*  
(Appointed 18 May 2022)

**Mr Peter Reeve** *Managing Director and CEO*  
(Resigned 21 December 2021)

**Mr Peter Ward** *Non-Executive Director*  
(Resigned 21 December 2021)

**Mr Martin Rogers** *Non-Executive Chairman*  
(Resigned 21 December 2021)

The following persons held office as company secretary of Aura Energy Limited during the financial year:

**Mr Phillip Hains**

## PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were exploration and evaluation of uranium, vanadium and gold and base metals in Mauritania and Sweden. There was no significant change in the nature of these activities during the year.

## DIVIDENDS - AURA ENERGY LIMITED

No dividends were declared or paid to members for the year ended 30 June 2022. The directors do not recommend that a dividend be paid in respect of the financial year.

## REVIEW OF OPERATIONS

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the review of operations and activities on pages 9 to 10 of this annual report.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the directors there were no significant changes in the state of affairs of the Group that occurred during the year.

## DIRECTORS' REPORT 30 JUNE 2022 (CONT.)

### EVENTS SINCE THE END OF THE FINANCIAL YEAR

The following circumstance has arisen since 30 June 2022 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

#### *Appointment of a new Managing Director and Chief Executive Officer*

On 19 September 2022, the Group entered into an Executive Service Agreement with Mr David Woodall, pursuant to which Mr Woodall will commence as Managing Director and Chief Executive Officer, effective from 17 October 2022.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

### ENVIRONMENTAL REGULATION

The Group is commencing exploration and evaluation activities in Mauritania and Sweden. Both countries have environmental regulation for the conduct of exploration activities. The Company has complied with these environmental regulations in the conduct of all field activities.

The directors have considered the enacted National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduced a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act has no effect on the Company for the current, nor subsequent, financial year. The directors will reassess this position as and when the need arises.

### ASX LISTING RULES

On 28 October 2020, the Company announced the outcome of a review by the ASX which concluded that the Company had exceeded its placement capacity under Listing Rule 7.1. Consequently, the Company is unable to issue new securities without prior security holder approval until 30 June 2022, unless the issue comes within an exception in Listing Rule 7.2. The ASX has also determined that the Company is ineligible to seek shareholder approval pursuant to Listing Rule 7.1A to entitle it to an additional 10% placement capacity until at least its annual general meeting after 30 June 2022.

# DIRECTORS' REPORT 30 JUNE 2022

## INFORMATION ON DIRECTORS

The following information is current as at the date of this report.

### MR PHILIP MITCHELL *NON-EXECUTIVE CHAIRMAN*

|                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |           |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------|
| Experience and expertise                    | <p>Mr Mitchell has significant experience in mining M&amp;A having held former roles as Head of Business Development and Strategy at Rio Tinto, CFO of Rio Tinto Iron Ore, member of the Executive Committee at Anglo American and also headed acquisitions for billionaire Robert Friedland's company, High Power Exploration.</p> <p>As Head of Business Development and Strategy at Rio Tinto, Mr Mitchell was responsible for managing all aspects of the company's asset and commodity portfolio, including the Ranger uranium mine in addition to the strategic positioning of the company. Mr Mitchell was also accountable for portfolio M&amp;A acquisitions and divestments, in addition to the daily management of the BHP takeover proposal.</p> <p>As the Chief Financial Officer of Rio Tinto's iron ore business, one the largest Australian business units, he oversaw all commercial aspects of the business including relationships with all JV partners and with government. Mr Mitchell was also responsible for developing the strategic plan that saw Rio Tinto Iron Ore dominate profitable expansion to support China's growth. In 2021, Mr Mitchell lead the acquisition of the Nimba Iron Ore project for Robert Friedland's HPX including the purchase arrangements with BHP, Newmont and Orano and the negotiation of the agreements with the Governments of Guinea and Liberia.</p> <p>Mr Mitchell holds a Bachelor of Economics Degree at the Australian National University.</p> |  |           |
| Date of appointment                         | 21 December 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |           |
| Other current public directorships          | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |           |
| Former public directorships in last 3 years | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |  |           |
| Former public directorships in last 3 years | Shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  | 8,000,000 |
|                                             | Options                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |  | -         |

### DR WARREN MUNDINE *NON-EXECUTIVE DIRECTOR*

|                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |           |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------|
| Experience and expertise                    | <p>Dr Mundine is one of Australia's leading independent thinkers and a thought leader in the mining resource sector and nuclear power space. Dr Mundine has worked on numerous major resource projects for leading companies including Fortescue Metals Group, Rio Tinto, BHP and AGL Pipelines &amp; Engineering Waanyi Downer Joint Venture.</p> <p>Dr Mundine is the former director of Australian Uranium Association. He is currently the Managing Director and CEO of Nyungga Black Group Pty Ltd, advisory consultancy, which holds controlling interest in several companies across a diverse range of industries including mining resource consulting.</p> <p>He has formerly worked as a host of Sky News and Win Television, and is currently a director of Australian Government owned television station, Special Broadcasting Services (SBS).</p> <p>Dr Mundine graduated from University of South Australia (Community Development) and Australian Graduate School of Management (Native Title).</p> |  |           |
| Date of appointment                         | 21 December 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |           |
| Other current public directorships          | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |           |
| Former public directorships in last 3 years | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |           |
| Interests in shares and options             | Shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  | 2,000,000 |
|                                             | Options                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  | -         |

# DIRECTORS' REPORT 30 JUNE 2022 (CONT.)

## INFORMATION ON DIRECTORS (CONT.)

### MR BRYAN DIXON *NON-EXECUTIVE DIRECTOR*

|                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |           |
|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| <b>Experience and expertise</b>                    | <p>Mr Dixon has contributing significant experience to the resource sector as a Chartered Accountant building junior exploration companies into mining producers with over 20 years in the mining sector. He also holds extensive experience in the management of public and listed companies, and joint winner of the Asia-Pacific Mining Executive of the year in 2017.</p> <p>Mr Dixon has held numerous director and management roles with emerging resource companies, and was the founding Managing Director of Blackham Resources (ASX:BLK), now Wiluna Mining Corporation (ASX: WMC).</p> <p>Previously, Mr Dixon was employed by an international accounting firm, Resolute Limited and Archipelago Resources, and specialises in project acquisition, exploration, feasibility, financing, development and operations of mining projects to production.</p> <p>Mr Dixon holds Bachelor of Commerce Degree at the University of Western Australia. He is an Associate Member of Chartered Accountants Australia and New Zealand, and an Associate Member of Governance Institute of Australia.</p> |           |
| <b>Date of appointment</b>                         | 21 December 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |           |
| <b>Other current public directorships</b>          | Burley Minerals Ltd (ASX: BUR)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |           |
| <b>Former public directorships in last 3 years</b> | Lithium Australia NL (ASX: LIT), until 27 January 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |           |
| <b>Interests in shares and options</b>             | Shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 2,000,000 |
|                                                    | Options                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | -         |

### MR PATRICK MUTZ *NON-EXECUTIVE DIRECTOR*

|                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |   |
|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| <b>Experience and expertise</b>                    | <p>Specialising in uranium projects in the USA, Australia and Africa, Mr Mutz holds over 40 years of international mining experience across technical, managerial, consulting, executive and director roles, across all aspects of the mining industry from exploration through to project development, mining and mine rehabilitation. He also has uranium operational experience in open cut, underground, and in-situ mining and related processing.</p> <p>He formerly held the roles of Managing Director &amp; CEO of African focussed uranium company, Deep Yellow (ASX: DYL), and Alliance Resources (ASX: AGS). Mr Mutz also held the roles of General Manager and Managing Director of General Atomics Technology Co in California, USA, a company specialising in research and technology development, including physics research in support of nuclear fission and nuclear fusion technology.</p> <p>Mr Mutz also previously served as Managing Director and CEO of a number of private mining companies based in Australia, primarily involved with project development and transitioning companies from exploration to production.</p> <p>Mr Mutz is currently Managing Director &amp; CEO of Image Resources (ASX: IMA) ("Image"), a Western Australian mineral sands mining company, where he led Image through the successful transition from advanced explorer to profitable mining company, including feasibility study, capital raising, construction, rapid commissioning and full production that led to early repayment of all debt and payment of annual dividends after only the second and third years of operation. Mr Mutz holds a Bachelor of Science with Honours and an MBA, both from the University of Phoenix, and is a Fellow of AusIMM.</p> |   |
| <b>Date of appointment</b>                         | 18 May 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |   |
| <b>Other current public directorships</b>          | Image Resources NL (ASX: IMA)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |   |
| <b>Former public directorships in last 3 years</b> | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |   |
| <b>Interests in shares and options</b>             | Shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | - |
|                                                    | Options                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | - |

# DIRECTORS' REPORT 30 JUNE 2022 (CONT.)

## COMPANY SECRETARY

### The Company secretary is Mr Phillip Hains.

Mr Phillip Hains is a Chartered Accountant operating a specialist public practice, 'The CFO Solution'. He has over 30 years of experience in providing businesses with accounting, administration, compliance and general management services. He holds a Master of Business Administration from RMIT University and a Public Practice Certificate from the Chartered Accountants Australia and New Zealand.

## MEETINGS OF DIRECTORS

The numbers of meetings of the Company's board of directors and of each board committee held during the year ended 30 June 2022, and the numbers of meetings attended by each director were:

|                    | Full meetings of directors |   | Meetings of committees |   |              |   |
|--------------------|----------------------------|---|------------------------|---|--------------|---|
|                    |                            |   | Audit                  |   | Remuneration |   |
|                    | A                          | B | A                      | B | A            | B |
| Mr Philip Mitchell | 7                          | 7 | 1                      | 1 | -            | - |
| Dr Warren Mundine  | 5                          | 7 | 1                      | 1 | -            | - |
| Mr Bryan Dixon     | 7                          | 7 | 1                      | 1 | -            | - |
| Mr Patrick Mutz    | 1                          | 1 | -                      | - | -            | - |
| Mr Martin Rogers   | 3                          | 3 | 1                      | 1 | 1            | 1 |
| Mr Peter Ward      | 3                          | 3 | 1                      | 1 | 1            | 1 |
| Mr Peter Reeve     | 3                          | 3 | 1                      | 1 | 1            | 1 |

- a. Number of meetings attended.
- b. Number of meetings held during the time the director held office or was a member of the Audit & Risk Committee during the year.

# DIRECTORS' REPORT 30 JUNE 2022 (CONT.)

## REMUNERATION REPORT

The directors present the Aura Energy Limited 2022 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

The report is structured as follows:

- a. Key management personnel (KMP) covered in this report
- b. Remuneration policy and link to performance
- c. Remuneration expenses
- d. Link between remuneration and performance
- e. Share-based compensation
- f. Other transactions with KMP

### A. KEY MANAGEMENT PERSONNEL COVERED IN THIS REPORT

**Non-executive and executive directors (see pages 13 to 14 for details about each director)**

**Mr Philip Mitchell, Non-Executive Chairman**

(Appointed 21 December 2021)

**Dr Warren Mundine, Non-Executive Director**

(Appointed 21 December 2021)

**Mr Bryan Dixon, Non-Executive Director**

(Appointed 21 December 2021)

**Mr Patrick Mutz, Non-Executive Director**

(Appointed 18 May 2022)

**Mr Peter Reeve, Managing Director and CEO**

(Resigned 21 December 2021)

**Mr Peter Ward, Non-Executive Director**

(Resigned 21 December 2021)

**Mr Martin Rogers, Non-Executive Chairman**

(Resigned 21 December 2021)

### Other key management personnel

**Dr Will Goodall, Acting Chief Executive Officer**

(Appointed 13 January 2022)

### B. REMUNERATION POLICY AND LINK TO PERFORMANCE

Our remuneration committee is made up of independent non-executive directors. The committee reviews and determines our remuneration policy and structure annually to ensure it remains aligned to business needs, and meets our remuneration principles. In particular, the board aims to ensure that remuneration practices are:

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

# DIRECTORS' REPORT 30 JUNE 2022 (CONT.)

## REMUNERATION REPORT (CONT.)

### C. REMUNERATION EXPENSES

The following table shows details of the remuneration expense recognised for the Group's executive key management personnel for the current and previous financial year measured in accordance with the requirements of the accounting standards.

The following table shows details of remuneration expenses of each director or other key management personnel recognised for the year ended 30 June 2022.

| 2022                    | Short-term benefits     |                 |          | Post-employment benefits | Long-term benefits    | Share-based payments |                       |           |
|-------------------------|-------------------------|-----------------|----------|--------------------------|-----------------------|----------------------|-----------------------|-----------|
|                         | Cash salary and fees \$ | Annual leave \$ | Other \$ | Super-annuation \$       | Long service leave \$ | Options \$           | Loan funded shares \$ | Total \$  |
| Non-executive directors |                         |                 |          |                          |                       |                      |                       |           |
| Mr Philip Mitchell      | 31,774                  | -               | -        | -                        | -                     | -                    | 474,902               | 506,676   |
| Dr Warren Mundine       | 19,257                  | -               | -        | 1,926                    | -                     | -                    | 118,725               | 139,908   |
| Mr Bryan Dixon          | 21,183                  | -               | 17,000   | -                        | -                     | -                    | 118,725               | 156,908   |
| Mr Patrick Mutz         | 4,301                   | -               | -        | 430                      | -                     | -                    | -                     | 4,731     |
| Mr Martin Rogers        | 75,000                  | -               | -        | -                        | -                     | -                    | -                     | 75,000    |
| Mr Peter Ward           | 40,000                  | -               | -        | -                        | -                     | -                    | -                     | 40,000    |
| Executive directors     |                         |                 |          |                          |                       |                      |                       |           |
| Mr Peter Reeve          | 94,203                  | -               | -        | 9,420                    | -                     | -                    | -                     | 103,623   |
| Other KMP               |                         |                 |          |                          |                       |                      |                       |           |
| Dr Will Goodall         | 137,500                 | 11,437          | -        | -                        | -                     | -                    | 104,429               | 253,366   |
| Total KMP compensation  | 423,218                 | 11,437          | 17,000   | 11,776                   | -                     | -                    | 816,781               | 1,280,212 |

### Notes

- During the year ended 30 June 2022, the Group also engaged Mr Bryan Dixon, Mr Patrick Mutz and Dr Will Goodall for consulting services prior to their appointments as KMP. These services amounted to \$2,151, \$12,563 and \$47,700, respectively.
- On 21 December 2021, the Group issued loan funded shares to Dr Will Goodall as an eligible consultant prior to his appointment as KMP. During the year ended 30 June 2022, \$14,297 has been recognised as a share-based payment to Dr Goodall as a consultant. Similarly, on 21 December 2021, the Group issued loan funded shares to Mr Peter Reeve as an eligible employee after his resignation as KMP. During the year ended 30 June 2022, \$118,725 has been recognised as a share-based payment to Mr Reeve.

# DIRECTORS' REPORT 30 JUNE 2022 (CONT.)

## REMUNERATION REPORT (CONT.)

### C. REMUNERATION EXPENSES (CONTINUED)

The following table shows details of remuneration expenses of each director or other key management personnel recognised for the year ended 30 June 2021.

| 2021                    | Short-term benefits     |          | Post-employment benefits | Long-term benefits    | Share-based payments |                       |           |
|-------------------------|-------------------------|----------|--------------------------|-----------------------|----------------------|-----------------------|-----------|
|                         | Cash salary and fees \$ | Other \$ | Super-annuation \$       | Long service leave \$ | Options \$           | Loan funded shares \$ | Total \$  |
| Non-executive directors |                         |          |                          |                       |                      |                       |           |
| Mr Martin Rogers        | 75,000                  | -        | 7,125                    | -                     | 535,096              | -                     | 617,221   |
| Mr Peter Ward           | 40,000                  | -        | 3,800                    | -                     | 200,661              | -                     | 244,461   |
| Mr Robert Beeson        | -                       | -        | -                        | -                     | -                    | 25,550                | 25,550    |
| Mr John Bennett         | -                       | -        | -                        | -                     | -                    | 25,550                | 25,550    |
| Mr Robert Craigie       | 14,247                  | -        | 1,354                    | -                     | -                    | 15,601                | 31,202    |
| Mr Paul Heber           | 31,202                  | -        | -                        | -                     | -                    | -                     | 31,202    |
| Mr Julian Perkins       | 14,247                  | -        | 1,354                    | -                     | -                    | 15,601                | 31,202    |
| Executive directors     |                         |          |                          |                       |                      |                       |           |
| Mr Peter Reeve          | 156,989                 | -        | 23,347                   | 26,798                | -                    | 100,000               | 307,134   |
| Other KMP               |                         |          |                          |                       |                      |                       |           |
| Mr John Madden          | 62,800                  | 5,000    | -                        | -                     | -                    | -                     | 67,800    |
| Total KMP compensation  | 394,485                 | 5,000    | 36,980                   | 26,798                | 735,757              | 182,302               | 1,381,322 |

### D. LINK BETWEEN REMUNERATION AND PERFORMANCE

- Relative proportions of fixed vs variable remuneration expense

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense on page 13 above:

| NAME                          | Fixed remuneration |        | LTI    |        |
|-------------------------------|--------------------|--------|--------|--------|
|                               | 2022 %             | 2021 % | 2022 % | 2021 % |
| <b>Non-executive director</b> |                    |        |        |        |
| Mr Philip Mitchell            | 6                  | -      | 94     | -      |
| Dr Warren Mundine             | 15                 | -      | 85     | -      |
| Mr Bryan Dixon                | 24                 | -      | 76     | -      |
| Mr Patrick Mutz               | 100                | -      | -      | -      |

# DIRECTORS' REPORT 30 JUNE 2022 (CONT.)

## REMUNERATION REPORT (CONT.)

| NAME                          | Fixed remuneration |           | LTI       |           |
|-------------------------------|--------------------|-----------|-----------|-----------|
|                               | 2022<br>%          | 2021<br>% | 2022<br>% | 2021<br>% |
| <b>Non-executive director</b> |                    |           |           |           |
| Mr Martin Rogers              | 100                | 100       | -         | -         |
| Mr Peter Ward                 | 100                | 100       | -         | -         |
| Mr Robert Beeson              | -                  | 100       | -         | -         |
| Mr John Bennett               | -                  | 100       | -         | -         |
| Mr Robert Craigie             | -                  | 100       | -         | -         |
| Mr Paul Heber                 | -                  | 100       | -         | -         |
| Mr Julian Perkins             | -                  | 100       | -         | -         |
| <b>Executive director</b>     |                    |           |           |           |
| Mr Peter Reeve                | 100                | 100       | -         | -         |
| <b>Other KMP</b>              |                    |           |           |           |
| Mr John Madden                | -                  | 100       | -         | -         |
| Dr Will Goodall               | 59                 | -         | 41        | -         |

## (E) SHARE-BASED COMPENSATION

### i. Terms and conditions of the share-based payment arrangements

#### *Options*

Aura Energy Limited operates an ownership-based scheme for directors and executives of the Group. In accordance with the provisions of the plan, as approved by shareholders at a previous annual general meeting, directors and executives may be granted options to purchase parcels of ordinary shares at an exercise price as determined at the time options are granted.

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

The number of options granted is approved by shareholders at a previous annual general meeting. The scheme rewards directors and executives against the extent of the Group's and individual's achievement against criteria from the following measures:

- improvement in share price
- improvement in return to shareholders

#### *Loan funded securities*

Aura Energy Limited operates a loan funded equity scheme for directors, executives and senior consultants of the Group. In accordance with the provisions of the plan, as approved by shareholders at a previous annual general meeting, directors, executives and senior consultants may be granted loan funded securities.

Each loan funded share converts into one ordinary share of the Group on issue. The loan funded shares will rank equally with all other fully paid ordinary shares on issue in the capital of the Group.

The number of loan funded shares granted is approved by shareholders at the annual general meeting of the Group.

***For detailed disclosures please refer to Note 8(b).***

### ii. Reconciliation of options, performance rights and ordinary shares held by KMP Option holdings

# DIRECTORS' REPORT 30 JUNE 2022 (CONT.)

## REMUNERATION REPORT (CONT.)

### E. SHARE-BASED COMPENSATION (CONT.)

#### OPTION HOLDINGS

| 2022               | Balance at start of the year <sup>1</sup> | Granted as remuneration | Exercised | Other changes <sup>2</sup> | Balance at end of the year <sup>3</sup> | Vested and exercisable |
|--------------------|-------------------------------------------|-------------------------|-----------|----------------------------|-----------------------------------------|------------------------|
| <b>Options</b>     |                                           |                         |           |                            |                                         |                        |
| Mr Philip Mitchell | -                                         | -                       | -         | -                          | -                                       | -                      |
| Dr Warren Mundine  | -                                         | -                       | -         | -                          | -                                       | -                      |
| Mr Bryan Dixon     | -                                         | -                       | -         | -                          | -                                       | -                      |
| Mr Patrick Mutz    | -                                         | -                       | -         | -                          | -                                       | -                      |
| Mr Peter Reeve     | -                                         | -                       | -         | 3,751,051                  | 3,751,051                               | 3,751,051              |
| Mr Peter Ward      | 5,769,230                                 | -                       | -         | 1,076,922                  | 6,846,152                               | 6,846,152              |
| Mr Martin Rogers   | 15,384,615                                | -                       | -         | 1,923,076                  | 17,307,691                              | 17,307,691             |
| Dr Will Goodall    | 1,317,678                                 | -                       | -         | -                          | 1,317,678                               | 1,317,678              |
|                    | <b>22,471,523</b>                         | <b>-</b>                | <b>-</b>  | <b>6,751,049</b>           | <b>29,222,572</b>                       | <b>29,222,572</b>      |

#### Notes

1. Balance may include shares held prior to individuals becoming KMP. For individuals who became KMP during the period, the balance is as at the date they became KMP.
2. Other changes incorporates changes resulting from the issue of options pursuant to rights issue.
3. For former KMP, the balance is as at the date they ceased being KMP.

# DIRECTORS' REPORT 30 JUNE 2022 (CONT.)

## REMUNERATION REPORT (CONT.)

### E. SHARE-BASED COMPENSATION (CONT.)

#### ORDINARY SHARE HOLDINGS

| 2022                   | Balance at start of the year <sup>1</sup> | Granted as remuneration | Received on conversion of performance rights | Other changes <sup>2</sup> | Balance at end of the year <sup>3</sup> |
|------------------------|-------------------------------------------|-------------------------|----------------------------------------------|----------------------------|-----------------------------------------|
| <b>Ordinary shares</b> |                                           |                         |                                              |                            |                                         |
| Mr Philip Mitchell     | -                                         | 8,000,000               | -                                            | -                          | 8,000,000                               |
| Dr Warren Mundine      | -                                         | 2,000,000               | -                                            | -                          | 2,000,000                               |
| Mr Bryan Dixon         | -                                         | 2,000,000               | -                                            | -                          | 2,000,000                               |
| Mr Patrick Mutz        | -                                         | -                       | -                                            | -                          | -                                       |
| Mr Peter Reeve         | 11,275,077                                | -                       | -                                            | -                          | 11,275,077                              |
| Mr Peter Ward          | 3,230,768                                 | -                       | -                                            | -                          | 3,230,768                               |
| Mr Martin Rogers       | 5,769,229                                 | -                       | -                                            | -                          | 5,769,229                               |
| Dr Will Goodall        | 953,034                                   | 2,000,000               | -                                            | -                          | 2,953,034                               |
|                        | <b>21,228,108</b>                         | <b>14,000,000</b>       | -                                            | -                          | <b>35,228,108</b>                       |

#### Notes

1. Balance may include shares held prior to individuals becoming KMP and exclude shares held by individuals resigned as KMP in prior year. For individuals who became KMP during the year, the balance is as at the date they became KMP.
2. Other changes incorporates changes resulting from the acquisition or disposal of shares.
3. For former KMP, the balance is as at the date they cease being KMP.

### (F) OTHER TRANSACTIONS WITH KMP

Mr Peter Reeve was owed \$253,006 as at 30 June 2021 in remuneration pursuant to agreed terms and conditions of a revised contract of employment with the base salary from 17 March 2021 being \$200,000 plus superannuation. During the current financial year, \$50,000 of the amount owing was paid in July 2021 and the balance was paid out on resignation in December 2021.

### (G) VOTING OF SHAREHOLDERS AT LAST YEAR'S ANNUAL GENERAL MEETING

Aura Energy Limited received more than 75% of favourable votes on its remuneration report for the 2021 financial year. The Group did not receive any specific feedback at the 2021 annual general meeting or throughout the year on its remuneration practices.

*[This concludes the remuneration report, which has been audited]*

## DIRECTORS' REPORT 30 JUNE 2022 (CONT.)

### PROCEEDINGS ON BEHALF OF THE COMPANY

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

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

### NON-AUDIT SERVICES

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

|                                                            | 2022<br>\$   | 2021<br>\$   |
|------------------------------------------------------------|--------------|--------------|
| <b>Taxation services</b>                                   |              |              |
| Hall Chadwick WA Audit Pty Ltd:<br>Tax compliance services | 2,971        | 1,500        |
| <b>Total remuneration for taxation services</b>            | <b>2,971</b> | <b>1,500</b> |

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 24.

### SHARES UNDER OPTION

#### A. Unissued ordinary shares

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

| Date options issued | Expiry date | Issue price of Shares | Number under option |
|---------------------|-------------|-----------------------|---------------------|
| 2021-05-28 (AEEAAB) | 2024-06-30  | \$0.052               | 384,616             |
| 2021-05-28 (AEEAAD) | 2023-03-31  | \$0.104               | 3,039,528           |
| 2021-11-15 (AEEO)   | 2024-06-30  | \$0.052               | 118,766,583         |
|                     |             |                       | 122,190,727         |

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

# DIRECTORS' REPORT 30 JUNE 2022 (CONT.)

## SHARES UNDER OPTION (CONT.)

### B. Shares issued on the exercise of options

The following ordinary shares of Aura Energy Limited were issued during and after the year ended 30 June 2022 on the exercise of options. No amounts are unpaid on any of the shares.

| Date options issued | Date options expire | Issue price of Shares | Number of shares issued |
|---------------------|---------------------|-----------------------|-------------------------|
| 2019-04-30          | 2022-04-30          | \$0.208               | 4,807,692               |
| 2019-04-30          | 2022-04-30          | \$0.098               | 1,538,462               |
| 2021-04-09          | 2024-06-30          | \$0.052               | 18,499,998              |
| 2021-05-28          | 2023-03-31          | \$0.104               | 2,938,035               |
| 2021-11-15          | 2024-06-30          | \$0.052               | 24,237,630              |
|                     |                     |                       | 52,021,817              |

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



Mr Philip Mitchell  
Director

London  
30 September 2022

To the Board of Directors

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

As lead audit director for the audit of the financial statements of Aura Energy Limited for the financial year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully,



**HALL CHADWICK WA AUDIT PTY LTD**



**D M BELL CA**  
**Director**

Dated this 30<sup>th</sup> day of September 2022

# AURA ENERGY LIMITED

## Annual Financial Report - 30 June 2022

### FINANCIAL STATEMENTS

|                                                                         |    |
|-------------------------------------------------------------------------|----|
| Consolidated statement of profit or loss and other comprehensive income | 26 |
| Consolidated statement of financial position                            | 27 |
| Consolidated statement of changes in equity                             | 28 |
| Consolidated statement of cash flows                                    | 30 |
| Notes to the financial statements                                       | 31 |
| Directors' declaration                                                  | 60 |

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME



FOR THE YEAR ENDED 30 JUNE 2022

|                                                                                                              | Notes | 2022<br>\$         | 2021<br>\$         |
|--------------------------------------------------------------------------------------------------------------|-------|--------------------|--------------------|
| <b>Continuing operations</b>                                                                                 |       |                    |                    |
| Other income                                                                                                 | 2(a)  | 92,496             | 31,156             |
| Other gains/(losses)                                                                                         | 2(b)  | (58,782)           | 159,054            |
| Employee benefits                                                                                            |       | (505,389)          | (678,221)          |
| General and administration expenses                                                                          | 2(c)  | (1,470,842)        | (1,507,050)        |
| Share-based payments                                                                                         | 8     | (1,187,254)        | (767,645)          |
| <b>Operating loss</b>                                                                                        |       | <b>(3,129,771)</b> | <b>(2,762,706)</b> |
| Finance income                                                                                               | 2(d)  | 1,676              | 36                 |
| Finance expenses                                                                                             | 2(d)  | -                  | (232,821)          |
| <b>Finance costs</b>                                                                                         |       | <b>1,676</b>       | <b>(232,785)</b>   |
| <b>Loss before income tax</b>                                                                                |       | <b>(3,128,095)</b> | <b>(2,995,491)</b> |
| Income tax benefit                                                                                           | 3     | -                  | -                  |
| <b>Loss from continuing operations</b>                                                                       |       | <b>(3,128,095)</b> | <b>(2,995,491)</b> |
| Profit/(loss) from disposal group                                                                            | 11(b) | (275,696)          | 9,992              |
| <b>Loss for the year</b>                                                                                     |       | <b>(3,403,791)</b> | <b>(2,985,499)</b> |
| Attributable to:                                                                                             |       |                    |                    |
| Owners of Aura Energy Limited                                                                                |       | (3,573,298)        | (2,985,499)        |
| Non-controlling interests                                                                                    |       | 169,507            | -                  |
|                                                                                                              |       | <b>(3,403,791)</b> | <b>(2,985,499)</b> |
| <b>Other comprehensive income</b>                                                                            |       |                    |                    |
| Exchange differences on translation of foreign operations                                                    |       | 333,919            | (122,711)          |
| <b>Other comprehensive income for the year</b>                                                               |       | <b>333,919</b>     | <b>(122,711)</b>   |
| <b>Total comprehensive loss for the year</b>                                                                 |       | <b>(3,069,872)</b> | <b>(3,108,210)</b> |
| Attributable to:                                                                                             |       |                    |                    |
| Owners of Aura Energy Limited                                                                                |       | (3,245,917)        | (3,108,210)        |
| Non-controlling interests                                                                                    |       | 176,045            | -                  |
|                                                                                                              |       | <b>(3,069,872)</b> | <b>(3,108,210)</b> |
| <b>Basic and diluted loss per share for loss attributable to the ordinary equity holders of the Company:</b> |       |                    |                    |
| From continuing operations attributable to the ordinary equity holders of the company                        | 18    | (0.73)             | (1.34)             |
| From continuing operations and disposal group attributable to the ordinary equity holders of the company     |       | (0.79)             | (1.34)             |

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION



AS AT 30 JUNE 2022

|                                                                          | Notes | 2022<br>\$        | 2021<br>\$        |
|--------------------------------------------------------------------------|-------|-------------------|-------------------|
| <b>ASSETS</b>                                                            |       |                   |                   |
| <b>Current assets</b>                                                    |       |                   |                   |
| Cash at banks                                                            | 4(a)  | 9,950,777         | 3,206,855         |
| Trade receivables                                                        | 4(b)  | 21,501            | 798               |
| Other current assets                                                     |       | 155,246           | 104,149           |
| Assets classified as disposal group                                      | 11    | 2,453,620         | -                 |
| <b>Total current assets</b>                                              |       | <b>12,581,144</b> | <b>3,311,802</b>  |
| <b>Non-current assets</b>                                                |       |                   |                   |
| Plant and equipment                                                      |       | 4,557             | -                 |
| Exploration and evaluation                                               | 5(a)  | 22,323,176        | 20,396,634        |
| <b>Total non-current assets</b>                                          |       | <b>2,327,733</b>  | <b>20,396,634</b> |
| <b>Total assets</b>                                                      |       | <b>34,908,877</b> | <b>23,708,436</b> |
| <b>LIABILITIES</b>                                                       |       |                   |                   |
| <b>Current liabilities</b>                                               |       |                   |                   |
| Trade and other payables                                                 | 4(c)  | 1,201,706         | 1,171,601         |
| Borrowings                                                               | 4(d)  | -                 | 312,500           |
| Employee benefit obligations                                             | 5(b)  | 14,947            | 198,421           |
| Other current liabilities                                                |       | 1,067             | 25,000            |
| Liabilities directly associated with assets classified as disposal group | 11    | 76,707            | -                 |
| <b>Total current liabilities</b>                                         |       | <b>1,294,427</b>  | <b>1,707,522</b>  |
| <b>Total liabilities</b>                                                 |       | <b>1,294,427</b>  | <b>1,707,522</b>  |
| <b>Net assets</b>                                                        |       | <b>33,614,450</b> | <b>22,000,914</b> |
| <b>EQUITY</b>                                                            |       |                   |                   |
| Share capital                                                            | 6(a)  | 69,357,543        | 56,227,736        |
| Other equity                                                             |       | 314,346           | 314,346           |
| Other reserves                                                           | 6(b)  | 3,946,825         | 2,065,843         |
| Accumulated losses                                                       |       | (40,240,837)      | (36,607,011)      |
| Capital and reserves attributable to owners of Aura Energy Limited       |       | <b>33,377,877</b> | <b>22,000,914</b> |
| Non-controlling interests                                                |       | 236,573           | -                 |
| <b>Total equity</b>                                                      |       | <b>33,614,450</b> | <b>22,000,914</b> |

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



FOR THE YEAR ENDED 30 JUNE 2022

| Attributable to owners of Aura Energy Limited                |                     |                    |                      |                          |                    |
|--------------------------------------------------------------|---------------------|--------------------|----------------------|--------------------------|--------------------|
|                                                              | Share capital<br>\$ | Other equity<br>\$ | Other reserves<br>\$ | Accumulated losses<br>\$ | Total equity<br>\$ |
| <b>Balance at 1 July 2020</b>                                | 50,967,094          | 357,056            | 1,147,314            | (33,717,722)             | 18,753,742         |
| Loss for the year                                            | -                   | -                  | -                    | (2,985,499)              | (2,985,499)        |
| Other comprehensive loss                                     | -                   | -                  | (122,711)            | -                        | (122,711)          |
| <b>Total comprehensive loss for the year</b>                 | -                   | -                  | <b>(122,711)</b>     | <b>(2,985,499)</b>       | <b>(3,108,210)</b> |
| <b>Transactions with owners in their capacity as owners:</b> |                     |                    |                      |                          |                    |
| Contributions of equity, net of transaction costs and tax    | 4,621,385           | -                  | -                    | -                        | 4,621,385          |
| Conversion of convertible notes                              | 310,000             | 34,445             | -                    | -                        | 344,445            |
| Options issued                                               | -                   | -                  | 1,065,470            | -                        | 1,065,470          |
| Options expired                                              | -                   | (77,155)           | -                    | 77,155                   | -                  |
| Options exercised                                            | 329,257             | -                  | (37,063)             | -                        | 292,194            |
| Performance rights forfeited                                 | -                   | -                  | (19,055)             | 19,055                   | -                  |
| Performance rights vested                                    | -                   | -                  | 31,888               | -                        | 31,888             |
|                                                              | 5,260,642           | (42,710)           | 1,041,240            | 96,210                   | 6,355,382          |
| <b>Balance at 30 June 2021</b>                               | <b>56,227,736</b>   | <b>314,346</b>     | <b>2,065,843</b>     | <b>(36,607,011)</b>      | <b>22,000,914</b>  |

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT.)

FOR THE YEAR ENDED 30 JUNE 2022

| Attributable to owners of Aura Energy Limited                |                        |                       |                         |                                  |                    |                                        |                       |
|--------------------------------------------------------------|------------------------|-----------------------|-------------------------|----------------------------------|--------------------|----------------------------------------|-----------------------|
|                                                              | Share<br>capital<br>\$ | Other<br>equity<br>\$ | Other<br>reserves<br>\$ | Accu-<br>mulated<br>losses<br>\$ | Total<br>\$        | Non-<br>controlling<br>interests<br>\$ | Total<br>equity<br>\$ |
| <b>Balance at 1 July 2021</b>                                | 56,227,736             | 314,346               | 2,065,843               | (36,607,011)                     | 22,000,914         | -                                      | 22,000,914            |
| (Loss)/profit for the year                                   | -                      | -                     | -                       | (3,573,298)                      | (3,573,298)        | 169,507                                | (3,403,791)           |
| Other comprehensive income                                   | -                      | -                     | 327,381                 | -                                | 327,381            | 6,538                                  | 333,919               |
| <b>Total comprehensive income/(loss) for the year</b>        | -                      | -                     | <b>327,381</b>          | <b>(3,573,298)</b>               | <b>(3,245,917)</b> | <b>176,045</b>                         | <b>(3,069,872)</b>    |
| <b>Transactions with owners in their capacity as owners:</b> |                        |                       |                         |                                  |                    |                                        |                       |
| Contributions of equity, net of transaction costs and tax    | 7,787,082              | -                     | -                       | -                                | 7,787,082          | -                                      | 7,787,082             |
| Transfer to non-controlling interests                        | -                      | -                     | -                       | (60,528)                         | (60,528)           | 60,528                                 | -                     |
| Options issued                                               | -                      | -                     | 2,030,390               | -                                | 2,030,390          | -                                      | 2,030,390             |
| Options exercised                                            | 5,167,725              | -                     | (1,489,043)             | -                                | 3,678,682          | -                                      | 3,678,682             |
| Performance shares converted                                 | 175,000                | -                     | (175,000)               | -                                | -                  | -                                      | -                     |
| Loan funded securities                                       | -                      | -                     | 1,187,254               | -                                | 1,187,254          | -                                      | 1,187,254             |
|                                                              | 13,129,807             | -                     | 1,553,601               | (60,528)                         | 14,622,880         | 60,528                                 | 14,683,408            |
| <b>Balance at 30 June 2022</b>                               | <b>69,357,543</b>      | <b>314,346</b>        | <b>3,946,825</b>        | <b>(40,240,837)</b>              | <b>33,377,877</b>  | <b>236,573</b>                         | <b>33,614,450</b>     |

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

|                                                                    | Notes | 2022<br>\$         | 2021<br>\$ |
|--------------------------------------------------------------------|-------|--------------------|------------|
| <b>Cash flows from operating activities</b>                        |       |                    |            |
| Payments to suppliers and employees (inclusive of GST)             |       | (2,692,262)        | (996,205)  |
| Other income                                                       |       | -                  | 30,450     |
| Interest received                                                  |       | 1,676              | 36         |
| Interest paid                                                      |       | -                  | (130)      |
| <b>Net cash (outflow) from operating activities</b>                | 9(a)  | <b>(2,690,586)</b> | (965,849)  |
| <b>Cash flows from investing activities</b>                        |       |                    |            |
| Payments for property, plant and equipment                         |       | (5,753)            | -          |
| Payments for exploration and evaluation                            |       | (2,723,064)        | (608,306)  |
| <b>Net cash (outflow) from investing activities</b>                |       | <b>(2,728,817)</b> | (608,306)  |
| <b>Cash flows from financing activities</b>                        |       |                    |            |
| Proceeds from issues of shares and other listed securities         |       | 10,805,390         | 4,113,644  |
| Proceeds from borrowings                                           |       | -                  | 417,000    |
| Share issue transaction costs                                      |       | (1,216,818)        | (103,413)  |
| Repayment of borrowings                                            |       | (312,500)          | (76,000)   |
| Options exercise                                                   |       | 3,679,749          | 200,000    |
| Proceeds from other current liabilities                            |       | -                  | 25,000     |
| <b>Net cash inflow from financing activities</b>                   |       | <b>12,955,821</b>  | 4,576,231  |
| <b>Net increase in cash and cash equivalents</b>                   |       | <b>7,536,418</b>   | 3,002,076  |
| Cash and cash equivalents at the beginning of the financial period |       | 3,206,855          | 234,689    |
| Effects of exchange rate changes on cash and cash equivalents      |       | (36,573)           | (29,910)   |
| <b>Cash and cash equivalents at end of year</b>                    | 4(a)  | <b>10,706,700</b>  | 3,206,855  |

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

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022



### 1. SEGMENT INFORMATION

#### A. DESCRIPTION OF SEGMENTS AND PRINCIPAL ACTIVITIES

The Group operates predominately in the mining industry. This comprises exploration and evaluation of uranium projects. Inter-segment transactions are priced at cost to the consolidated Group.

The Group has identified its operating segments based on the internal reports that are provided to the board of directors on a monthly basis. Management has identified the operating segments based on the three principal project - uranium, vanadium and gold and base metals. The Group also maintains a corporate function primarily responsible for overall management of the operating segments, raising capital and distributing funds to operating segments.

Corporate expenses include administration and regulatory expenses arising from operating an ASX listed entity.

Segment assets include the costs to acquire tenements and the capitalised exploration costs of those tenements. Financial assets including cash and cash equivalents, and investments in financial assets, are reported in the Treasury segment.

#### B. FINANCIAL BREAKDOWN

The segment information for the reportable segments for the year ended 30 June 2022 is as follows:

| 2022                                     | Uranium<br>\$     | Vanadium<br>\$     | Gold and<br>base<br>metals<br>\$ | Corporate<br>\$    | Total<br>\$        |
|------------------------------------------|-------------------|--------------------|----------------------------------|--------------------|--------------------|
| Segment income                           | -                 | -                  | -                                | 92,496             | 92,496             |
| Realised & unrealised gains/<br>(losses) | 920,600           | (957,403)          | -                                | (21,979)           | (58,782)           |
| <b>Total income</b>                      | <b>920,600</b>    | <b>(957,403)</b>   | <b>-</b>                         | <b>70,517</b>      | <b>33,714</b>      |
| Employee benefits                        | -                 | -                  | -                                | (505,389)          | (505,389)          |
| General & administration<br>expenses     | (299)             | (26,512)           | -                                | (1,444,031)        | (1,470,842)        |
| Finance costs                            | (495,429)         | (239,749)          | -                                | 736,854            | 1,676              |
| Share-based payments                     | -                 | -                  | -                                | (1,187,254)        | (1,187,254)        |
| Profit/(loss) from disposal<br>group     | -                 | -                  | 17,905                           | (293,601)          | (275,696)          |
| <b>Loss for the year</b>                 | <b>424,872</b>    | <b>(1,223,664)</b> | <b>17,905</b>                    | <b>(2,622,904)</b> | <b>(3,403,791)</b> |
| <b>Assets</b>                            |                   |                    |                                  |                    |                    |
| Segment assets                           | 15,680,668        | 6,642,508          | 1,694,213                        | 10,891,488         | 34,908,877         |
| <b>Total assets</b>                      | <b>15,680,668</b> | <b>6,642,508</b>   | <b>1,694,213</b>                 | <b>10,891,488</b>  | <b>34,908,877</b>  |
| <b>Liabilities</b>                       |                   |                    |                                  |                    |                    |
| Trade and other payables                 | -                 | -                  | -                                | 1,201,706          | 1,201,706          |
| Provisions                               | -                 | -                  | -                                | 91,654             | 91,654             |
| Financial liabilities                    | -                 | -                  | -                                | 1,067              | 1,067              |
| <b>Total liabilities</b>                 | <b>-</b>          | <b>-</b>           | <b>-</b>                         | <b>1,294,427</b>   | <b>1,294,427</b>   |

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)



### 1. SEGMENT INFORMATION (CONT.)

#### B. FINANCIAL BREAKDOWN (CONTINUED)

The segment information for the reportable segments for the year ended 30 June 2021 is as follows:

| 2022                                     | Uranium<br>\$     | Vanadium<br>\$   | Gold and<br>base<br>metals<br>\$ | Corporate<br>\$    | Total<br>\$        |
|------------------------------------------|-------------------|------------------|----------------------------------|--------------------|--------------------|
| Segment income                           | -                 | -                | -                                | 706                | 706                |
| Covid 19 Relief                          | -                 | -                | -                                | 30,450             | 30,450             |
| Realised & unrealised gains/<br>(losses) | 181,976           | (16,944)         | -                                | (5,978)            | 159,054            |
| <b>Total income</b>                      | <b>181,976</b>    | <b>(16,944)</b>  | <b>-</b>                         | <b>25,178</b>      | <b>190,210</b>     |
| Employee benefits                        | -                 | -                | -                                | (678,221)          | (678,221)          |
| General & administration<br>expenses     | -                 | (37,166)         | -                                | (1,469,884)        | (1,507,050)        |
| Finance costs                            | -                 | -                | -                                | (232,785)          | (232,785)          |
| Share-based payments                     | -                 | -                | -                                | (767,645)          | (767,645)          |
| Profit/(loss) from disposal<br>group     | -                 | -                | 10,472                           | (480)              | 9,992              |
| <b>Loss for the year</b>                 | <b>181,976</b>    | <b>(54,110)</b>  | <b>10,472</b>                    | <b>(3,123,837)</b> | <b>(2,985,499)</b> |
| <b>Assets</b>                            |                   |                  |                                  |                    |                    |
| Segment assets                           | 12,413,115        | 7,222,843        | 805,234                          | 3,267,244          | 23,708,436         |
| <b>Total assets</b>                      | <b>12,413,115</b> | <b>7,222,843</b> | <b>805,234</b>                   | <b>3,267,244</b>   | <b>23,708,436</b>  |
| <b>Liabilities</b>                       |                   |                  |                                  |                    |                    |
| Trade and other payables                 | -                 | 3,395            | -                                | 1,168,206          | 1,171,601          |
| Provisions                               | -                 | -                | -                                | 198,421            | 198,421            |
| Borrowings                               | -                 | -                | -                                | 312,500            | 312,500            |
| Other current liabilities                | -                 | -                | -                                | 25,000             | 25,000             |
| <b>Total liabilities</b>                 | <b>-</b>          | <b>3,395</b>     | <b>-</b>                         | <b>1,704,127</b>   | <b>1,707,522</b>   |

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)



### 2. OTHER INCOME AND EXPENSE ITEMS

#### A. OTHER INCOME

|                   | 2022<br>\$ | 2021<br>\$ |
|-------------------|------------|------------|
| Other income      | 92,496     | 706        |
| Government grants | -          | 30,450     |
|                   | 92,496     | 31,156     |

#### B. OTHER GAINS/(LOSSES)

|                                     | 2022<br>\$ | 2021<br>\$ |
|-------------------------------------|------------|------------|
| Net gain/(loss) on foreign currency | (58,782)   | 159,054    |
|                                     | (58,782)   | 159,054    |

#### C. BREAKDOWN OF EXPENSES BY NATURE

|                                            | 2022<br>\$  | 2021<br>\$  |
|--------------------------------------------|-------------|-------------|
| <b>General and administration expenses</b> |             |             |
| Accounting and audit                       | (419,511)   | (145,950)   |
| Computers and communication                | (41,429)    | (29,238)    |
| Consulting                                 | (345,378)   | (251,115)   |
| Depreciation                               | (1,196)     | (499)       |
| Insurance                                  | 2,610       | (18,161)    |
| Investor relations                         | (144,841)   | (22,291)    |
| Legal                                      | (116,693)   | (826,652)   |
| Listing and share registry                 | (274,895)   | (123,822)   |
| Occupancy                                  | (24,796)    | (61,824)    |
| Travel and entertainment                   | (96,176)    | (2,256)     |
| Other                                      | (8,537)     | (25,242)    |
|                                            | (1,470,842) | (1,507,050) |

#### D. FINANCE INCOME AND COSTS

|                                                                         | 2022<br>\$ | 2021<br>\$ |
|-------------------------------------------------------------------------|------------|------------|
| <b>Finance income</b>                                                   |            |            |
| Interest from financial assets not at fair value through profit or loss | 1,676      | 36         |
|                                                                         | 1,676      | 36         |

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)



### 2. OTHER INCOME AND EXPENSE ITEMS (CONT.)

#### D. FINANCE INCOME AND COSTS (CONT.)

|                                                                                                              | 2022<br>\$   | 2021<br>\$       |
|--------------------------------------------------------------------------------------------------------------|--------------|------------------|
| <b>Finance costs</b>                                                                                         |              |                  |
| Interest and finance charges paid/payable for financial liabilities not at fair value through profit or loss | -            | (232,821)        |
|                                                                                                              | -            | (232,821)        |
| <b>Net finance costs</b>                                                                                     | <b>1,676</b> | <b>(232,785)</b> |

### 3. INCOME TAX EXPENSE

#### (A) INCOME TAX EXPENSE

|                    | 2022<br>\$ | 2021<br>\$ |
|--------------------|------------|------------|
| Income tax expense | -          | -          |

#### B. NUMERICAL RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE

|                                                                                                | 2022<br>\$         | 2021<br>\$  |
|------------------------------------------------------------------------------------------------|--------------------|-------------|
| Loss from continuing operations before income tax expense                                      | <b>(3,128,095)</b> | (2,995,491) |
| (Loss)/profit from disposal group before income tax expense                                    | <b>(275,696)</b>   | 9,992       |
|                                                                                                | <b>(3,403,791)</b> | (2,985,499) |
| Tax at the Australian tax rate of 25% (2021: 26%)                                              | <b>(850,948)</b>   | (776,230)   |
| <b>Tax effect of amounts which are not deductible (taxable) In calculating taxable income:</b> |                    |             |
| Share-based payments                                                                           | <b>296,814</b>     | 199,588     |
| Other                                                                                          | <b>140,703</b>     | 1,477       |
| Unrealised currency (gains)/losses                                                             | <b>(42,562)</b>    | (41,086)    |
| Fines and penalties                                                                            | -                  | 130,119     |
| Superannuation liability                                                                       | <b>(12,999)</b>    | 11,248      |
| Covid-19 relief                                                                                | -                  | (7,917)     |
| Employee leave obligations                                                                     | <b>(42,745)</b>    | 15,552      |
| Subtotal                                                                                       | <b>(511,737)</b>   | (467,249)   |
| Difference in overseas tax rates                                                               | <b>11,091</b>      | 2,327       |
| Tax losses and other timing differences for which no deferred tax asset is recognised          | <b>500,646</b>     | 464,922     |
| Income tax expense/(benefit)                                                                   | -                  | -           |

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)



### 3. INCOME TAX EXPENSE (CONT.)

#### C. TAX LOSSES

|                                                                       | 2022<br>\$        | 2021<br>\$ |
|-----------------------------------------------------------------------|-------------------|------------|
| Unused tax losses for which no deferred tax asset has been recognised | <b>22,362,674</b> | 20,360,090 |
| Potential tax benefit @ 25% (2021: 26%)                               | <b>5,590,669</b>  | 5,293,623  |

The unused tax losses were incurred by a dormant subsidiary that is not likely to generate taxable income in the foreseeable future. They can be carried forward indefinitely.

### 4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

#### A. CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at 30 June:

|                                              | 2022<br>\$        | 2021<br>\$ |
|----------------------------------------------|-------------------|------------|
| Cash at banks                                | <b>9,950,777</b>  | 3,206,855  |
| Cash at banks attributable to disposal group | <b>755,923</b>    | -          |
| Cash and cash equivalents                    | <b>10,706,700</b> | 3,206,855  |

##### i. Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest. See Note 20(f) for the Group's other accounting policies on cash and cash equivalents.

#### B. TRADE AND OTHER RECEIVABLES

|                   | 2022          |                   |               | 2021          |                   |             |
|-------------------|---------------|-------------------|---------------|---------------|-------------------|-------------|
|                   | Current<br>\$ | Non-current<br>\$ | Total<br>\$   | Current<br>\$ | Non-current<br>\$ | Total<br>\$ |
| Other receivables | <b>21,501</b> | -                 | <b>21,501</b> | 798           | -                 | 798         |

##### ii. Fair value of trade and other receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)

### 4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

#### C. TRADE AND OTHER PAYABLES

|                                             | 2022          |                       |             | 2021          |                       |             |
|---------------------------------------------|---------------|-----------------------|-------------|---------------|-----------------------|-------------|
|                                             | Current<br>\$ | Non-<br>current<br>\$ | Total<br>\$ | Current<br>\$ | Non-<br>current<br>\$ | Total<br>\$ |
| Trade payables                              | 251,814       | -                     | 251,814     | 408,156       | -                     | 408,156     |
| Accrued expenses                            | 938,297       | -                     | 938,297     | 410,979       | -                     | 410,979     |
| Payroll tax and other statutory liabilities | 7,926         | -                     | 7,926       | 16,067        | -                     | 16,067      |
| Other payables                              | 3,669         | -                     | 3,669       | 336,399       | -                     | 336,399     |
|                                             | 1,201,706     |                       | 1,201,706   | 1,171,601     |                       | 1,171,601   |

#### D. BORROWINGS

|                                | Total<br>\$ |
|--------------------------------|-------------|
| <b>Year ended 30 June 2021</b> |             |
| Opening balance                | 310,000     |
| New borrowings                 | 432,000     |
| Settlement                     | (518,000)   |
| Finance charges                | 88,500      |
| Closing balance                | 312,500     |
| <b>Year ended 30 June 2022</b> |             |
| Opening balance                | 312,500     |
| Settlement                     | (312,500)   |
| Closing balance                | -           |

#### L1 Capital Global Opportunities Master Fund Convertible note

On 19 August 2020, the Group entered into a Convertible Securities Agreement with L1 Capital Global Opportunities Master Fund. The Group issued 250,000 convertible securities for a consideration of \$250,000. A facility fee of \$9,000 was payable by the Group on inception of the agreement. L1 Capital advanced the Group the net amount on inception of the agreement. The securities have a face value of \$312,500 and \$62,500 finance costs have been recognised accordingly.

Under the Convertible Securities Agreement, L1 Capital was entitled to 50,000,000 options (pre consolidation) over 2 series.

Series A: 25,000,000 options with an exercise price of 0.4 pence, converted into AUD using the Exchange Rate on the day immediately prior to the Execution Date and rounded down to the nearest (\$0.001) and an expiry date of 3 years from the date of issue.

Series B: 25,000,000 Options with an exercise price equal to the closing VWAP on the London Stock Exchange on the Actual Trading Day immediately prior to the date Shareholder Approval is obtained converted into AUD using the Exchange Rate on the same day and rounded down to the nearest (\$0.001) and an expiry date of 3 years from the date of issue.

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)



### 4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT.)

#### D. BORROWINGS (CONT.)

On 21 December 2020, the options component of the agreement was amended. On 9 April 2021, L1 Capital was issued 3,846,153 options (post consolidation) with an exercise price of \$0.052 and expiring on 30 June 2024.

On 13 September 2021, the Group repaid L1 Capital the face value of the borrowings \$312,500.

#### Other loans

On 10 February 2021, Peter Reeve and Phillip Hains each advanced the Group \$38,000 in an arm's length transaction. Both advances were repaid on 18 February 2021.

### 5. NON-FINANCIAL ASSETS AND LIABILITIES

#### A. EXPLORATION AND EVALUATION

|                                                     | Tiris<br>uranium<br>\$ | Haggan<br>vanadium<br>\$ | Tasiast<br>South gold<br>\$ | Total<br>\$       |
|-----------------------------------------------------|------------------------|--------------------------|-----------------------------|-------------------|
| <b>Year ended 30 June 2021</b>                      |                        |                          |                             |                   |
| Opening net book value                              | 11,769,138             | 7,220,847                | 747,766                     | 19,737,751        |
| Expenditure capitalised during the financial period | 434,054                | 14,710                   | 139,174                     | 587,938           |
| Exchange differences                                | 165,365                | (12,714)                 | (81,706)                    | 70,945            |
| <b>Closing net book value</b>                       | <b>12,368,557</b>      | <b>7,222,843</b>         | <b>805,234</b>              | <b>20,396,634</b> |
| <b>Year ended 30 June 2022</b>                      |                        |                          |                             |                   |
| Opening net book value                              | 12,368,557             | 7,222,843                | 805,234                     | 20,396,634        |
| Expenditure capitalised during the financial period | 2,294,636              | 94,839                   | 847,789                     | 3,237,264         |
| Exchange differences                                | 1,017,475              | (675,174)                | 41,190                      | 383,491           |
| Assets transferred to disposal group                | -                      | -                        | (1,694,213)                 | (1,694,213)       |
| <b>Closing net book value</b>                       | <b>15,680,668</b>      | <b>6,642,508</b>         | <b>-</b>                    | <b>22,323,176</b> |

#### A. EXPLORATION AND EVALUATION (CONTINUED)

The value of the Group's interest in exploration expenditure is dependent upon:

- The continuance of the Group's right to tenure of the areas of interest;
- The result of future exploration; and
- The recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The Group's exploration properties may be subjected to claim(s) under Native Title (or jurisdictional equivalent), or contain sacred sites, or sites of significance to the indigenous people of Sweden and Mauritania.

As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)



### 5. NON-FINANCIAL ASSETS AND LIABILITIES (CONT.)

quantum of such claims.

On 22 May 2018, the Group lodged exploitation applications for Ain Sder, Oued El Foule and Oum Ferkik.

The Islamic Republic of Mauritania granted exploitation licenses for the Ain Sder and Oued El Foule on 9 February 2019. The Group is in discussions with the government to secure an exclusivity over the Oum Ferkik tenement.

The pandemic has delayed the Group from continuing negotiations of an exclusivity over the Oum Ferkik tenement and as a consequence the board of directors decided to recognise an impairment of the carrying value of the Oum Ferkik tenement of \$2.508 million in prior years. The board of directors believes its relationship with the government will result in it eventually securing an exclusivity and notes that the government has not revoked the Oum Ferkik tenement due to the representations made by the Group to secure the exclusivity.

On 20 June 2022, the licenses for Hadeibet Bellaa and Touerig Taet, part of the Tasiast South gold project, expired. The Group has applied to the Ministry of Petroleum, Mines and Energy to renew the licenses and has paid the renewal fees and 1st years' surface fee for the 3 year renewal period, in accordance with the regulatory provisions. The Group has received confirmation from the Ministry of Petroleum, Mines and Energy confirming the renewal of licenses will follow the normal route and will therefore be renewed shortly.

Similarly, the Group has applied for and paid the fees for the renewal of the Nderik license together with the joint venture partner, Nomads Mining Co. The Ministry provided the same confirmation regarding this application.

### B. EMPLOYEE BENEFIT OBLIGATIONS

|                       | 2022          |                       |             | 2021          |                       |             |
|-----------------------|---------------|-----------------------|-------------|---------------|-----------------------|-------------|
|                       | Current<br>\$ | Non-<br>current<br>\$ | Total<br>\$ | Current<br>\$ | Non-<br>current<br>\$ | Total<br>\$ |
| Leave obligations (i) | 14,947        | -                     | 14,947      | 198,421       | -                     | 198,421     |

#### i. Leave obligations

The leave obligations cover the Group's liabilities for long service leave and annual leave which are classified as either other long-term benefits or short-term benefits, as explained in Note 20(i).

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required year of service and also for those employees that are entitled to pro-rata payments in certain circumstances. The entire amount of the provision of \$14,947 (2021:\$198,421) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)



### 6. EQUITY

#### A. SHARE CAPITAL

|                            | 2022<br>Shares | 2021<br>Shares | 2022<br>\$ | 2022<br>\$ |
|----------------------------|----------------|----------------|------------|------------|
| Ordinary shares Fully paid | 503,825,028    | 395,962,187    | 69,357,543 | 56,227,736 |
| Total share capital        | 503,825,028    | 395,962,187    | 69,357,543 | 56,227,736 |

#### (i) Movements in ordinary shares:

| Details                       | Number of<br>shares  | Total<br>\$       |
|-------------------------------|----------------------|-------------------|
| <b>Balance at 1 July 2020</b> | <b>2,557,535,966</b> | <b>50,967,094</b> |

|                                                                  |                    |                   |
|------------------------------------------------------------------|--------------------|-------------------|
| Share consolidation 13:1 (25 Mar 2021)                           | 2,360,803,231      | -                 |
| Shares issued pursuant to resolutions passed at AGM (9 Apr 2021) | 64,422,301         | 1,814,980         |
| Shares issued at \$0.026 pursuant to rights issue (28 May 2021)  | 130,576,382        | 3,395,015         |
| Shares issued at \$0.052 on exercise of options (4 June 2021)    | 3,846,153          | 329,257           |
| Shares issued pursuant to resolution passed at AGM (28 May 2021) | 384,616            | 20,000            |
| Less: Transaction costs arising on share issues                  | -                  | (298,610)         |
| <b>Balance at 30 June 2021</b>                                   | <b>395,962,187</b> | <b>56,227,736</b> |

| Details                                                                              | Number of<br>shares | Total<br>\$ |
|--------------------------------------------------------------------------------------|---------------------|-------------|
| Shares issued on conversion of performance rights, valued at \$0.273 (3 August 2021) | 641,025             | 175,000     |
| Shares issued at \$0.104 on exercise of options (23 September 2021)                  | 2,553,420           | 265,556     |
| Shares issued at \$0.052 on exercise of options (15 October 2021)                    | 5,384,614           | 280,000     |
| Shares issued at \$0.098 on exercise of options (18 October 2021)                    | 1,538,461           | 150,769     |
| Shares issued at \$0.104 on exercise of options (19 November 2021)                   | 384,615             | 40,000      |
| Shares issued at \$0.052 on exercise of options (7 December 2021)                    | 10,083,251          | 524,329     |
| Shares issued at \$0.052 on exercise of options (21 December 2021)                   | 4,178,812           | 217,298     |
| Shares issued at \$0.052 on exercise of options (5 Jan 2022)                         | 149,353             | 7,766       |
| Shares issued at \$0.052 on exercise of options (18 Jan 2022)                        | 1,754,252           | 91,221      |
| Shares issued at \$0.052 on exercise of options (1 Feb 2022)                         | 416,238             | 21,644      |
| Shares issued at \$0.052 on exercise of options (17 Feb 2022)                        | 929,407             | 48,329      |
| Shares issued at \$0.052 on exercise of options (3 Mar 2022)                         | 465,294             | 24,195      |
| Shares issued at \$0.250 pursuant to placement (17 Mar 2022)                         | 35,200,000          | 8,800,000   |

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)



### 6. EQUITY (CONT.)

| Details                                                          | Number of shares   | Total \$          |
|------------------------------------------------------------------|--------------------|-------------------|
| Shares issued at \$0.052 on exercise of options (23 Mar 2022)    | 2,237,476          | 116,349           |
| Shares issued at \$0.208 on exercise of options (23 Mar 2022)    | 2,000,000          | 416,000           |
| Directors and consultants loan funded shares issued (1 Apr 2022) | 20,000,000         | -                 |
| Shares issued at \$0.052 on exercise of options (6 Apr 2022)     | 7,056,673          | 366,947           |
| Shares issued at \$0.052 on exercise of options (21 Apr 2022)    | 8,027,502          | 417,430           |
| Shares issued at \$0.208 on exercise of options (3 May 2022)     | 2,807,692          | 584,000           |
| Shares issued at \$0.052 on exercise of options (20 May 2022)    | 2,054,756          | 106,847           |
| Transfer from reserves on exercise of options during the period  | -                  | 1,489,044         |
| Less: Transaction costs arising on share issues                  | -                  | (1,012,918)       |
| <b>Balance at 30 June 2022</b>                                   | <b>503,825,028</b> | <b>69,357,542</b> |

#### (ii) Share consolidation

At the AGM on 17 March 2021, the shareholders resolved to consolidate the issued shares and options on a 13:1 basis. The consolidation was effective of 25 March 2021. The consolidation of shares and options adjusted the capital structure in a manner that will align the Group's share structure with its peers on the ASX and the AIM. The consolidation should result in a share price level that is more attractive to a wider range of investors and particularly, for institutional investors and large sophisticated and professional investors.

### B. OTHER RESERVES

The following table shows a breakdown of the consolidated statement of financial position line item 'other reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

|                                                      | Share-based payments \$ | Foreign currency translation \$ | Total other reserves \$ |
|------------------------------------------------------|-------------------------|---------------------------------|-------------------------|
| <b>At 1 July 2020</b>                                | <b>551,998</b>          | <b>595,316</b>                  | <b>1,147,314</b>        |
| Currency translation differences                     | -                       | (122,711)                       | (122,711)               |
| <b>Other comprehensive income</b>                    | <b>-</b>                | <b>(122,711)</b>                | <b>(122,711)</b>        |
| Transactions with owners in their capacity as owners |                         |                                 |                         |
| Issue of options                                     | 1,065,470               | -                               | 1,065,470               |
| Options exercised                                    | (37,063)                | -                               | (37,063)                |
| Performance rights forfeited                         | (19,055)                | -                               | (19,055)                |
| Performance rights vested                            | 31,888                  | -                               | 31,888                  |
| <b>At 30 June 2021</b>                               | <b>1,593,238</b>        | <b>472,605</b>                  | <b>2,065,843</b>        |
| <b>At 1 July 2021</b>                                | <b>1,593,238</b>        | <b>472,605</b>                  | <b>2,065,843</b>        |

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)



### 6. EQUITY (CONT.)

|                                                      | Share-based<br>payments<br>\$ | Foreign<br>currency<br>translation<br>\$ | Total other<br>reserves<br>\$ |
|------------------------------------------------------|-------------------------------|------------------------------------------|-------------------------------|
| Currency translation differences                     | -                             | 327,381                                  | 327,381                       |
| <b>Other comprehensive income</b>                    | <b>-</b>                      | <b>327,381</b>                           | <b>327,381</b>                |
| Transactions with owners in their capacity as owners |                               |                                          |                               |
| Issue of options                                     | 2,030,390                     | -                                        | 2,030,390                     |
| Options exercised                                    | (1,489,043)                   | -                                        | (1,489,043)                   |
| Conversion of performance shares                     | (175,000)                     | -                                        | (175,000)                     |
| Loan funded securities                               | 1,187,254                     | -                                        | 1,187,254                     |
| <b>At 30 June 2022</b>                               | <b>3,146,839</b>              | <b>799,986</b>                           | <b>3,946,825</b>              |

i. Nature and purpose of other reserves

#### *Foreign currency translation*

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in Note 20(d) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

### 7. OPTIONS

Set out below are summaries of all listed and unlisted options:

|                           | 2022                                 |                      | 2021                                       |                      |
|---------------------------|--------------------------------------|----------------------|--------------------------------------------|----------------------|
|                           | Average exercise<br>price per option | Number of<br>options | Average<br>exercise<br>price per<br>option | Number of<br>options |
| As at 1 July              | <b>\$0.08</b>                        | <b>40,249,998</b>    | \$0.02                                     | 95,541,679           |
| Consolidation             | -                                    | -                    | -                                          | (88,192,319)         |
| Granted during the year   | <b>\$0.05</b>                        | <b>135,359,309</b>   | \$0.06                                     | 36,746,791           |
| Expired during the year   | <b>\$0.29</b>                        | <b>(1,003,206)</b>   | -                                          | -                    |
| Exercised during the year | <b>\$0.07</b>                        | <b>(52,021,817)</b>  | \$0.05                                     | (3,846,153)          |
| As at 30 June             | <b>\$0.05</b>                        | <b>122,584,284</b>   | \$0.08                                     | 40,249,998           |

Share options outstanding at the end of the year have the following expiry date and exercise prices:

| Grant and vesting date | Expiry date   | Exercise price<br>\$ | No. of options<br>30 June 2022 | No. of options<br>30 June 2021 |
|------------------------|---------------|----------------------|--------------------------------|--------------------------------|
| 30 April 2019          | 30 April 2022 | 0.208                | -                              | 4,807,692                      |
| 30 April 2019          | 30 April 2022 | 0.098                | -                              | 1,538,462                      |

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)



### 7. OPTIONS (CONT)

| Grant and vesting date | Expiry date    | Exercise price \$ | No. of options 30 June 2022 | No. of options 30 June 2021 |
|------------------------|----------------|-------------------|-----------------------------|-----------------------------|
| 23 June 2019           | 31 August 2021 | 0.286             | -                           | 1,003,206                   |
| 17 March 2021          | 30 June 2024   | 0.052             | -                           | 26,538,459                  |
| 17 March 2021          | 31 March 2023  | 0.104             | <b>3,039,528</b>            | 5,977,563                   |
| 17 March 2021          | 30 June 2024   | 0.052             | <b>384,616</b>              | 384,616                     |
| 17 March 2021          | 30 June 2024   | 0.052             | <b>8,038,461</b>            | -                           |
| 15 November 2021       | 30 June 2024   | 0.052             | <b>111,121,679</b>          | -                           |
| <b>Total</b>           |                |                   | <b>122,584,284</b>          | 40,249,998                  |

|                                                                               |      |      |
|-------------------------------------------------------------------------------|------|------|
| Weighted average remaining contractual life of options outstanding at 30 June | 1.97 | 2.04 |
|-------------------------------------------------------------------------------|------|------|

#### i. Value of options granted

The options were granted pursuant to the loyalty options rights issue on 15 November 2021. They have been recorded at original cost, the offer price of \$0.015 per option.

### 8. SHARE-BASED PAYMENTS

#### A. PERFORMANCE RIGHTS

On 17 June 2018 the Group approved the award of 15,000,000 performance rights (pre consolidation) to Messrs Neil Clifford, John Madden and Dr Will Goodall with the board of directors ratifying the award on 4 September 2018. The performance rights were awarded under the Employee Share Plan.

The following tranches set out the vesting periods for the award of performance rights to the above-mentioned management of the Company. Each tranche consists of 5,000,000 (pre consolidation) or 384,615 (post consolidation), vested as follows:

- Tranche 1 on 17 June 2019
- Tranche 2 on 17 June 2020
- Tranche 3 on 17 June 2021

In 2021, \$31,888 was the deemed cost of the performance rights for the financial year. The performance rights held no voting or dividend rights and were not transferable.

John Madden resigned on 22 December 2020 and is not entitled to his share of Tranche 3 performance rights.

On 3 August 2021, the Group converted the remaining Tranche 2 and Tranche 3 performance right into 641,025 ordinary shares of the Group.

#### B. LOAN FUNDED SHARES

The shareholders authorised the issue of loan funded shares to directors, executives and senior consultants at the AGM on 21 December 2021. The loan funded shares have the following vesting conditions:

##### Tranches 1, 2 and 3:

Continuous employment/engagement with the Group; and

##### *Tranche 1:*

- when the daily volume weighted average price ("VWAP") of the Group's shares meets the share price performance hurdle of \$0.50 on 10 days on any 20 sequential trading days; and
- eligible to vest 12 months after grant date;

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)



### 8. SHARE-BASED PAYMENTS

#### *Tranche 2:*

- when the daily VWAP of the Group's shares meets the share price performance hurdle of \$0.75 on 10 days on any 20 sequential trading days; and
- eligible to vest 24 months after grant date;

### B. LOAN FUNDED SHARES (CONT.)

#### *Tranche 3:*

- when the daily VWAP of the Group's shares meets the share price performance hurdle of \$1.00 on 10 days on any 20 sequential trading days; and
- eligible to vest 36 months after grant date.

The loan funded shares granted have been valued using a Monte Carlo Simulation, taking into account the terms and conditions upon which the loan funded shares were granted. The valuation of loan funded shares is summarised as follows:

| Key Management Personnel  | Tranche 1        | Tranche 2        | Tranche 3        |
|---------------------------|------------------|------------------|------------------|
| Share price hurdle        | \$0.50           | \$0.75           | \$1.00           |
| Share price at grant date | \$0.245          | \$0.245          | \$0.245          |
| Grant date                | 21 December 2021 | 21 December 2021 | 21 December 2021 |
| Expected volatility       | 145.6%           | 145.6%           | 145.6%           |
| Expiry date               | 21 December 2026 | 21 December 2026 | 21 December 2026 |
| Expected dividends        | -                | -                | -                |
| Risk Free interest rate   | 1.35%            | 1.35%            | 1.35%            |
| Value per loan share      | \$0.2313         | \$0.2273         | \$0.1987         |
| Number of loan shares     | 2,800,000        | 4,200,000        | 7,000,000        |

| Consultants               | Tranche 1        | Tranche 2        | Tranche 3        |
|---------------------------|------------------|------------------|------------------|
| Share price hurdle        | \$0.50           | \$0.75           | \$1.00           |
| Share price at grant date | \$0.245          | \$0.245          | \$0.245          |
| Grant date                | 21 December 2021 | 21 December 2021 | 21 December 2021 |
| Expected volatility       | 145.6%           | 145.6%           | 145.6%           |
| Expiry date               | 21 December 2026 | 21 December 2026 | 21 December 2026 |
| Expected dividends        | -                | -                | -                |
| Risk Free interest rate   | 1.35%            | 1.35%            | 1.35%            |
| Value per loan share      | \$0.2313         | \$0.2273         | \$0.1987         |
| Number of loan shares     | 1,200,000        | 1,800,000        | 3,000,000        |

As at 30 June 2022, \$1,187,254 has been recognised as a share-based payment expense.

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)



### 9. CASH FLOW INFORMATION

#### A. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

|                                                                                                                                 | Notes | 2022<br>\$         | 2021<br>\$  |
|---------------------------------------------------------------------------------------------------------------------------------|-------|--------------------|-------------|
| <b>Loss for the year</b>                                                                                                        |       | <b>(3,403,791)</b> | (2,985,499) |
| Adjustments for                                                                                                                 |       |                    |             |
| Depreciation and amortisation                                                                                                   | 2(c)  | <b>1,196</b>       | 499         |
| Exchange fluctuation                                                                                                            |       | <b>25,720</b>      | (71,552)    |
| Exploration and evaluation expenditure capitalised and included in operating cash flows                                         |       | -                  | 2,826       |
| Finance costs                                                                                                                   |       | -                  | 232,757     |
| Payments to employees and consultants by way of the issue of shares                                                             |       | -                  | 772,759     |
| Provisions                                                                                                                      |       | -                  | 59,818      |
| Share-based payments                                                                                                            |       | <b>1,187,254</b>   | 767,645     |
| Other                                                                                                                           |       | -                  | 706         |
| Change in operating assets and liabilities, net of effects from purchase of controlled entity and sale of engineering division: |       |                    |             |
| (Increase) in trade receivables                                                                                                 |       | <b>(20,703)</b>    | 92,369      |
| (Increase)/decrease in other operating assets                                                                                   |       | <b>23,072</b>      | -           |
| Increase/(decrease) in trade creditors                                                                                          |       | <b>(319,860)</b>   | 161,823     |
| Increase/(decrease) in other operating liabilities                                                                              |       | <b>(183,474)</b>   |             |
| <b>Net cash inflow (outflow) from operating activities</b>                                                                      |       | <b>(2,690,586)</b> | (965,849)   |

#### B. NON-CASH INVESTING AND FINANCING ACTIVITIES

Non-cash investing and financing activities disclosed in other notes are:

- options and loan funded shares issued for no cash consideration - Note 8; and
- settlement of borrowings - Note 4(d).

#### C. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

|                              | Balance at start<br>of the year<br>\$ | Cashflow<br>\$   | Other<br>\$     | Balance at end of<br>the year<br>\$ |
|------------------------------|---------------------------------------|------------------|-----------------|-------------------------------------|
| Current loans and borrowings | 312,500                               | (312,500)        | -               | -                                   |
| Other current liabilities    | 25,000                                | 1,067            | (25,000)        | 1,067                               |
|                              | <b>337,500</b>                        | <b>(311,433)</b> | <b>(25,000)</b> | <b>1,067</b>                        |

For further information please refer to Note 4(d).

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)



### 10. FINANCIAL RISK MANAGEMENT

#### A. 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 its 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.

The board meets on a regular basis and considers the Group's exposure currency and interest rate risk.

##### i. Foreign exchange risk

The Group has exposure to foreign currency risk in relation to US dollars for assets the Group holds in Mauritania. The following table illustrates sensitivities to the Group's exposures to changes in the AUD/USD exchange rate. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

The table below sets out the financial impact of the strengthening or weakening of the Australian dollar against the US dollar on a profit after tax and equity basis as at the end of the financial year, with all other variables constant.

#### Exposure

The Group's exposure to foreign currency risk at the end of the reporting year, expressed in Australian dollar, was as follows:

|                           | 30 June 2022 |           |           |           | 30 June 2021 |           |           |           |
|---------------------------|--------------|-----------|-----------|-----------|--------------|-----------|-----------|-----------|
|                           | USD<br>\$    | MRU<br>\$ | GBP<br>\$ | SEK<br>\$ | USD<br>\$    | MRU<br>\$ | GBP<br>\$ | SEK<br>\$ |
| Cash and cash equivalents | 310,448      | 19,430    | 285,449   | 854       | 12,142       | 18,406    | 7,361     | 7,836     |
| Trade payables            | 42,467       | -         | -         | 10,540    | 89,539       | -         | 109,190   | 3,402     |

#### Sensitivity

The Group has conducted a sensitivity analysis of its exposure to foreign currency risk. The Group is currently materially exposed to the United States dollar (USD) and the Pound Sterling (GBP). The sensitivity analysis is conducted on a currency-by-currency basis using the sensitivity analysis variable, which has been set as 10% change in the respective exchange rates for the year ended 30 June 2022, keeping all the other variables constant.

|                                       | Impact on post-tax profit |            |
|---------------------------------------|---------------------------|------------|
|                                       | 2022<br>\$                | 2021<br>\$ |
| USD/AUD exchange rate - increase 10%* | 35,292                    | 10,168     |
| MRU/AUD exchange rate - increase 10%* | 1,943                     | 1,841      |
| GBP/AUD exchange rate - increase 10%* | 28,545                    | 11,655     |
| SEK/AUD exchange rate - increase 10%* | 1,139                     | 1,124      |

#### \* Holding all other variables constant

##### ii. Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from cash and cash equivalents held, which expose the Group to cash flow interest rate risk. During 2022 and 2021, the Group's cash and cash equivalents at variable rates were denominated in Australian dollars.

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)



### 10. FINANCIAL RISK MANAGEMENT (CONT.)

#### A. MARKET RISK (CONT.)

The Group's exposure to interest rate risk at the end of the reporting year, expressed in Australian dollars, was as follows:

|                                                  | 2022<br>\$ | 2021<br>\$ |
|--------------------------------------------------|------------|------------|
| <b>Financial instruments with cash flow risk</b> |            |            |
| Cash at banks                                    | 9,950,777  | 3,206,855  |

#### B. CREDIT RISK

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

There has been an increase in the Group's exposure to credit risk in 2022 due to increased cash and cash equivalents. The Group's exposure to other classes of financial assets with credit risk is not material.

##### i. Risk management

Risk is minimised through investing surplus funds in financial institutions that maintain a high credit rating.

##### ii. Impairment of financial assets

While cash and cash equivalents and deposits at call are subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

#### C. LIQUIDITY RISK

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analyses in relation to its operating, investing and financing activities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing cash and cash equivalents and deposits at call with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

##### i. Maturities of financial liabilities

The tables below analyse 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.

| Contractual maturities of financial liabilities | Less than 6 months<br>\$ | 6 - 12 months<br>\$ | Between 1 and 5 years<br>\$ | Over 5 years<br>\$ | Total contractual cash flow<br>\$ | Carrying amount liabilities<br>\$ |
|-------------------------------------------------|--------------------------|---------------------|-----------------------------|--------------------|-----------------------------------|-----------------------------------|
| <b>At 30 June 2022</b>                          |                          |                     |                             |                    |                                   |                                   |
| Trade and other payables                        | 1,201,706                | -                   | -                           | -                  | 1,201,706                         | 1,201,706                         |
| <b>Total</b>                                    | <b>1,201,706</b>         | <b>-</b>            | <b>-</b>                    | <b>-</b>           | <b>1,201,706</b>                  | <b>1,201,706</b>                  |
| <b>At 30 June 2021</b>                          |                          |                     |                             |                    |                                   |                                   |
| Trade and other payables                        | 1,171,601                | -                   | -                           | -                  | 1,171,601                         | 1,171,601                         |
| <b>Total</b>                                    | <b>1,171,601</b>         | <b>-</b>            | <b>-</b>                    | <b>-</b>           | <b>1,171,601</b>                  | <b>1,171,601</b>                  |

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)



### 11. DISPOSAL GROUP

#### A. DESCRIPTION

In December 2022, the Group plans to spin out Archaea Greenstone Gold Limited ("Archaea"), Tiris International Mining Company SARL ("TIMCO") and the Nomads Joint Venture ("disposal group") by means of an IPO of Archaea. The disposal group contains all of the Group's interest in the Tasiast South Gold project. The spin out was announced on 22 November 2021.

#### B. FINANCIAL PERFORMANCE AND CASH FLOW INFORMATION

The results of the disposal group, which have been included in the loss for the year, were as follows:

|                                   | 2022<br>\$       | 2021<br>\$   |
|-----------------------------------|------------------|--------------|
| Other gains/(losses)              | 33,927           | 10,508       |
| Expenses on disposal group        | 309,623          | 516          |
| Profit before income tax          | (275,696)        | 9,992        |
| Income tax expense                | -                | -            |
| <b>Loss of the disposal group</b> | <b>(275,696)</b> | <b>9,992</b> |

During the financial year, the disposal group accounted for \$240,179 (2021: \$516) to the Group's net operating cash flows, paid \$515,744 (2021: nil) in respect of investing activities and paid no cash (2021: nil) in respect of financing activities.

A loss of \$275,696 (2021: a gain of \$9,992) was incurred from the disposal group.

#### C. ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS DISPOSAL GROUP

On 22 November 2021, the Group announced the spin out of the Tasiast South Gold project. The spin out is consistent with the Group's long-term policy to focus its activities on the Group's other businesses. These operations, which are expected to be sold within 12 months, have been classified as a disposal group and presented separately in the consolidated statement of financial position. The proceeds of disposal, if any, are expected to substantially exceed the carrying amount of the related net assets and accordingly no impairment losses have been recognised on the classification of these operations as the disposal group.

|                                                                                 | 2022<br>\$       |
|---------------------------------------------------------------------------------|------------------|
| <b>Assets</b>                                                                   |                  |
| Cash at banks attributable to disposal group                                    | 755,923          |
| Tasiast South Gold project exploration and evaluation                           | 1,697,697        |
| <b>Assets classified as disposal group</b>                                      | <b>2,453,620</b> |
| <b>Liabilities</b>                                                              |                  |
| Trade and other payables                                                        | 76,707           |
| <b>Liabilities directly associated with assets classified as disposal group</b> | <b>76,707</b>    |
| <b>Net assets directly associated with disposal group</b>                       | <b>2,376,913</b> |

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)



### 12. INTERESTS IN OTHER ENTITIES

#### A. SUBSIDIARIES

The Group's subsidiaries at 30 June 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

| Name of entity                          | Place of business/ country of incorporation | Ownership interest held by the group |           |
|-----------------------------------------|---------------------------------------------|--------------------------------------|-----------|
|                                         |                                             | 2022<br>%                            | 2021<br>% |
| Vanadis Battery Metals AB               | Sweden                                      | 100                                  | 100       |
| Aura Energy Mauritania Pty Ltd          | Australia                                   | 100                                  | 100       |
| Tiris Ressources SA                     | Mauritania                                  | 85                                   | 85        |
| Tiris International Mining Company sarl | Mauritania                                  | 100                                  | 100       |
| Archaean Greenstone Gold Limited        | Australia                                   | 100                                  | -         |

### 13. CONTINGENCIES

#### A. CONTINGENT LIABILITIES

##### i. Nomads Mining Company sarl

On 11 June 2019, the Group executed a Binding Term Sheet (see ASX Announcement, dated 11 June 2019) with the shareholders of Nomads Mining Company sarl, an entity incorporated in Mauritania, to acquire 70% equity interest in Nomads Mining Company sarl and on 26 June 2019 the Group and the shareholders of Nomads Mining Company sarl executed a Farm-in and Joint Venture Agreement.

Under the terms and conditions of the above agreement, the Group agreed to pay the shareholders of Nomads an entry fee of US\$150,000. The first entry fee of US\$25,000 in cash and the Australian dollar equivalent of US\$25,000 in fully paid ordinary shares were paid on execution of the agreement. The second instalment of the Entry Fee (US\$50,000) and third instalment of the Entry Fee (US\$50,000) were paid in full in cash on 8 and 9 September 2020 respectively.

On completion of US\$1,000,000 exploration program (the Farm-in Commitment) on the tenement held by Nomads, the shareholders of Nomads will assign 70% of their uncertificated equity interest in Nomads to the Group. On the Group being assigned the uncertificated equity interest by the shareholders of Nomads, the Group and the existing shareholders of Nomads, will form a joint venture with the Group to be appointed manager.

The Group will provide the shareholders of Nomads with a free-carry through to development and a deferred carry following the decision to mine. The deferred carry is repayable with interest out of dividends declared by Nomads once in operations.

##### ii. Tiris International Mining Company sarl

On 25 June 2016, the Group, Tiris International Mining Company sarl ("TIMCO") and Sid Ahmed Mohamed Lemine Sidi Reyoug executed the Tasiast South sale and purchase agreement. On 2 April 2019, TIMCO was granted tenements 2457 (Hadeibet Bellaa) and 2458 (Touerig Taet) by the Ministry of Petroleum, Energy and Mines.

Under the terms and conditions of the agreement, if the Group proves up an 'Indicated Resource' greater than one million ounces of gold will be required to pay Sid Ahmed Mohamed US\$250,000 and, on commencement of production, Aura is required to pay Sid Ahmed Mohamed US\$5/ounce of gold and a 0.4% net sales revenue royalty on other commodities with total royalty payments capped to a maximum of US\$5 million.

Both the Nomads Joint Venture and TIMCO form part of the disposal group (see Note 11) that the Group plans to spin out.

##### iii. Tiris Ressources SA

In the exploitation permits for Ain Sder and Oued El Foule, Tiris Ressources SA undertakes to begin production within 24 months of grant of the permits. Due to the COVID-19 pandemic, the Group was not able to undertake development activities as planned. Pursuant to the exploitation permits, the Department of Petroleum, Mines, and Energy of Mauritania reserves the right to cancel the permits. The Group has requested an extension to the production period

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)



### 13. CONTINGENCIES (CONT.)

and has received verbal indication from the Department of Petroleum, Mines, and Energy of Mauritania this would be granted. The Board has not received a notice to cancel the permits. During this period, the Group has continued development activities and the Board are confident that the extension will be granted.

### 14. COMMITMENTS

As at 30 June 2022, the Group had commitments of \$73,146 (\$73,146 <1 year). These represent renewal of exploration licenses and committed exploration expenditure.

### 15. EVENTS OCCURRING AFTER THE REPORTING PERIOD

The following circumstance has arisen since 30 June 2022 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

#### *Appointment of a new Managing Director and Chief Executive Officer*

On 19 September 2022, the Group entered into an Executive Service Agreement with Mr David Woodall, pursuant to which Mr Woodall will commence as Managing Director and Chief Executive Officer, effective from 17 October 2022.

No other matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial years.

### 16. RELATED PARTY TRANSACTIONS

#### (A) SUBSIDIARIES

Interests in subsidiaries are set out in Note 12(a).

#### (B) KEY MANAGEMENT PERSONNEL COMPENSATION

|                              | 2022<br>\$ | 2021<br>\$ |
|------------------------------|------------|------------|
| Short-term employee benefits | 451,655    | 399,485    |
| Post-employment benefits     | 11,776     | 36,980     |
| Long-term benefits           | -          | 26,798     |
| Share-based payments         | 816,781    | 918,059    |
|                              | 1,280,212  | 1,381,322  |

Detailed remuneration disclosures are provided in the remuneration report on pages 12 to 17.

#### (C) TRANSACTIONS WITH OTHER RELATED PARTIES

During the year ended 30 June 2022, the Group engaged Mr Bryan Dixon, Mr Patrick Mutz and Dr Will Goodall for consulting services prior to their appointments as KMP. These services amounted to \$2,151, \$12,563 and \$47,700, respectively.

On 21 December 2021, the Group issued loan funded shares to Dr Will Goodall as an eligible consultant prior to his appointment as KMP. During the year ended 30 June 2022, \$14,297 has been recognised as a share-based payment to Dr Goodall, as a consultant.

Similarly, on 21 December 2021, the Group issued loan funded shares to Mr Peter Reeve as an eligible employee after his resignation as KMP. During the year ended 30 June 2022, \$118,725 has been recognised as a share-based payment to Mr Reeve.

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)

### 17. REMUNERATION OF AUDITORS

#### (A) HALL CHADWICK WA AUDIT PTY LTD

|                                                             | 2022<br>\$    | 2021<br>\$    |
|-------------------------------------------------------------|---------------|---------------|
| <b>Audit and other assurance services</b>                   |               |               |
| Audit and review of financial statements                    | 46,892        | 47,048        |
| <b>Taxation services</b>                                    |               |               |
| Tax compliance services                                     | 2,971         | 1,500         |
| <b>Total remuneration of Hall Chadwick WA Audit Pty Ltd</b> | <b>49,863</b> | <b>48,548</b> |

### 18. LOSS PER SHARE

#### (A) LOSS USED IN CALCULATING LOSS PER SHARE

|                                                                                                                                                  | 2022<br>\$ | 2021<br>\$ |
|--------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| Basic and diluted loss per share<br>Loss attributable to the ordinary equity holders of the Company<br>used in calculating basic loss per share: |            |            |
| From continuing operations                                                                                                                       | 3,128,095  | 2,995,491  |
| From continuing operations and disposal group                                                                                                    | 3,403,791  | 2,985,499  |

#### (B) WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR

|                                                                                                            | 2022<br>Number | 2021<br>Number |
|------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share | 428,181,481    | 223,319,972    |

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)



### 19. PARENT ENTITY FINANCIAL INFORMATION

#### A. SUMMARY FINANCIAL INFORMATION

The individual financial statements for the parent entity show the following aggregate amounts:

|                                 | 2022<br>\$         | 2021<br>\$         |
|---------------------------------|--------------------|--------------------|
| <b>Assets and liabilities</b>   |                    |                    |
| Current assets                  | 9,976,907          | 3,245,168          |
| Non-current assets              | 24,592,325         | 20,459,873         |
| <b>Total assets</b>             | <b>34,569,232</b>  | <b>23,705,041</b>  |
| Current liabilities             | 954,782            | 1,704,127          |
| <b>Total liabilities</b>        | <b>954,782</b>     | <b>1,704,127</b>   |
| <b>Net assets</b>               | <b>33,614,450</b>  | <b>22,000,914</b>  |
| <b>Shareholders' equity</b>     |                    |                    |
| Share capital                   | 69,357,543         | 56,227,736         |
| Other contributed equity        | 314,346            | 314,346            |
| Reserves                        |                    |                    |
| Share-based payments            | 1,959,585          | 1,593,238          |
| Loan funded shares              | 1,187,254          | -                  |
| Retained earnings               | (39,204,278)       | (36,134,406)       |
| <b>Total Equity</b>             | <b>33,614,450</b>  | <b>22,000,914</b>  |
| <b>Loss for the year</b>        | <b>(3,069,872)</b> | <b>(2,873,968)</b> |
| <b>Total comprehensive loss</b> | <b>(3,069,872)</b> | <b>(2,873,968)</b> |

#### B. GUARANTEES ENTERED INTO BY THE PARENT ENTITY

The parent entity has not entered into any guarantees in relation to debts of its subsidiaries in the year ended 30 June 2022 (2021: nil).

#### C. CONTINGENT LIABILITIES OF THE PARENT ENTITY

The parent entity had contingent liabilities at 30 June 2022 identical to those of the Group, as outlined in note 13.

#### D. CONTRACTUAL COMMITMENTS FOR THE ACQUISITION OF PROPERTY, PLANT OR EQUIPMENT

The parent entity has not entered into any contractual commitments for the acquisition of property, plant or equipment in the year ended 30 June 2022 (2021: nil).

#### E. DETERMINING THE PARENT ENTITY FINANCIAL INFORMATION

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

- i. Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries are accounted for at cost in the financial statements of Aura Energy Limited.

## **CONTENTS OF THE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

|    |                                                   |    |
|----|---------------------------------------------------|----|
| A. | Basis of preparation                              | 53 |
| B. | Principles of consolidation and equity accounting | 54 |
| C. | Segment reporting                                 | 54 |
| D. | Foreign currency translation                      | 54 |
| E. | Income tax                                        | 54 |
| F. | Cash and cash equivalents                         | 55 |
| G. | Plant and equipment                               | 55 |
| H. | Provisions                                        | 55 |
| I. | Employee benefits                                 | 55 |
| J. | Equity-settled compensation                       | 56 |
| K. | Revenue and other income                          | 56 |
| L. | Value-added taxes                                 | 56 |
| M. | Earnings per share                                | 56 |
| N. | Impairment of non-financial assets                | 57 |
| O. | Fair value of assets and liabilities              | 57 |
| P. | Critical accounting estimates and judgements      | 58 |

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)



### 20. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Aura Energy Limited and its subsidiaries.

#### A. BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Aura Energy Limited is a for-profit entity for the purpose of preparing the financial statements.

##### i. Compliance with IFRS

The consolidated financial statements of the Aura Energy Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

##### ii. Historical cost convention

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

##### iii. Going concern

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

The Group incurred a loss for the year of \$3,403,791 (2021: \$2,985,499) and a net cash outflow from operating activities of \$2,690,586 (2021: \$965,849).

As at 30 June 2022, the Group had surplus working capital of \$11,286,717 (2021: \$1,604,280).

Based upon cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate, including the meeting of exploration commitments. In addition, given the Group's history of raising funds to date, the directors are confident of the Group's ability to raise additional funds as and when they are required.

##### iv. Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of Australian Accounting Standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 20(p) Critical accounting estimates and judgements.

##### v. Comparative figures

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

##### vi. New standards and interpretations not yet adopted

There are no new standards and interpretations that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting years and on foreseeable future transactions.

#### Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)



### 20 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

#### B. PRINCIPLES OF CONSOLIDATION AND EQUITY ACCOUNTING

##### i. Subsidiaries

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

The acquisition method of accounting is used to account for business combinations by the Group.

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

#### C. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. This has been identified as the chief executive officer.

#### D. FOREIGN CURRENCY TRANSLATION

##### i. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollar (\$), which is Aura Energy Limited's functional and presentation currency.

##### ii. Transactions and balances

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

#### E. INCOME TAX

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)



### 20 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

#### F. CASH AND CASH EQUIVALENTS

For the purpose of presentation in the consolidated statement of cash flows, 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

#### G. PLANT AND EQUIPMENT

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

The depreciation methods and years used by the Group are as follows:

- Computer equipment - 3 years
- Other plant & equipment - 2-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

#### H. PROVISIONS

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### I. EMPLOYEE BENEFITS

For the year ending 30 June 2022 the Group has three types of employee benefits.

##### i. Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions onto a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

##### ii. Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay at the reporting date including related on-costs, such as workers compensation insurance and payroll tax.

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)



### 20 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

#### I. EMPLOYEE BENEFITS (CONT.)

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

##### iii. Other long-term benefits

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

#### J. EQUITY-SETTLED COMPENSATION

The Group operates an employee share ownership scheme. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The fair value of loan funded shares is determined using the Monte Carlo simulation. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

#### K. REVENUE AND OTHER INCOME

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Management fees are recognised on portion of completion basis.

Gain on disposal of tenements, and revenue from equipment chargebacks, are recognised on receipt of compensation.

All revenue is stated net of the amount of value added taxes (see Note 20(I) Value-added taxes).

#### L. VALUE-ADDED TAXES

Value-added taxes (VAT) is the generic term for the broad-based consumption taxes that the Group is exposed to such as: Australia (GST); Sweden (MOMS); and Mauritania (VAT).

Revenues, expenses, and assets are recognised net of the amount of VAT, except where the amount of VAT incurred is not recoverable from the relevant country's taxation authority. In these circumstances the VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of VAT.

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

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

#### M. EARNINGS PER SHARE

##### i. Basic earnings per share

Basic earnings (or loss) per share is determined by dividing the profit or loss attributable to equity holders of the parent company, excluding any costs of service equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

##### ii. Diluted earnings per share

Diluted earnings (or loss) per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares which comprise share options granted as share-based payments.

The Group does not report diluted earnings per share, as dilution is not applied to annual losses generated by the Group.

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)



### 20 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

#### N. IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of the Group's non-financial assets, other than deferred tax assets (Note 3 Income tax expense) and exploration and evaluation assets (Note 5(a) Exploration and evaluation) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

#### O. FAIR VALUE OF ASSETS AND LIABILITIES

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

##### i. Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability, the Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)



### 20 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

#### O. FAIR VALUE OF ASSETS AND LIABILITIES (CONT.)

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

##### ii. Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

##### **Level 1**

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

##### **Level 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

##### **Level 3**

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

#### P. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

##### i. Key Judgements – Exploration and evaluation expenditure

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current. These costs are carried forward in respect of an area that has not at reporting date reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, refer to the accounting policy stated in Note 5(a) Exploration and evaluation.

The carrying value of capitalised expenditure at reporting date is \$22,323,176 (2021: \$20,396,634).

During the financial year, the Group undertook assessment of its tenement assets. As a result of this assessment, the Group decided not to impair any of its exploration assets.

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2022 (CONT.)



### 20 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

#### P. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT.)

##### ii. Key Judgements – Environmental issues

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the directors understanding thereof. At the current stage of the Group's development and its current environmental impact, the directors believe such treatment is reasonable and appropriate.

##### iii. Key Judgements – Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof.

No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions. Refer to Note 3 Income tax expense.

##### iv. Key Judgements – Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

##### v. Key Judgements – Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined by an internal valuation using a Black-Scholes pricing model with the assumptions and inputs detailed in Note 8 Share-based payments. The fair value of loan funded shares is determined by a Monte Carlo simulation. The assumptions and inputs to the models are detailed in Note 7 Options.

## DIRECTORS' DECLARATION 30 JUNE 2022

### IN THE DIRECTORS' OPINION:

A. the financial statements and notes set out on pages 26 to 59 are in accordance with the Corporations Act 2001, including:

- i. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
- ii. giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date, and

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.

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

A handwritten signature in blue ink, appearing to read "Philip Mitchell".

Mr Philip Mitchell  
Director

London  
30 September 2022

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AURA ENERGY LIMITED

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Aura Energy Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2022, 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 a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a. the accompanying financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 20(a)(i).

#### 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 Consolidated Entity 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.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | How our audit addressed the Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Exploration and Evaluation</b><br>(Refer to Note 5(a))                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p>The Consolidated Entity had an exploration and evaluation balance of \$22,323,176 as at 30 June 2022.</p> <p>Exploration and evaluation is a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• The significance of the balance to the Consolidated Entity's financial position.</li> <li>• The level of judgement required in evaluating management's application of the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. AASB 6 ('AASB 6') is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset.</li> <li>• The assessment of impairment of exploration and evaluation expenditure requiring significant judgement.</li> </ul> | <p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the Consolidated Entity holds an interest and the exploration programs planned for those tenements.</li> <li>• For each area of interest, we assessed the Consolidated Entity's rights to tenure on a sample basis by verifying to permits, agreements or checking that exploration permits have been registered for renewal and their annual fees have been paid in accordance with regulatory provisions.</li> <li>• We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets.</li> <li>• Substantiated a sample of expenditure by agreeing to supporting documentation.</li> <li>• We assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised expenditure:               <ul style="list-style-type: none"> <li>○ the licenses for the right to explore expiring in the near future or are not expected to be renewed;</li> <li>○ substantive expenditure for further exploration in the specific area is neither budgeted or planned;</li> </ul> </li> </ul> |

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | How our audit addressed the Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>○ decision or intent by the Company to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and</li> <li>○ data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recovered in full from successful development or sale.</li> <li>● Examination of the disclosures made in the financial report.</li> </ul>                          |
| <p><b>Share-Based Payments</b></p> <p>(Refer to Note 8)</p> <p>During the year, the Consolidated Entity incurred share-based payments totalling \$1,187,254 from the issue of 20 million loan funded shares to directors, executives and senior consultants.</p> <p>Share-based payments are considered to be a key audit matter due to:</p> <ul style="list-style-type: none"> <li>● The significance of the transactions to the Consolidated Entity's financial position and performance; and</li> <li>● The level of judgement required in evaluating management's application of the requirements of AASB 2 <i>Share-based Payment</i> ("AASB 2").</li> </ul> <p>A Monte Carlo model was used to value the loan funded shares with market based vesting conditions. This process involved significant estimation and judgement required to determine the fair value of the equity instruments granted.</p> | <p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>● Analysed arrangements to identify key terms and conditions of the share-based payments and relevant vesting conditions in accordance with AASB 2;</li> <li>● Evaluated the valuation methods used and assessed the assumptions and inputs;</li> <li>● Assessed the amount recognised during the period in accordance with the relevant vesting conditions; and</li> <li>● Examination of the disclosures made in the financial report.</li> </ul> |

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

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

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

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

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 20(a)(i), the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

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

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

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

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

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

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

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

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

## Auditor's Opinion

In our opinion, the Remuneration Report of the Consolidated Entity, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.



**HALL CHADWICK WA AUDIT PTY LTD**



**D M BELL CA**  
**Director**

Dated this 30<sup>th</sup> day of September 2022

# SHAREHOLDER INFORMATION 30 JUNE 2022

The shareholder information set out below was applicable as at 26 September 2022.

## A. DISTRIBUTION OF EQUITY SECURITIES

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

| Holding          | No. of holders (shares) | Shares      | Redeemable No. of holders (options) | Options     |
|------------------|-------------------------|-------------|-------------------------------------|-------------|
| 1 - 1000         | 117                     | 36,165      | 54                                  | 34,896      |
| 1,001 - 5,000    | 999                     | 2,871,792   | 113                                 | 297,767     |
| 5,001 - 10,000   | 516                     | 4,060,688   | 67                                  | 507,254     |
| 10,001 - 100,000 | 1,023                   | 33,534,634  | 141                                 | 4,588,522   |
| 100,001 and over | 214                     | 465,875,306 | 68                                  | 116,762,288 |
|                  | 2,869                   | 506,378,585 | 443                                 | 122,190,727 |

There were 300 holders of less than a marketable parcel of ordinary shares.

## B. EQUITY SECURITY HOLDERS

### *Twenty largest quoted equity security holders*

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

| NAME                                                       | Ordinary shares<br>Percentage of Number held issued<br>shares |       |
|------------------------------------------------------------|---------------------------------------------------------------|-------|
| CITICORP NOMINEES PTY LIMITED                              | 86,807,189                                                    | 17.14 |
| BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP> | 58,092,813                                                    | 11.47 |
| COMPUTERSHARE CLEARING PTY LTD <CCNL DI A/C>               | 39,582,086                                                    | 7.82  |
| WOODROSS NOMINEES PTY LTD                                  | 39,184,674                                                    | 7.74  |
| MR JOHN LANGLEY HANCOCK                                    | 25,100,000                                                    | 4.96  |
| ASEAN DEEP VALUE FUND                                      | 21,564,101                                                    | 4.26  |
| MR PETER ANDREW PROKSA                                     | 21,000,000                                                    | 4.15  |
| PRE-EMPTIVE TRADING PTY LTD                                | 16,250,000                                                    | 3.21  |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED                  | 15,316,640                                                    | 3.02  |
| MR PETER DESMOND REEVE                                     | 12,929,033                                                    | 2.55  |
| THE CFO SOLUTION TEAM PTY LTD                              | 8,773,267                                                     | 1.73  |
| MR PHILIP MITCHELL                                         | 8,000,000                                                     | 1.58  |
| STRUCTURE INVESTMENTS PTY LTD <ROGERS FAMILY A/C>          | 6,393,380                                                     | 1.26  |

# SHAREHOLDER INFORMATION 30 JUNE 2022

| NAME                                          | Ordinary shares<br>Percentage of Number held issued<br>shares |       |
|-----------------------------------------------|---------------------------------------------------------------|-------|
| ASEAN GROUP INVESTMENTS LTD                   | 5,769,230                                                     | 1.14  |
| MR LUKE PETER DALE & MRS MARIEANNE ERIKA DALE | 3,072,282                                                     | 0.61  |
| BNP PARIBAS NOMS PTY LTD <DRP>                | 2,775,749                                                     | 0.55  |
| BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM  | 2,731,082                                                     | 0.54  |
| MR NEIL JOHN CLIFFORD                         | 2,489,102                                                     | 0.49  |
| MR SEBASTIAN MADEJA & MRS SYLVIA MADEJA       | 2,400,000                                                     | 0.47  |
| DR WILLIAM RICHARDS GOODALL                   | 2,384,615                                                     | 0.47  |
|                                               | 380,615,243                                                   | 75.16 |

## C. SUBSTANTIAL HOLDERS\*

Substantial holders in the Company are set out below:

|                                            | Number Held | Percentage |
|--------------------------------------------|-------------|------------|
| The Lind Partners LLC and related entities | 70,510,631  | 14.00%     |
| Asean Deep Value Fund                      | 56,970,125  | 12.39%     |
| Macquarie Group Entities                   | 41,738,252  | 8.24%      |

\*As per the most recent substantial shareholder notices released to the ASX.

## D. VOTING RIGHTS

The voting rights attaching to each class of equity securities 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.
- Options: No voting rights.

## E. SECURITIES SUBJECT TO VOLUNTARY ESCROW

|                 | Expiry date | Number of shares |
|-----------------|-------------|------------------|
| Ordinary shares | 17 Mar 2023 | 22,114,611       |
| Ordinary shares | 21 Dec 2022 | 4,000,000        |
| Ordinary shares | 21 Dec 2023 | 6,000,000        |
| Ordinary shares | 21 Dec 2024 | 10,000,000       |
|                 |             | 42,114,611       |

# TENEMENT REPORT

| Country       | Tenement number | Name            | Grant/ application date | Expiry date | Kms/sq | Holder                                  | Equity |
|---------------|-----------------|-----------------|-------------------------|-------------|--------|-----------------------------------------|--------|
| Mauritania    | 2491C4          | Ain Sder        | 28/1/2019               | 2/8/2049    | 207    | Tiris Ressources SA                     | 85%    |
|               | 2492C4          | Oued El Foule   | 28/1/2019               | 2/8/2049    | 190    | Tiris Ressources SA                     | 85%    |
|               | 2457B2          | Hadeibet Belaa* | 20/6/2019               | 20/6/2022   | 41     | Tiris International Mining Company sarl | 100%   |
|               | 2458B2          | Touerig Taet*   | 20/6/2019               | 20/6/2022   | 134    | Tiris International Mining Company sarl | 100%   |
| Sweden        | 2007-243        | Haggan nr 1     | 28/8/2007               | 28/8/2024   | 18.3   | Vanadis Battery Metals AB               | 100%   |
|               | 2018-9          | Mockelasen nr 1 | 21/1/2019               | 21/1/2024   | 17.6   | Vanadis Battery Metals AB               | 100%   |
|               | 2018-7          | Skallbole nr 1  | 20/1/2019               | 20/1/2024   | 7.8    | Vanadis Battery Metals AB               | 100%   |
| Joint Venture | 2688B2          | Nderik*         | 9/7/2019                | 13/11/2021  | 260    | Nomads Mining Co                        | 70%    |

\* Renewal applications have been submitted and are being processed.





